CIRCULAR DATED 2 APRIL 2015

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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 all your units in CitySpring Infrastructure Trust, please forward this Circular and the enclosed Notice of Extraordinary General Meeting and Proxy Form (as defined herein) to the purchaser or transferee, or the stockbroker or agent through whom you have effected the sale for onward delivery to the purchaser or transferee.

Approval in-principle has been granted by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the listing and quotation of the Consideration CIT Units (as defined herein) to be issued pursuant to the Proposed Acquisition (as defined herein) and the New Units (as defined herein) to be issued pursuant to the KMC Equity Fund Raising (as defined herein). Such approval in-principle is not to be taken as an indication of the merits of the Proposed Acquisition, the Consideration CIT Units, the KMC Acquisition, CitySpring Infrastructure Trust and/or its subsidiaries. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular.

This Circular is not to be distributed, directly or indirectly, in or into the United States, Japan or Canada. It is not, and does not constitute, an offer of securities for sale into the United States, Japan or Canada. The Consideration CIT Units and/or New Units have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**U.S. Securities Act**") and, accordingly, may not be offered or sold within the United States or to or for the account of U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act), except in certain transactions exempt from the registration requirements of the U.S. Securities Act.

CITYSPRING INFRASTRUCTURE TRUST

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

CIRCULAR TO UNITHOLDERS OF CITYSPRING INFRASTRUCTURE TRUST

in relation to the following proposals:

(1) THE PROPOSED ACQUISITION BY CITYSPRING INFRASTRUCTURE TRUST OF ALL ASSETS AND LIABILITIES HELD BY KEPPEL INFRASTRUCTURE TRUST (THE "**PROPOSED ACQUISITION**") (INCLUDING THE KMC ACQUISITION);

(2) THE PROPOSED ISSUE OF 1,326,319,374 NEW UNITS BY CITYSPRING INFRASTRUCTURE TRUST TO KEPPEL INFRASTRUCTURE TRUST IN CONSIDERATION FOR THE PROPOSED ACQUISITION;

(3) THE PROPOSED APPOINTMENT OF KEPPEL INFRASTRUCTURE FUND MANAGEMENT PTE. LTD. AS TRUSTEE-MANAGER OF CITYSPRING INFRASTRUCTURE TRUST (TO BE RENAMED "KEPPEL INFRASTRUCTURE TRUST") (THE "**ENLARGED TRUST**"), IN REPLACEMENT OF CITYSPRING INFRASTRUCTURE MANAGEMENT PTE. LTD., WITH EFFECT FROM THE EFFECTIVE DATE OF THE PROPOSED ACQUISITION;

(4) THE PROPOSED ISSUE OF UP TO 1,132,700,000 NEW UNITS BY THE ENLARGED TRUST PURSUANT TO THE PROPOSED EQUITY FUND RAISING TO FINANCE THE ACQUISITION OF KEPPEL MERLIMAU COGEN PTE LTD;

(5) THE PROPOSED AMENDMENT OF CITYSPRING INFRASTRUCTURE TRUST'S EXISTING GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS PURSUANT TO THE PROPOSED ACQUISITION; AND

(6) THE PROPOSED AMENDMENT OF THE TRUST DEED OF CITYSPRING INFRASTRUCTURE TRUST TO REFLECT THE PROPOSED FEE STRUCTURE OF THE TRUSTEE-MANAGER OF THE ENLARGED TRUST (THE "**REPLACEMENT TRUSTEE-MANAGER**").

CITYSPRING INFRASTRUCTURE MANAGEMENT PTE. LTD.

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

FINANCIAL ADVISER FOR THE PROPOSED TRANSACTION

DBS Bank Ltd.

INDEPENDENT FINANCIAL ADVISERS

ROTHSCHILD

PricewaterhouseCoopers Corporate Finance Pte Ltd

IMPORTANT DATES AND TIMES:

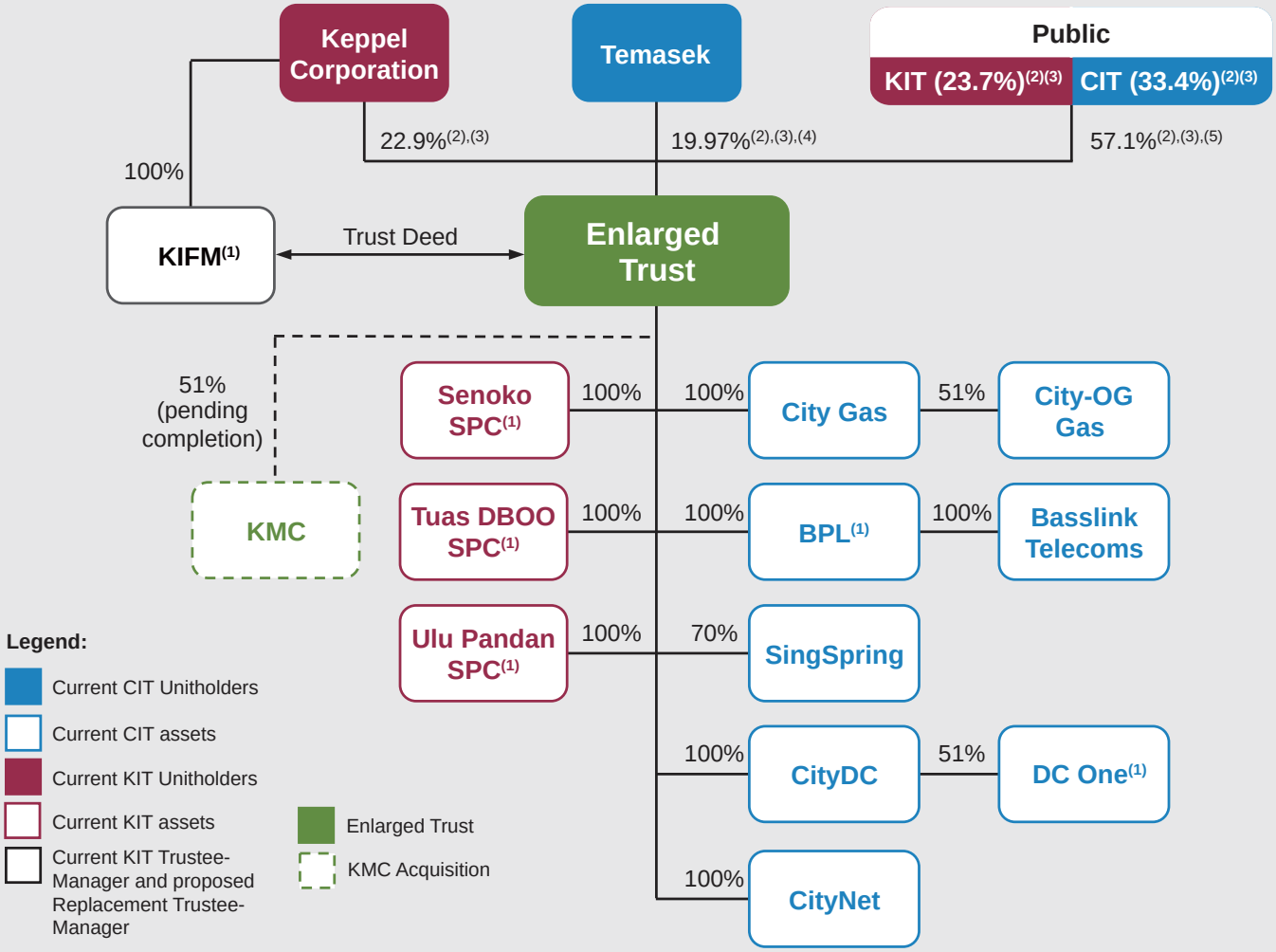
Last date and time for lodgment of Proxy Form	:	28 April 2015 at 11.00 a.m.
Date and time of EGM	:	30 April 2015 at 11.00 a.m.
Place of EGM	:	Ballrooms 1 and 2 Amara Singapore, Level 3 165 Tanjong Pagar Road Singapore 088539

1. WHAT IS THE PROPOSED TRANSACTION?

CIT[(1)] and KIT[(1)] have agreed to enter into the Proposed Transaction, which includes:

1. **Proposed Acquisition:**
   CIT and KIT to combine to form the Enlarged Trust
2. **KMC[(1)] Acquisition:**
   Enlarged Trust to acquire a 51% stake in KMC from Keppel Energy
3. **KMC Equity Fund Raising: Enlarged Trust to undertake a Preferential Offering and Private Placement to finance the KMC Acquisition**

Upon Completion, the Enlarged Trust structure will be as follows:



(1) CitySpring Infrastructure Trust ("**CIT**"); Keppel Infrastructure Trust ("**KIT**"); Keppel Merlimau Cogen Pte Ltd ("**KMC**"); Keppel Infrastructure Fund Management Pte. Ltd. ("**KIFM**"); Senoko Waste-To-Energy Pte. Ltd. ("**Senoko SPC**"); Keppel Seghers Tuas Waste-to-Energy Plant Pte. Ltd. ("**Tuas DBOO SPC**"); Keppel Seghers NEWater Development Co Pte. Ltd. ("**Ulu Pandan SPC**"); Basslink Pty Ltd ("**BPL**"); DataCentre One Pte. Ltd. ("**DC One**").

(2) Unitholdings/shareholdings shown above are post-Completion, but exclude the KMC Acquisition. The KMC Acquisition (dotted green) is shown in the chart for completeness, but will be effected after Completion.

(3) Based on the 180-day volume-weighted average price ("**VWAP**") as of 13 November 2014. 180-day VWAP for KIT = S$1.0446; 180-day VWAP for CIT = S$0.4960, resulting in a swap ratio of 2.106 CIT Units per KIT Unit.

(4) Temasek Holdings (Private) Limited's ("**Temasek**") 19.97% unitholding is held through its wholly-owned subsidiaries comprising Bartley Investments Pte. Ltd., Napier Investments Pte. Ltd., Nassim Investments Pte. Ltd. and CitySpring Infrastructure Management Pte. Ltd., and excludes Temasek's deemed interest through Keppel Corporation Limited.

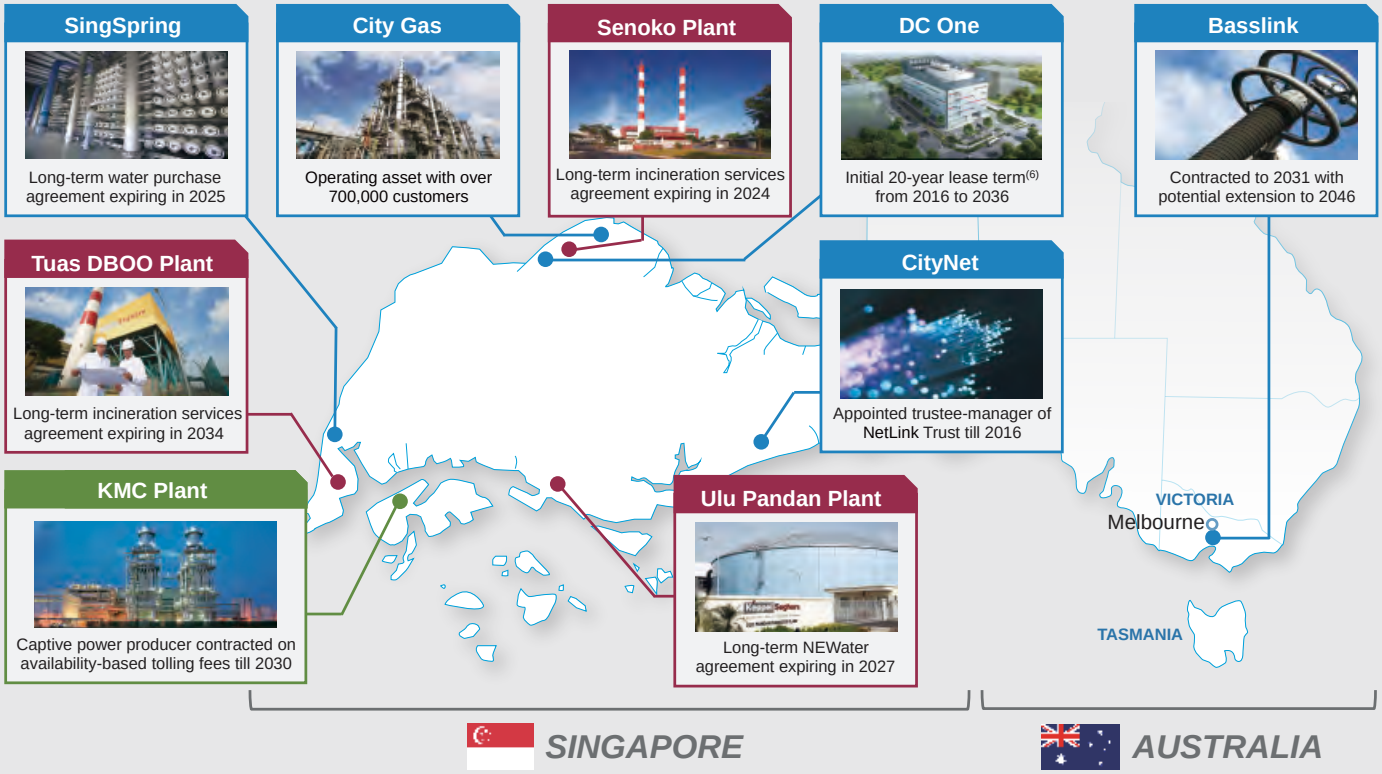
(5) Unitholdings include the interests of the directors and management of CIT and KIT in the CIT Units and KIT Units respectively as at 18 March 2015 (the "**Latest Practicable Date**" or "**LPD**"), which will amount to approximately 0.1% of the Enlarged Trust Units in issue upon Completion.

2. WHAT IS THE TRANSACTION RATIONALE?

You will have an opportunity to be a unitholder of a flagship investment vehicle for Singapore infrastructure, with an enlarged and diversified portfolio of core infrastructure assets.

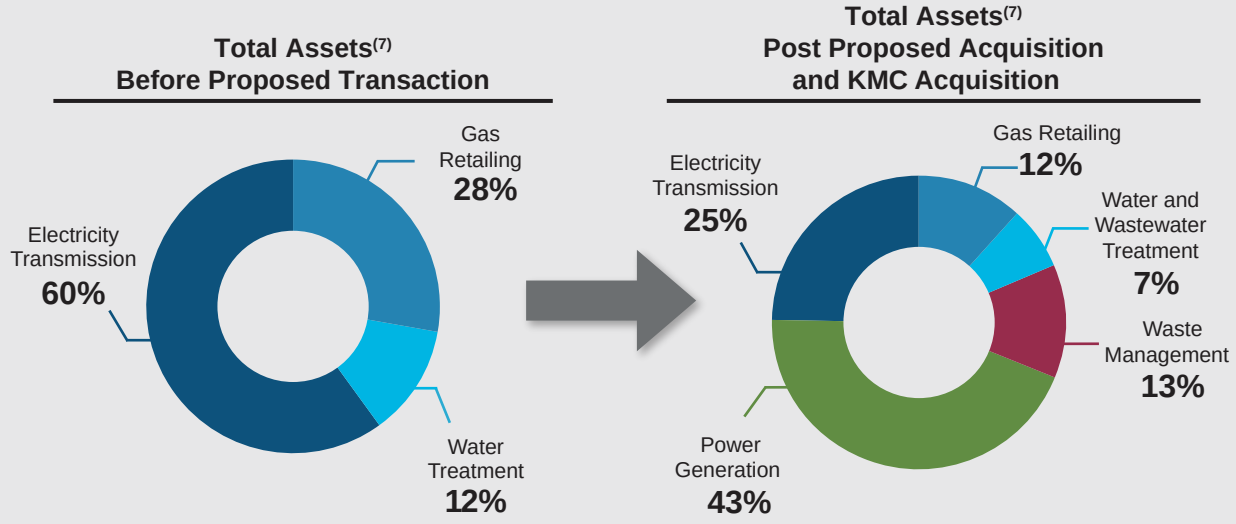
A CREATING THE LARGEST SINGAPORE INFRASTRUCTURE-FOCUSED BUSINESS TRUST

Both CIT and KIT pursue similar investment strategies of acquiring and managing assets which provide long-term, regular and predictable cash flows.



B DEVELOPING A WELL-DIVERSIFIED PORTFOLIO

The Proposed Transaction increases CIT Unitholders' exposure to new segments and reduces concentration risk associated with any single asset.



(6) Construction of the data centre is estimated to complete in the first calendar quarter of 2016.
(7) Analysis of segment assets is based on the operating assets of CIT and KIT, and an enterprise value of S$1,700 million for KMC.

C ACQUIRING STRATEGIC INFRASTRUCTURE ASSETS

The KIT Assets and KMC Plant generate stable cash flows from Singapore government agencies and Keppel Electric[8] respectively. Our objective is to pursue long-term growth by firstly acquiring a 51% equity stake in KMC Plant and seeking other similar acquisition opportunities in the future.

Senoko Plant



Off-taker	National Environment Agency of Singapore
Concession Type	Incineration services agreement
Concession Period	15 years (2009 - 2024)

Tuas DBOO Plant



Off-taker	National Environment Agency of Singapore
Concession Type	Incineration services agreement
Concession Period	25 years (2009 - 2034)

Ulu Pandan Plant



Off-taker	Public Utilities Board of Singapore
Concession Type	NEWater agreement
Concession Period	20 years (2007 - 2027)

KMC Plant



Toller	Keppel Electric
Land Lease	Expiring 2035 with 30-year extension option
Generation Licence	30 years (2003 - 2033)

✓ Provides Enlarged Trust Unitholders with long-term and stable cash flows

- ✓ A combined cycle gas turbine power generation facility in Singapore with a good track record of efficiency and reliability
- ✓ Earns regular and stable capacity fees[9] from Keppel Electric, with volatility caused by electricity prices and demand mitigated
- ✓ Well positioned to support the surrounding industries at Jurong Island with the supply of steam and demineralised water
- ✓ Continuation of operations and maintenance arrangements with the current team managing the KMC Plant

D SUPPORTED BY THE SPONSORSHIP OF KEPPEL INFRASTRUCTURE HOLDINGS PTE. LTD. ("KI")[10]

KI's businesses are complementary to that of the Enlarged Trust. The Enlarged Trust will benefit from KI's sponsorship in the following ways:

1. Right of first refusal to acquire assets developed or incubated by KI
2. Right of first refusal over Keppel Energy's[8] remaining 49% stake in KMC
3. Potential co-investment opportunities with KI

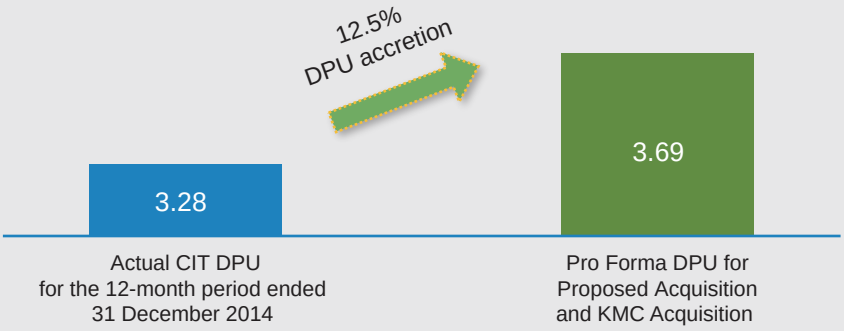
(8) Keppel Electric Pte. Ltd. ("**Keppel Electric**"); Keppel Energy Pte. Ltd. ("**Keppel Energy**").
(9) Subject to availability and capacity test targets taking into account provision for downtime.
(10) KI is the infrastructure arm of Keppel Corporation Limited.

E ENHANCING SUSTAINABLE DISTRIBUTIONS TO UNITHOLDERS

The Proposed Transaction (and the related transactions in connection therewith) is expected to be accretive on a *pro forma* basis to CIT Unitholders by 12.5% as the *pro forma* distribution per CIT Unit of 3.69[(11)] Singapore cents is higher than the actual distribution per CIT Unit of 3.28 Singapore cents for the 12-month period ended 31 December 2014.

DPU

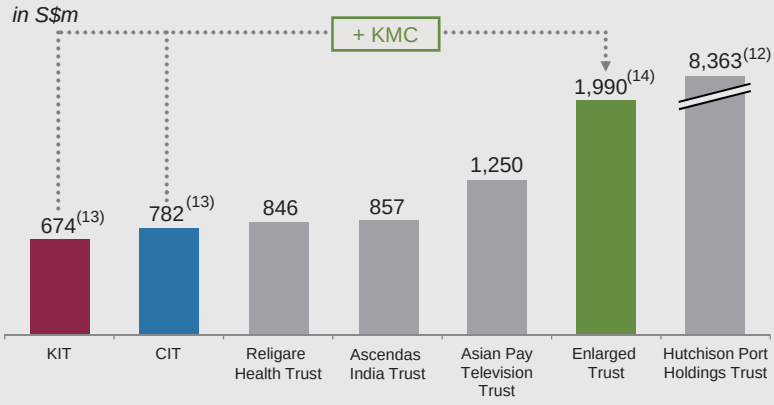
in S$ cents



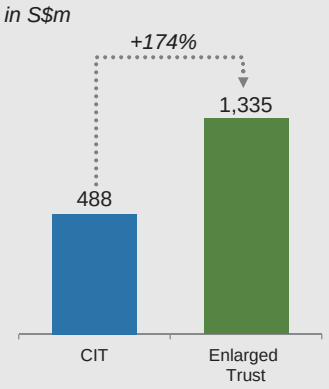
F RAISING CIT'S TRADING LIQUIDITY AND PROFILE

Post the Proposed Transaction, greater scale and critical mass will enable the Enlarged Trust to better pursue sizeable transactions, raise its profile in the investment community and increase its nominal free float to enhance the liquidity of its units.

Market Capitalisation of Singapore Listed Business Trusts[(12)]



Public Float[(15)]



3. WHAT ARE YOUR DISTRIBUTION ENTITLEMENTS?

For each CIT Unit, you will be entitled to receive the following one-off distributions in addition to your customary quarterly distributions:

- **1.98 Singapore cents per CIT Unit**[(16)] pursuant to the CIT Special Distribution; and
- **1.05 Singapore cents per Enlarged Trust Unit**[(17)] pursuant to the Enlarged Trust Special Distribution.

These one-off distributions add up to **3.03 Singapore cents per CIT Unit**[(18)].

(11) Refer to Appendices 3 and 4 of this Circular for the bases and assumptions underlying the *pro forma* financial effects of the Proposed Transaction. Assuming that S$525 million or S$475 million of gross proceeds have been raised pursuant to the KMC Equity Fund Raising, *pro forma* distribution per CIT Unit will be 3.69 or 3.75 Singapore cents respectively, with a corresponding accretion of 12.5% or 14.3%.

(12) As at the LPD. Source: Bloomberg; Hutchison Port Holdings Trust's market capitalisation based on unit price of S$0.960 as disclosed on its website.

(13) Based on an illustrative price of S$0.515 per CIT Unit and S$1.07 per KIT Unit.

(14) Post Completion, based on the swap ratio of 2.106, the Enlarged Trust will have 2,845,212,436 Enlarged Trust Units outstanding. Estimated market capitalisation of the Enlarged Trust is based on CIT's illustrative price of S$0.515 and assuming that S$525 million of gross proceeds have been raised pursuant to the KMC Equity Fund Raising. This should not be interpreted to mean that the Enlarged Trust will trade at such market capitalisation at the completion of the Proposed Transaction.

(15) Assuming an illustrative price of S$0.515 per CIT Unit and that S$525 million of gross proceeds are raised pursuant to the KMC Equity Fund Raising (at the illustrative prices of S$0.490 per New Unit for the Placement and S$0.485 per New Unit for the Preferential Offering).

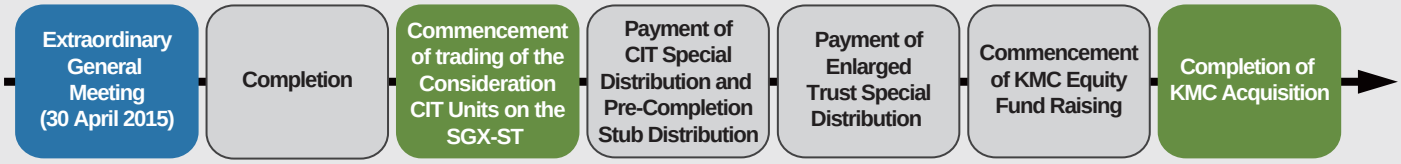
(16) Based on a distribution of S$30 million for a total of 1,518,893,062 issued CIT Units before Completion. Distribution record date is prior to Completion and payment date will be announced after its determination.

(17) Based on a distribution of S$30 million for a total of 2,845,212,436 issued Enlarged Trust Units held by CIT Unitholders and KIT Unitholders (who will receive CIT Units according to the swap ratio), as Enlarged Trust Unitholders, after Completion but before the KMC Equity Fund Raising.

(18) Implying a yield of 5.7% based on CIT's closing price of S$0.535 as at the LPD.

4. WHAT ARE THE IMPORTANT DATES?

INDICATIVE SEQUENCE OF EVENTS



The timings for these events have yet to be determined. The Trustee-Manager or the Replacement Trustee-Manager, where applicable, intends to announce the exact dates of these events on the SGXNet as soon as they have been determined.

5. HOW CAN YOU EXERCISE YOUR VOTE?

As a CIT Unitholder, you are asked to vote on 6 resolutions which will give effect to the above Proposed Transaction: resolutions 1, 2, 3 and 4 are **inter-conditional** on the passing of each other, and resolutions 5 and 6 are each **conditional** upon the passing of resolutions 1 to 4. The Proposed Transaction is also subject to the approval of KIT Unitholders.

A

Attend the Extraordinary General Meeting to vote in person.

Date : 30 April 2015
Time : 11.00 a.m.
Location : Ballrooms 1 and 2
Amara Singapore, Level 3
165 Tanjong Pagar Road
Singapore 088539

OR

B

Appoint a proxy to vote on your behalf by returning the duly signed Proxy Form (found on the back of this Circular) by

Date : 28 April 2015 at 11.00 a.m.
Send to : CitySpring Infrastructure Management Pte. Ltd.
111 Somerset Road #10-01
TripleOne Somerset
Singapore 238164

IMPORTANT NOTICE

The information in this section is a summary of this Circular and is qualified by, and should be read in conjunction with, the full information contained in the rest of this Circular. All capitalised terms in this summary shall bear the same meanings as those set out in the body of this Circular. In the event of any inconsistency or conflict between the terms of this summary and the body of this Circular, the terms set out in the body of this Circular shall prevail.

Nothing in this section is intended to be, or shall be taken as, advice, recommendation or solicitation to CIT Unitholders or any other party.

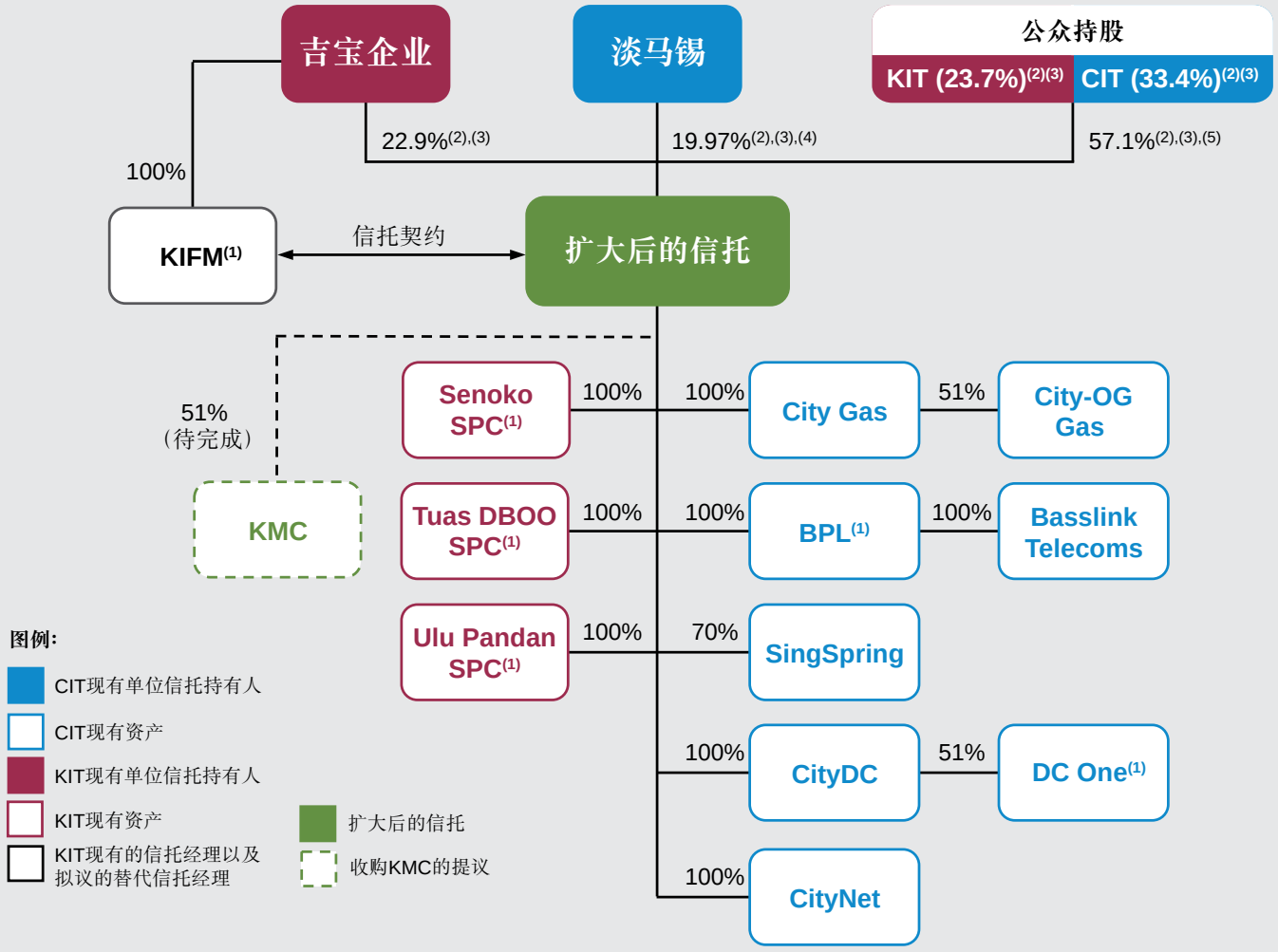
CIT Unitholders are advised to exercise caution when dealing in their CIT Units, and when in doubt as to the actions they should take, they should consult their legal, financial, tax or other professional advisers.

1. 拟议交易 (Proposed Transaction) 的内容是什么?

CIT[(1)]和KIT[(1)]同意接受该拟议交易，内容包括：

1. **拟议的收购：**
   CIT与KIT合并成为扩大后的信托
2. **收购KMC[(1)]：**
   扩大后的信托将向吉宝能源收购 KMC 51%股权
3. **KMC股权融资：**
   扩大后的信托为收购KMC发行优先股及进行私募融资

拟议的收购完成后，扩大后的信托结构如下：



(1) CitySpring基础设施信托(“**CIT**”)；吉宝基础设施信托(“**KIT**”)；吉宝万里旺热电燃气综合循环发电厂(“**KMC**”)；吉宝基础设施基金管理私人有限公司(“**KIFM**”)；圣诺哥垃圾焚烧发电厂(“**Senoko SPC**”)；吉宝西格斯大士垃圾焚烧发电厂(“**Tuas DBOO SPC**”)；乌鲁班丹新生水厂(“**Ulu Pandan SPC**”)；Basslink海底电缆及电力运输公司(“**BPL**”)；DataCentre One私人有限公司(“**DC One**”)。

(2) 如上所示的单位信托／股权持有均为拟议的收购完成后的比例，但不包括收购**KMC**的部分。为完整起见，图中标注了收购**KMC**的信息(以绿色虚线方框表示)，但其仅会在拟议的收购完成之后生效。

(3) 根据截至2014年11月13日的180日价值加权平均成交价(“**VWAP**”)计算。KIT的180日VWAP = 1.0446元新币；CIT的180日VWAP = 0.4960元新币，这相当于CIT对KIT单位信托的交换比率为2.106。

(4) 淡马锡控股(私人)有限公司(“**淡马锡**”)所拥有的19.97%股权是通过其下全资子公司Bartley Investments Pte. Ltd.、Napier Investments Pte. Ltd.、Nassim Investments Pte. Ltd.和CitySpring Infrastructure Management Pte. Ltd.持有，并不包括淡马锡通过吉宝企业有限公司持有的权益。

(5) 截至于2015年3月18日(“**最后实际可行日期**”或“**LPD**”)，单位信托包括CIT和KIT的董事和管理层分别在CIT和KIT所持有的股份，其所占扩大后的信托比率约为0.1%。

2. 为什么要进行这项交易？

您将有机会成为新加坡基础设施旗舰投资项目的所有人，并拥有已扩大和多样化的核心基础设施资产投资组合。

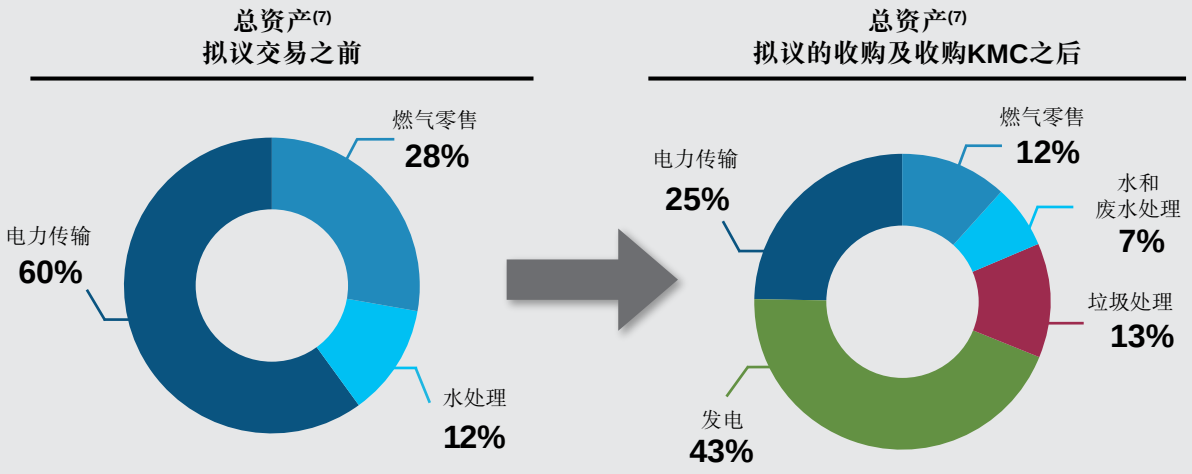
A 创建新加坡规模最大并以基础设施为焦点的商业信托

CIT与KIT具有相似的投资策略：通过资产收购和管理来提供长期性、经常性和可预见性现金流的资产。



B 发展多元化的投资组合

拟议交易将增加CIT单位信托持有人的资产多样性，同时减少总资产与任何单一资产相关的集中性风险。



(6) 数据中心的建设预计于2016年第一季度完成。
(7) 资产分布是基于CIT和KIT的经营性资产和KMC 17亿元新币的企业价值。

C 收购战略性的基础设施资产

来自KIT的资产和吉宝万里旺热电燃气综合循环发电厂可分别从新加坡政府机构和吉宝电力[8]获得稳定的现金流。我们的目标是通过首先收购吉宝万里旺热电燃气综合循环发电厂51%的股权及在未来寻求其他类似收购机会，以取得长期的增长。

Senoko Plant



承购商	新加坡国家环境局
特许经营权类型	焚烧服务协议
特许经营权期限	15年 (2009年 - 2024年)

Tuas DBOO Plant



承购商	新加坡国家环境局
特许经营权类型	焚烧服务协议
特许经营权期限	25年 (2009年 - 2034年)

Ulu Pandan Plant



承购商	新加坡国公用事业局
特许经营权类型	新生水协议
特许经营权期限	20年 (2007年 - 2027年)

KMC Plant



购方	吉宝电力
土地租赁	2035年到期 可选择再续约30年
发电许可证	30年 (2003 - 2033)

- ✓ **为所有扩大后的信托单位持有人提供长期而稳定的现金流**
- ✓ 位于新加坡的联合循环燃气发电设施并在能效和可靠性方面拥有良好的记录
- ✓ 可从吉宝电力获得经常和稳定的容量收入[9]，减少因电费和需求变化所造成的波动率
- ✓ 占有一定的优势，可为位于裕廊岛上的邻近产业供应蒸汽和去矿质水
- ✓ 与目前管理电厂的团队延续现有的运营和维修合约

D 吉宝基础设施控股私人有限公司("吉宝基础设施")[10]提供支持和赞助

吉宝基础设施的业务与扩大后的信托之间相辅相成。扩大后的信托可从以下方面受惠于吉宝基础设施的赞助：

1. **对由吉宝基础设施开发或发展的资产享有优先购买权**
2. **对吉宝能源[8]所持有剩余的49%KMC股权拥有优先购买权**
3. **拥有与吉宝基础设施共同投资的潜在机会**

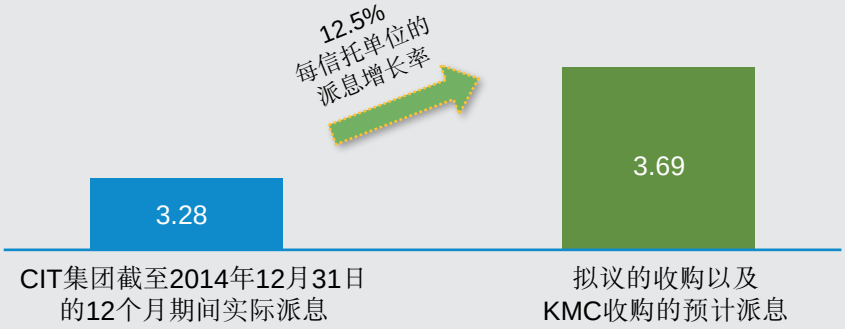
(8) 吉宝电力私人有限公司("**Keppel Electric**")；吉宝能源私人有限公司("**Keppel Energy**")。
(9) 须达到考量正常停机时间后的供应和容量测试目标。
(10) 吉宝基础设施是吉宝企业旗下负责基础设施业务的单位。

E 增强给信托单位持有人派息的可持续性

根据估计，每个CIT信托单位的预计派息为3.69[11]分新币，高于截至2014年12月31日的12个月期间每CIT信托单位的3.28分新币实际派息，因此，该拟议交易（及与该拟议交易相关的有关交易）预计将使CIT信托单位持有人的派息增加12.5%。

每信托单位的派息

以新币分为单位

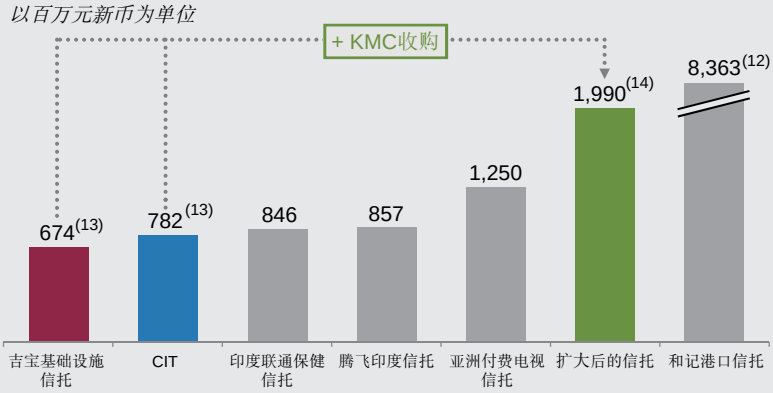


F 提高CIT交易流动性和知名度

拟议交易完成后，扩大后的信托可发挥规模效应，进行规模可观的交易，提高其在投资领域的知名度，并增加其公众持股量从而提高其信托单位的流动性。

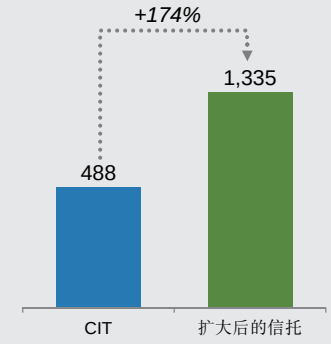
新加坡上市的商业信托市值[12]

以百万元新币为单位



公众持股量[15]

以百万元新币为单位



3. 您可分得的派息有多少？

针对每个CIT信托单位，您除了可获得每个季度的例常派息以外，还将获得以下一次性股息分派：

- 根据CIT特别派息规定，**每个CIT信托单位[16]可获得1.98分新币**；及
- 根据扩大后的信托特别派息规定，**每个扩大后信托单位[17]可获得1.05分新币**。

这些一次性股息分派加起来，相等于**每个CIT信托单位分得3.03分新币[18]**。

(11) 有关拟议交易的预期财务影响的预测基准及假设，请参阅本函附录3和4。假设KMC私募融资计划筹得5.25或4.75亿元新币的总融资额，每个CIT信托单位的预计派息分别可达3.69和3.75分新币，其预计派息增长率将分别达到12.5%和14.3%。

(12) 截至最后实际可行日期。资料来源：彭博社；和记港口信托的市值是根据其网站所列每单位0.960元新币的价格所计算。

(13) 基于每CIT单位0.515元新币和每KIT单位1.07元新币的指示性价格计算。

(14) 拟议的收购完成后，基于2.106的交换比例，扩大后的信托将拥有2,845,212,436个信托单位。扩大后的信托的预计市值，是基于CIT单位0.515元新币的指示性价格及再加上根据KMC私募融资计划预计获得5.25亿元新币的总融资额。这并不代表当交易完成时，扩大后的信托将按该市值进行交易。

(15) 假设每CIT单位的指示性价格为0.515元新币及根据KMC私募融资计划筹得5.25亿元新币的总融资额（按新配售的每单位0.490元新币和新优先发售的每单位0.485元新币的指示性价格计算）。

(16) 基于拟议的收购完成前对CIT的1,518,893,062个信托单位所派发的3千万元新币的派息总额。派息记录日期将在拟议的收购完成之前而付款日期将在确定后公布。

(17) 基于拟议的收购完成后但在KMC股权融资之前，对扩大后的信托的2,845,212,436个信托单位3千万元新币的派息总额，其持有人为CIT单位信托持有人以及按照交换比例获得CIT信托单位的KIT单位信托持有人。

(18) 截至最后实际可行日期，基于CIT收盘价格0.535元新币，暗示收益率为5.7%。

4. 有哪些关键步骤？

预计关键里程碑的顺序



以上有关事项的日期尚未确定。CIT的现有信托经理或替代信托经理（如适用）一旦确定日期，将通过SGXNet公告。

5. 您如何投票？

作为CIT单位持有人，您需针对六项决议进行投票，以使上述拟议交易生效：第1号、2号、3号和4号决议各自的通过有着**互为条件**的关系，而第5号和第6号决议分别属于**有条件决议**，其每一项决议都取决于1号到4号决议的顺利通过。该拟议交易需获得KIT单位信托持有人的批准。

A

出席特别股东大会亲自投票。
日期 ： 2015年4月30日
时间 ： 上午11.00点
地点 ： Ballrooms 1 and 2
Amara Singapore, Level 3
165 Tanjong Pagar Road
Singapore 088539

或

B

在下列日期前提交填写代理人表格（见本函背面）**指定代理人**以您的名义进行投票
日期 ： 2015年4月28日，上午11.00点
地址 ： CitySpring Infrastructure
Management Pte. Ltd.
111 Somerset Road #10-01
TripleOne Somerset
Singapore 238164

重要事项

本节信息仅为本函全文的摘要，应结合本函全文内容进行阅读。本摘要所用词汇应与本函全文内容的词汇具有相同含义。若在本摘要中出现任何与本函不一致或冲突的内容，以本函内容为准。

本节信息不应作为、亦不可用于对单位信托持有人或其他任何各方的建议、推荐或进行招揽。

CIT单位信托持有人在处理其CIT单位信托时需审慎行事，如对他们应采取的行动有任何疑问，应向各自的法律、财务、税务或其他专业顾问征询意见。

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CORPORATE INFORMATION

Directors of CitySpring Infrastructure Management Pte. Ltd. ("**Trustee-Manager**"), as Trustee-Manager of CitySpring Infrastructure Trust ("**CIT**")	:	Daniel Cuthbert Ee Hock Huat (Chairman and Independent Director) Mark Andrew Yeo Kah Chong (Independent Director) Yeo Wico (Independent Director) Haresh Jaisinghani (Independent Director) Ong Beng Teck (Non-Executive Director)
Registered Office of Trustee-Manager	:	111 Somerset Road #10-01 TripleOne Somerset Singapore 238164
Financial Adviser in respect of the Proposed Transaction (as defined herein)	:	DBS Bank Ltd. 12 Marina Boulevard, Level 46 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Adviser to the Trustee-Manager	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Auditor and Reporting Accountant	:	Ernst & Young LLP One Raffles Quay North Tower Level 18 Singapore 048583
Independent financial adviser to the Independent Directors and AC (as defined herein) in relation to the Proposed Transaction	:	Rothschild (Singapore) Limited One Raffles Quay, North Tower 1 Raffles Quay, #10-02 Singapore 048583
Independent financial adviser to the Independent Directors and AC in relation to the amendment of CIT's existing general mandate for interested person transactions and the amendment of trustee-manager fees	:	PricewaterhouseCoopers Corporate Finance Pte Ltd 8 Cross Street #17-00 PwC Building Singapore 048424
Registrar and Unit Transfer Office	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623

INDICATIVE SEQUENCE OF EVENTS

Sequence of Events
Record Date for Pre-Completion Stub Distribution and CIT Special Distribution
Completion (as defined herein)
Issue of the Consideration CIT Units
Commencement of trading of the Consideration CIT Units on the SGX-ST
Payment Date for Pre-Completion Stub Distribution and CIT Special Distribution
Payment Date for Enlarged Trust Special Distribution
Commencement of KMC Equity Fund Raising
Completion of KMC Acquisition

The timings for the events stated above have yet to be determined and will be determined at the absolute discretion of the Trustee-Manager or the Replacement Trustee-Manager, where applicable. The Trustee-Manager or the Replacement Trustee-Manager, where applicable, intends to announce the exact dates of the above events as soon as they have been determined. Announcements will be made through SGXNet.

NOTICE TO CIT UNITHOLDERS

Circular not an Offering Document. This Circular is issued to CIT Unitholders (as defined herein) solely for the purpose of convening the EGM and seeking their approval for the resolutions to be proposed at the EGM. This Circular does not constitute an offering document for the offer of the Consideration CIT Units and/or the New Units and no offer of any Consideration CIT Units and/or New Units is being made in this Circular. Any offer of the Consideration CIT Units and/or New Units will be made pursuant to such offering document to be issued by CIT or the Enlarged Trust (as the case may be) in due course, as may be required in compliance with all applicable laws and regulations.

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. You 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. CIT Unitholders should consult their own professional advisers as to the legal, tax, business, financial and related aspects of an investment in the CIT Units. CIT 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. CIT and the Trustee-Manager require persons into whose possession this Circular comes to inform themselves about and to observe any such restrictions at their own expense and without liability to CIT 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.

U.S. Securities Act Restrictions. This Circular may not be forwarded or distributed and may not be reproduced in any manner whatsoever. Any forwarding, distribution or reproduction of this Circular in whole or in part is unauthorised. Failure to comply with this directive may result in a violation of the U.S. Securities Act, or the applicable laws of other jurisdictions. Nothing in this Circular constitutes an offer of the Consideration CIT Units and/or New Units for sale in any jurisdiction where it is unlawful to do so. The Consideration CIT Units and/or New Units have not been and will not be registered under the U.S. Securities Act or with any other securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred except in an offshore transaction in accordance with rule 903 or rule 904 of Regulation S under the U.S. Securities Act. This Circular is not for distribution, directly or indirectly, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia), Japan or Canada. This Circular also does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Consideration CIT Units and/or New Units may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from the registration requirements of the U.S. Securities Act or in Japan or Canada. There will be no public offer of securities in the United States.

DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated (for convenience, capitalised terms are also defined where they first appear in this Circular – however, the meanings given in this "Definitions" section shall prevail in the event of any inconsistency):

"AC"	:	Audit committee of CIT.
"Announcement"	:	The announcement dated 18 November 2014 made by the Trustee-Manager in relation to the SPA entered into between the Trustee-Manager and the KIT Trustee-Manager to acquire the Assets and the Assumed Liabilities.
"Announcement LPD"	:	13 November 2014, being the last full day of trading of CIT Units and KIT Units on the SGX-ST before the release of the Announcement.
"AOMP"	:	Annual Operations and Maintenance Plan.
"Assets"	:	The assets owned by KIT, as set out in paragraph 3.2 of this Circular.
"Assumed Liabilities"	:	The liabilities as set out in paragraph 3.2 of this Circular.
"Australian Dollar", "A$" or "Australian cents"	:	The lawful currency for the time being of Australia.
"Bartley"	:	Bartley Investments Pte. Ltd., a company incorporated in the Republic of Singapore, and which is a wholly-owned subsidiary indirectly held by Temasek.
"Basslink"	:	The interconnection between the Tasmanian and Victorian electricity grids via a high voltage submarine cable across the Bass Strait.
"Basslink Telecoms"	:	Basslink Telecoms Pty Ltd, a company incorporated in Australia.
"BPL"	:	Basslink Pty Ltd, a company incorporated in Australia which owns and operates Basslink.
"BSA"	:	The Basslink Services Agreement dated 29 November 2002, as amended and restated on 5 and 7 June 2007, between BPL and HT.
"BTA"	:	Business Trusts Act, Chapter 31A of Singapore, as amended, modified or supplemented from time to time.
"CDP"	:	The Central Depository (Pte) Limited.
"CIT"	:	CitySpring Infrastructure Trust, a business trust constituted in the Republic of Singapore pursuant to the Trust Deed and registered with the MAS.
"CIT Group"	:	CIT and its subsidiaries.
"CIT Special Distribution"	:	A special cash distribution of S$30 million in aggregate proposed to be paid to CIT Unitholders as at a record date immediately before Completion.

"CIT Unitholders"	:	Holders holding CIT Units.
"CIT Units"	:	Units in CIT.
"City Gas"	:	The trust known as "City Gas Trust", which carries on the business of producing and retailing town gas in Singapore.
"City-OG Gas"	:	City-OG Gas Energy Services Pte. Ltd., a company incorporated in the Republic of Singapore.
"CityDC"	:	CityDC Pte. Ltd., a company incorporated in the Republic of Singapore.
"CityNet"	:	CityNet Infrastructure Management Pte. Ltd., a company incorporated in the Republic of Singapore.
"Companies Act"	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time.
"Completion"	:	The completion of the Proposed Acquisition.
"Conditions Precedent"	:	The conditions precedent to be satisfied prior to the Completion, as set out in paragraph 3.5 of this Circular.
"Consideration"	:	The sum of S$657,854,409.50, in consideration for the purchase of the Assets and Assumed Liabilities by CIT.
"Consideration CIT Units"	:	New CIT Units to be issued to KIT pursuant to the Proposed Acquisition.
"CPIS"	:	The Consumer Price Index published by the Singapore Department of Statistics.
"CPU"	:	Consolidated cash earnings of the CIT Group per CIT Unit.
"CSIM"	:	CitySpring Infrastructure Management Pte. Ltd., a company incorporated in the Republic of Singapore, and which is a wholly-owned subsidiary indirectly held by Temasek.
"DC One"	:	DataCentre One Pte. Ltd., a company incorporated in the Republic of Singapore.
"Directors" or "Board"	:	The directors of the Trustee-Manager.
"Distribution in Specie"	:	The distribution in specie of Consideration CIT Units to KIT Unitholders.
"DPU"	:	Distribution per CIT Unit or Enlarged Trust Unit (as the case may be).
"EAR"	:	Has the same meaning as set out in Appendix 6 to this Circular.
"EAR Group"	:	Has the same meaning as set out in Appendix 6 to this Circular.
"EFR Record Date"	:	The books closure date for determining the entitlements of Enlarged Trust Unitholders under the Preferential Offering pursuant to the KMC Equity Fund Raising, if applicable.
"EGM"	:	The extraordinary general meeting of CIT Unitholders to be held on 30 April 2015, notice of which is set out on pages 235 to 237 of this Circular, and any adjournment thereof.

"Eligible QIBs"	:	Beneficial holders of Enlarged Trust Units (i) who are each a "qualified institutional buyer" (as defined in Rule 144A under the U.S. Securities Act) and (ii) who have each delivered, not later than the closing date of the Placement or the closing date of the Preferential Offering, as the case may be (or such other date as may be agreed by the Replacement Trustee-Manager with the KMC EFR Underwriters) to the Replacement Trustee-Manager, a signed investor representation letter in the form which is accepted by the Replacement Trustee-Manager and the KMC EFR Underwriters.
"Eligible Unitholders"	:	(i) Enlarged Trust Unitholders with Enlarged Trust Units standing to the credit of their Securities Accounts as at the EFR Record Date and (a) whose registered addresses with CDP are in Singapore as at the EFR Record Date; (b) who have, at least three Market Days prior to the EFR Record Date provided CDP with addresses in Singapore for the service of notices and documents or (c) who are Eligible QIBs; and (ii) Enlarged Trust Unitholders whose Enlarged Trust Units are not deposited with CDP and who have tendered to the Registrar valid transfers of their Enlarged Trust Units and/or the documentary evidence evidencing their title in relation thereto for registration up to the EFR Record Date, and (a) whose registered addresses with the Registrar are in Singapore as at the EFR Record Date, (b) who have, at least three Market Days prior to the EFR Record Date, provided the Registrar with addresses in Singapore for the service of notices and documents or (c) who are Eligible QIBs.
"EMA"	:	Energy Market Authority of Singapore.
"EMC"	:	Energy Market Company Pte Ltd.
"Enlarged Trust"	:	The surviving trust upon Completion, to be named "Keppel Infrastructure Trust".
"Enlarged Trust Group"	:	The Enlarged Trust and its subsidiaries.
"Enlarged Trust Special Distribution"	:	A special cash distribution of S$30 million in aggregate to be paid to Enlarged Trust Unitholders as at a record date after Completion.
"Enlarged Trust Unitholders"	:	Holders holding units in the Enlarged Trust.
"Enlarged Trust Units"	:	Units in the Enlarged Trust.
"EPU"	:	Consolidated net earnings after income tax and non-controlling interests of the CIT Group per CIT Unit.
"EV"	:	Enterprise value.
"Existing Mandate"	:	The mandate granted on 30 July 2014 by CIT Unitholders to the Directors to issue new units.
"Existing Plants"	:	Ulu Pandan Plant, Senoko Plant and Tuas DBOO Plant.
"Extraordinary Resolution"	:	A resolution proposed and passed as such by a majority of CIT Unitholders (such majority being 75 per cent. or more of the total number of votes cast for and against such resolution at a general meeting of CIT Unitholders).

"Facility"	:	The credit facilities for S$700 million to be obtained by KMC pursuant to the Facility Agreement.
"Facility Agreement"	:	An agreement to be entered into by KMC to obtain the Facility from financial institutions in Singapore pursuant to the Restructuring exercise.
"Feedwater"	:	Effluent from the Ulu Pandan Water Reclamation Plant located next to Ulu Pandan Plant.
"Financial Adviser"	:	DBS Bank Ltd., in its capacity as financial adviser to CIT in respect of the Proposed Transaction.
"Flue Gas Treatment Upgrade"	:	Upgrade of the flue gas treatment system of Senoko Plant.
"FY"	:	In the case of the CIT Group, the financial year ended 31 March and in the case of the KIT Group and KMC, the financial year ended 31 December.
"Gas Management Agreement"	:	The entry by KMC into an agreement with Keppel Gas Pte. Ltd. for management services relating to the gas sales agreement for vested quantities of gas with BG Singapore Gas Marketing Pte. Ltd.
"HT"	:	Hydro-Electric Corporation, trading as "Hydro Tasmania".
"IDA"	:	Infocomm Development Authority of Singapore.
"Independent Directors"	:	The Directors who are considered independent of the Proposed Transaction.
"Ineligible Unitholders"	:	Enlarged Trust Unitholders other than Eligible Unitholders as at the EFR Record Date.
"Initial Units"	:	Enlarged Trust Units held by Tembusu or KI, as the case may be, as at the date of Completion.
"Interested Persons"	:	Has the same meaning as set out in Appendix 6 to this Circular.
"IPT Mandate"	:	The proposed general mandate for interested person transactions, as amended, in relation to the Enlarged Trust, to be effective upon Completion.
"ISAs"	:	Incineration service agreements.
"JTC"	:	Jurong Town Corporation.
"Keppel Companies"	:	Keppel Corporation, its subsidiaries and associated companies.
"Keppel Corporation"	:	Keppel Corporation Limited, a company incorporated in the Republic of Singapore.
"Keppel Electric" or "Toller"	:	Keppel Electric Pte. Ltd., a company incorporated in the Republic of Singapore.
"Keppel Energy"	:	Keppel Energy Pte. Ltd., a company incorporated in the Republic of Singapore.
"Keppel Group"	:	Keppel Corporation and its subsidiaries.
"Keppel O&M Operator" or "Keppel EPC Contractor"	:	Keppel Seghers Engineering Singapore Pte. Ltd., a company incorporated in the Republic of Singapore.

"KI"	:	Keppel Infrastructure Holdings Pte. Ltd., a company incorporated in the Republic of Singapore.
"KIFM"	:	Keppel Infrastructure Fund Management Pte. Ltd., a company incorporated in the Republic of Singapore.
"KIS"	:	Keppel Infrastructure Services Pte. Ltd., a company incorporated in the Republic of Singapore.
"KIT"	:	Keppel Infrastructure Trust, a business trust constituted in the Republic of Singapore and registered with MAS.
"KIT Circular"	:	Circular to KIT Unitholders dated 2 April 2015 in relation to the (i) KMC Acquisition and the KIT Equity Fund Raising, (ii) proposed disposal of the assets and liabilities of KIT to CIT, (iii) Distribution In Specie and (iv) proposed winding up of KIT.
"KIT Equity Fund Raising"	:	The proposed issue of such number of KIT Units so as to raise up to approximately S$525 million in gross proceeds to finance the KMC Acquisition (in the event the KMC Acquisition completes without the Proposed Acquisition completing).
"KIT Group"	:	KIT and its subsidiaries.
"KIT Trustee-Manager"	:	KIFM, acting in its capacity as trustee-manager of KIT.
"KIT Units"	:	Units in KIT.
"KIT Unitholders"	:	Holders holding KIT Units.
"KMC"	:	Keppel Merlimau Cogen Pte Ltd, a company incorporated in the Republic of Singapore.
"KMC Acquisition"	:	The acquisition of a 51.0 per cent. stake in KMC by KIT for a cash consideration of S$510 million, based on an EV of S$1,700 million.
"KMC Completion Date"	:	The date the KMC Acquisition is completed.
"KMC CTA"	:	A 15-year capacity tolling agreement to be entered into between Keppel Electric and KMC, pursuant to which KMC will contract its full generation capacity exclusively to Keppel Electric.
"KMC EFR Underwriters"	:	The underwriters to be appointed by the Replacement Trustee-Manager in respect of the KMC Equity Fund Raising.
"KMC Equity Fund Raising"	:	The proposed issue of up to 1,132,700,000 New Units by the Enlarged Trust pursuant to a Placement and/or a Preferential Offering so as to raise up to approximately S$525 million in gross proceeds, as more particularly described in paragraph 9 of this Circular.
"KMC EFR Lock-Up Period"	:	The period commencing from the date of Completion until the earlier of, (a) 30 September 2016, and (b) the date falling 12 months after the completion of the KMC Equity Fund Raising (both dates inclusive).

"KMC EFR Lock-Up Units"	:	The (a) Initial Units and (b) New Units to be issued arising from the subscription for the *pro rata* entitlements of the Initial Units under the Preferential Offering, in respect of which each of Tembusu and KI has provided an undertaking to the Trustee-Manager as detailed in paragraph 3.8.2 of this Circular.
"KMC O&M"	:	KMC O&M Pte. Ltd., a company incorporated in the Republic of Singapore.
"KMC Plant"	:	Keppel Merlimau Cogen power plant, a combined cycle gas turbine power plant located at 201 Jurong Island Highway, Singapore 627805. The KMC Plant comprises two phases: (a) phase I of KMC, which has a generation capacity of 500 MW and commenced commercial operation in April 2007; and (b) the expansion of an additional two trains of 400 MW each which commenced commercial operations in March and July 2013 respectively.
"KMC Purchase Consideration"	:	The purchase consideration to be paid by KIT for the 51 per cent. interest in KMC, being S$510 million.
"KMC QPDS"	:	The notes to be issued by KMC (having a total principal amount of S$500 million) on the KMC Completion Date.
"KMC Sale Shares"	:	102 ordinary shares to be issued by KMC to KIT pursuant to the KMC SPA.
"KMC SHA"	:	The shareholders' agreement to be executed by the KIT Trustee-Manager or the Replacement Trustee-Manager (as the case may be), Keppel Energy and KMC on the KMC Completion Date.
"KMC SPA"	:	The conditional sale and purchase agreement dated 18 November 2014 between the KIT Trustee-Manager and Keppel Energy, for the acquisition of 102 ordinary shares in the capital of KMC, representing 51 per cent. of the issued and paid-up share capital of KMC.
"KMC Transaction Documents"	:	The legal agreements referred to in the KMC SPA entered into by KMC in order to give effect to the Restructuring of KMC as described in this Circular, and for the avoidance of doubt, includes the KMC CTA, the OMSA, the Facility Agreement, the notes subscription deed for the KMC QPDS and any ancillary definitive legal documentation expedient or necessary to give effect to the KMC CTA, the OMSA, the Facility Agreement and the KMC QPDS.
"Latest Practicable Date" or "LPD"	:	18 March 2015, the latest practicable date prior to the printing of this Circular.
"Listing Manual"	:	The Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time.
"Lock-Up Period"	:	The period commencing from the date of Completion until the date falling 12 months thereafter (both dates inclusive).

"Lock-Up Units"	:	The Initial Units in respect of which Tembusu, Temasek, KI and Keppel Corporation have each provided undertakings in accordance with the moratorium requirements specified in Rules 227 to 229 of the Listing Manual.
"LPU"	:	Consolidated net loss after income tax and non-controlling interests of the CIT Group per CIT Unit.
"Major Maintenance Agreements"	:	The major maintenance agreements entered into between KMC and ALSTOM Group.
"Market Day"	:	A day on which the SGX-ST is open for trading in securities.
"MAS"	:	The Monetary Authority of Singapore.
"Master Settlement Agreement"	:	A master settlement agreement to be executed by, *inter alia*, KMC and Keppel Electric whereby Keppel Electric will assume the risks and benefits of fuel price and foreign exchange hedging arrangements that were put in place by KMC.
"MW"	:	MegaWatt.
"Napier"	:	Napier Investments Pte. Ltd., a company incorporated in the Republic of Singapore, and which is a wholly-owned subsidiary indirectly held by Temasek.
"Nassim"	:	Nassim Investments Pte. Ltd., a company incorporated in the Republic of Singapore, and which is a wholly-owned subsidiary indirectly held by Temasek.
"NAV"	:	Net asset value of an entity, being the difference between total assets and total liabilities, in each case as derived from the financial statements of that entity.
"NEA"	:	National Environment Agency of Singapore.
"NEMS"	:	National Electricity Market of Singapore.
"New Units"	:	New units of the Enlarged Trust to be issued pursuant to the KMC Equity Fund Raising.
"NEWater Agreement"	:	The amended and restated NEWater agreement dated 20 January 2005 between Ulu Pandan SPC and PUB, as novated, further amended and restated on 27 May 2010 among Ulu Pandan SPC, the Ulu Pandan Trustee and PUB.
"Notice of EGM"	:	The notice of EGM, found on pages 235 to 237 of this Circular.
"NTA"	:	Net tangible assets.
"O&M"	:	Operation and maintenance.
"OMSA"	:	A long-term Operation and Maintenance Services Agreement service contract to be entered into between KMC O&M and KMC pursuant to the KMC Acquisition.
"Ordinary Resolution"	:	A resolution proposed and passed as such by a majority of CIT Unitholders (such majority being more than 50 per cent. of the total number of votes cast for and against such resolution at a general meeting of CIT Unitholders).

"Overseas Unitholders"	:	Enlarged Trust Unitholders whose registered address (as recorded in the register of Enlarged Trust Unitholders or in the Depository Register maintained by CDP for the service of notice and documents) is outside Singapore as at the EFR Record Date.
"Per cent." or "%"	:	Per centum or percentage.
"Permitted Transfers"	:	Has the meaning ascribed to it in paragraph 3.8.1 of this Circular.
"Pipenet Agreements"	:	The agreements to be executed by KMC with Pipenet Pte. Ltd. for maintenance services and rental charges related to KMC's wayleave facilities.
"Placement"	:	The offering of New Units to institutional and other investors which forms part of the KMC Equity Fund Raising.
"Plants"	:	Ulu Pandan Plant, Senoko Plant, Tuas DBOO Plant and KMC Plant.
"Post-EFR Stub Distribution"	:	The distribution to be made to Enlarged Trust Unitholders in respect of the distribution period from the date of issue of New Units pursuant to the Placement and ending on 30 June 2015.
"Power Train"	:	The gas turbine and steam turbine assemblies of the KMC Plant.
"Pre-Completion Stub Distribution"	:	The distribution to be made to CIT Unitholders in respect of the distribution period commencing from the day immediately following the last day of the latest calendar quarter immediately preceding Completion and ending immediately prior to Completion.
"Pre-EFR Stub Distribution"	:	The distribution to be made to Enlarged Trust Unitholders in respect of the distribution period commencing from the date of Completion and ending on the day immediately before the issue of the New Units pursuant to the Placement.
"Pre-EFR Stub Distribution Record Date"	:	The books closure date for determining the entitlements of Enlarged Trust Unitholders in relation to the Pre-EFR Stub Distribution.
"Preferential Offering"	:	The non-renounceable preferential offering of New Units to Enlarged Trust Unitholders which forms part of the KMC Equity Fund Raising.
"Proposed Acquisition"	:	The proposed acquisition of the Assets and Assumed Liabilities of KIT by CIT, in consideration for the issue of Consideration CIT Units to KIT.
"Proposed Transaction"	:	The Proposed Acquisition including the KMC Acquisition.
"Proxy Form"	:	The proxy form in respect of the EGM as set out in this Circular.
"PUB"	:	The Public Utilities Board of Singapore.

"PwC"	:	PricewaterhouseCoopers Corporate Finance Pte Ltd, the independent financial adviser appointed by the Independent Directors in relation to the amendment of CIT's existing general mandate for interested person transactions and the amendment of the trustee-manager fees.
"PwC Letter"	:	The letter dated 2 April 2015 by PwC in relation to the amendment of CIT's existing general mandate for interested person transactions and the amendment of the trustee-manager fees.
"QPDS"	:	Qualifying project debt securities.
"Registrar"	:	Boardroom Corporate & Advisory Services Pte. Ltd.
"Relevant Benchmark"	:	Has the same meaning as set out in Appendix 6 to this Circular.
"Replacement Trustee-Manager"	:	The trustee-manager of the Enlarged Trust, being KIFM, to be appointed after Completion.
"Required Modification"	:	The upgrade of the KMC Plant, as described in paragraph 4.4(d) of this Circular.
"Restricted Placees"	:	(1) directors of the Replacement Trustee-Manager and substantial Enlarged Trust Unitholders; (2) spouse, children, adopted children, step-children, siblings and parents of (a) the directors of the Replacement Trustee-Manager and (b) the substantial Enlarged Trust Unitholders; (3) substantial shareholders, related companies (as defined in Section 6 of the Companies Act), associated companies and sister companies of the substantial Enlarged Trust Unitholders; (4) corporations in which the directors of the Replacement Trustee-Manager and the substantial Enlarged Trust Unitholders have an aggregate interest of at least 10.0 per cent.; and (5) any person who, in the opinion of the SGX-ST, falls within categories (1) to (4) above.
"Restructuring"	:	The proposed capital restructuring exercise to be conducted by KMC, as set out in paragraph 4.3.4 of this Circular.
"ROFR Assets"	:	Any asset (a) in which one or more Sponsor Group Entities hold, in aggregate, a voting interest of more than 50.0 per cent. and (b) which is of such type, carries out such activities or provides such services, and is located within such geographical area, as to fall within the investment mandate of KIT**.**
"ROFR Deed"	:	The Deed of Right of First Refusal executed by KI, as the sponsor of KIT, in favour of the KIT Trustee-Manager.

"Rothschild"	:	Rothschild (Singapore) Limited, the independent financial adviser appointed by the Independent Directors in relation to the Proposed Transaction.
"Rothschild Letter"	:	The letter dated 2 April 2015 by Rothschild in relation to the Proposed Transaction.
"Securities Account"	:	Enlarged Trust Unitholders' securities accounts with CDP.
"Senoko ISA"	:	The incineration services agreement dated 17 September 2008 between NEA and the KIT Trustee-Manager, as supplemented on 31 August 2009, as amended and restated on 27 May 2010 among the KIT Trustee-Manager, the Senoko Trustee and NEA.
"Senoko O&M Agreement"	:	The O&M agreement dated 28 August 2009 between the Senoko Trustee and Keppel O&M Operator, as amended and restated on 27 May 2010 among Senoko SPC, the Senoko Trustee and Keppel O&M Operator.
"Senoko Plant"	:	Senoko Waste-to-Energy Plant.
"Senoko SPC"	:	Senoko Waste-To-Energy Pte. Ltd., a company incorporated in the Republic of Singapore.
"Senoko Supplemental ISA"	:	The supplemental incineration services agreement entered into between Senoko Trustee and NEA in September 2014.
"Senoko Trust"	:	The trust constituted to hold the assets and business undertakings relating to Senoko Plant.
"Senoko Trustee"	:	Senoko SPC, acting in its capacity as trustee of Senoko Trust.
"SFCA"	:	Stone Forest Corporate Advisory Pte. Ltd.
"SGX-ST"	:	Singapore Exchange Securities Trading Limited.
"SIC"	:	Securities Industry Council.
"Singapore Dollar", "S$" or "Singapore cents"	:	The lawful currency for the time being of Singapore.
"**SingSpring**"	:	The trust known as "SingSpring Trust", which carries on the business of supplying desalinated water from the SingSpring desalination plant in Singapore.
"SPA"	:	The agreement dated 18 November 2014 entered into between the Trustee-Manager and the KIT Trustee-Manager, to acquire the Assets and the Assumed Liabilities in consideration of the issue of the Consideration CIT Units to KIT (as amended, modified or supplemented from time to time).
"SPCs"	:	Senoko SPC, Tuas DBOO SPC and Ulu Pandan SPC.
"Sponsor"	:	KI, the Sponsor of the Enlarged Trust.
"Sponsor Group Entities"	:	The Sponsor or a subsidiary entity, trust or undertaking of the Sponsor, excluding for the avoidance of doubt, each of the KIT Trustee-Manager and its subsidiary entities, trusts and undertakings.

"Sub-Trusts"	:	Senoko Trust, Tuas DBOO Trust and Ulu Pandan Trust.
"Sub-Trustees"	:	The Senoko Trustee, the Tuas DBOO Trustee and the Ulu Pandan Trustee.
"Take-over Code"	:	Singapore Code on Take-overs and Mergers.
"Temasek"	:	Temasek Holdings (Private) Limited, a company incorporated in the Republic of Singapore.
"Temasek Companies"	:	Temasek, certain of its subsidiaries and any other subsidiary or associated company which Temasek may notify in writing to SIC from time to time.
"Tembusu"	:	Tembusu Capital Pte. Ltd., a company incorporated in the Republic of Singapore, and which is a wholly-owned subsidiary directly held by Temasek.
"Tolling Fees"	:	The availability-based capacity fee and the fixed O&M fee indexed to the CPIS to be paid by Keppel Electric to KMC, in return for KMC making available the KMC Plant's electricity generation capacity, pursuant to the KMC CTA.
"Trust Deed"	:	The trust deed dated 5 January 2007 constituting CIT.
"Trustee-Manager"	:	CSIM, acting in its capacity as trustee-manager of CIT.
"Tuas DBOO ISA"	:	The incineration services agreement dated 20 January 2006 between Tuas DBOO SPC and NEA, as novated, amended and restated on 27 May 2010 among Tuas DBOO SPC, the Tuas DBOO Trustee and NEA.
"Tuas DBOO Plant"	:	Keppel Seghers Tuas Waste-to-Energy Plant, including its business undertakings.
"Tuas DBOO O&M Agreement"	:	The O&M agreement dated 28 August 2006 between Tuas DBOO SPC and Keppel FMO Pte Ltd, as amended by a deed of novation dated 30 October 2009 among Tuas DBOO SPC, Keppel FMO Pte Ltd and Keppel O&M Operator, as amended and restated on 27 May 2010 among Tuas DBOO SPC, the Tuas DBOO Trustee and Keppel O&M Operator.
"Tuas DBOO SPC"	:	Keppel Seghers Tuas Waste-to-Energy Plant Pte. Ltd., a company incorporated in the Republic of Singapore.
"Tuas DBOO Trust"	:	The trust constituted to hold the assets and business undertakings relating to Tuas DBOO Plant.
"Tuas DBOO Trustee"	:	Tuas DBOO SPC, acting in its capacity as trustee of Tuas DBOO Trust.
"Ulu Pandan O&M Agreement"	:	The O&M agreement dated 4 March 2005 between Ulu Pandan SPC and Keppel O&M Operator, as novated, amended and restated on 27 May 2010 among Ulu Pandan SPC, the Ulu Pandan Trustee and Keppel O&M Operator.
"Ulu Pandan Plant"	:	Ulu Pandan NEWater Plant, including its business undertakings.
"Ulu Pandan SPC"	:	Keppel Seghers NEWater Development Co Pte. Ltd.

"Ulu Pandan Trust"	:	The trust constituted to hold the assets and business undertakings relating to Ulu Pandan Plant.
"Ulu Pandan Trustee"	:	Ulu Pandan SPC, acting in its capacity as trustee of Ulu Pandan Trust.
"U.S. Dollar" or "US$"	:	The lawful currency for the time being of the United States of America.
"U.S. Securities Act"	:	The U.S. Securities Act of 1933, as amended.
"VWAP"	:	Volume-weighted average price.
"Water Purchase Agreement"	:	The long-term water purchase agreement entered into between SingSpring and PUB, expiring in December 2025.

Trustee-Manager, CIT and CSIM. All references to (1) the "**Trustee-Manager**" are to it acting in its capacity as trustee-manager of CIT, (2) "**CIT**" are to it acting through the Trustee-Manager and (3) "**CSIM**" are to it acting in its personal capacity.

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

Depositors, etc. The expressions "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them, respectively, in the Companies Act.

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

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

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

Rounding. Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

Statutes. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under any statute or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to that word under that statute or that statutory modification, as the case may be.

LETTER TO CIT UNITHOLDERS FROM THE DIRECTORS OF CITYSPRING INFRASTRUCTURE MANAGEMENT PTE. LTD.

CITYSPRING INFRASTRUCTURE TRUST

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

2 April 2015

Directors of CitySpring Infrastructure Management Pte. Ltd.
Daniel Cuthbert Ee Hock Huat (Chairman and Independent Director)
Mark Andrew Yeo Kah Chong (Independent Director)
Yeo Wico (Independent Director)
Haresh Jaisinghani (Independent Director)
Ong Beng Teck (Non-Executive Director)

Registered Office:
111 Somerset Road
#10-01 TripleOne Somerset
Singapore 238164

To: Unitholders of CitySpring Infrastructure Trust

Dear Sir/Madam

(1) THE PROPOSED ACQUISITION BY CITYSPRING INFRASTRUCTURE TRUST OF ALL ASSETS AND LIABILITIES HELD BY KEPPEL INFRASTRUCTURE TRUST (THE "**PROPOSED ACQUISITION**") (INCLUDING THE KMC ACQUISITION);

(2) THE PROPOSED ISSUE OF 1,326,319,374 NEW UNITS BY CITYSPRING INFRASTRUCTURE TRUST TO KEPPEL INFRASTRUCTURE TRUST IN CONSIDERATION FOR THE PROPOSED ACQUISITION;

(3) THE PROPOSED APPOINTMENT OF KEPPEL INFRASTRUCTURE FUND MANAGEMENT PTE. LTD. AS TRUSTEE-MANAGER OF CITYSPRING INFRASTRUCTURE TRUST (TO BE RENAMED "KEPPEL INFRASTRUCTURE TRUST") (THE "**ENLARGED TRUST**"), IN REPLACEMENT OF CITYSPRING INFRASTRUCTURE MANAGEMENT PTE. LTD., WITH EFFECT FROM THE EFFECTIVE DATE OF THE PROPOSED ACQUISITION;

(4) THE PROPOSED ISSUE OF UP TO 1,132,700,000 NEW UNITS BY THE ENLARGED TRUST PURSUANT TO THE PROPOSED EQUITY FUND RAISING TO FINANCE THE ACQUISITION OF KEPPEL MERLIMAU COGEN PTE LTD;

(5) THE PROPOSED AMENDMENT OF CITYSPRING INFRASTRUCTURE TRUST'S EXISTING GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS PURSUANT TO THE PROPOSED ACQUISITION; AND

(6) THE PROPOSED AMENDMENT OF THE TRUST DEED OF CITYSPRING INFRASTRUCTURE TRUST TO REFLECT THE PROPOSED FEE STRUCTURE OF THE TRUSTEE-MANAGER OF THE ENLARGED TRUST (THE "**REPLACEMENT TRUSTEE-MANAGER**").

1. INTRODUCTION

1.1 Proposed Acquisition

On 18 November 2014, CitySpring Infrastructure Management Pte. Ltd. ("**CSIM**"), as trustee-manager ("**Trustee-Manager**") of CitySpring Infrastructure Trust ("**CIT**"), announced (the "**Announcement**") that it had agreed to acquire all the assets and liabilities of Keppel Infrastructure Trust ("**KIT**"). On 18 November 2014, Keppel Infrastructure Fund Management Pte. Ltd. ("**KIFM**"), as trustee-manager of KIT ("**KIT Trustee-Manager**"), announced that KIT had also agreed to acquire a 51 per cent. stake in Keppel Merlimau Cogen Pte Ltd ("**KMC**"), which owns a combined cycle gas turbine generation facility with gross capacity of approximately 1,300 Megawatt ("**MW**") on Jurong Island, Singapore, for a cash consideration of S$510 million (for 51 per cent. of the equity stake in KMC and 51 per cent. of the KMC QPDS (as defined herein)) based on an enterprise value of S$1,700 million ("**KMC Acquisition**"), pursuant to a conditional sale and purchase agreement with Keppel Energy Pte. Ltd. ("**Keppel Energy**"), an indirect wholly-owned subsidiary of Keppel Corporation Limited ("**Keppel Corporation**"). The KMC Acquisition forms an integral part of the Proposed Acquisition (collectively, "**Proposed Transaction**").

When completed, the Proposed Transaction will create the largest Singapore infrastructure-focused business trust, listed in Singapore with a *pro forma* market capitalisation that is over S$1.9 billion[1] and *pro forma* total assets that are over S$4 billion. The Proposed Transaction provides unitholders of CIT ("**CIT Unitholders**") with a unique opportunity to take part in the formation of the flagship investment vehicle for Singapore infrastructure by combining CIT and KIT, both leading infrastructure-focused business trusts listed on Singapore Exchange Securities Trading Limited ("**SGX-ST**"), with aligned investment strategies and an enlarged and diversified portfolio of core infrastructure assets.

The Proposed Transaction combines CIT and KIT at their respective market capitalisations of S$753 million and S$658 million, based on their VWAP for the 180-day period ended on 13 November 2014[2], the last full day of trading in their units before the release of the Announcement ("**Announcement LPD**"). Pursuant to the Proposed Acquisition, each unitholder of KIT ("**KIT Unitholder**") will receive 2.106 Consideration CIT Units (as defined herein) for every unit of KIT ("**KIT Unit**") held. This swap ratio is fixed and is not subject to any adjustment.

Immediately after the Proposed Acquisition, but before the KMC Equity Fund Raising (as defined herein), the Enlarged Trust will be owned 53.4 per cent. and 46.6 per cent. by CIT Unitholders and KIT Unitholders, respectively. Keppel Corporation, through its wholly-owned subsidiary, Keppel Infrastructure Holdings Pte. Ltd. ("**KI**"), will become the largest unitholder of the Enlarged Trust ("**Enlarged Trust Unitholder**") with approximately 22.9 per cent. of the Enlarged Trust, and Temasek Holdings (Private) Limited ("**Temasek**") through certain of its wholly-owned subsidiaries[3], will become the second largest Enlarged Trust Unitholder with approximately 19.97 per cent. (excluding Temasek's deemed interests in Keppel Corporation) of the Enlarged Trust.

The Securities Industry Council ("**SIC**") had on 20 March 2015 ruled that the concert party presumption between Temasek, certain of its subsidiaries and any other subsidiary or associated company which Temasek may notify in writing to SIC from time to time (collectively, the

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1 Market capitalisation calculated based on the volume-weighted average prices ("**VWAP**") of KIT and CIT, respectively, for the 180-day period ended on the Announcement LPD (as defined herein), 1,518,893,062 CIT Units in issue and 629,781,279 KIT Units in issue as of the Announcement LPD, and assuming a KMC Equity Fund Raising to raise gross proceeds of S$525 million. This statement should not be interpreted to mean that the Enlarged Trust will trade at such market capitalisation at the completion of the Proposed Transaction.

2 180-day VWAP for KIT = S$1.0446; 180-day VWAP for CIT = S$0.4960.

3 Comprising Bartley Investments Pte. Ltd. ("**Bartley**"), Napier Investments Pte. Ltd. ("**Napier**"), Nassim Investments Pte. Ltd. ("**Nassim**") and CSIM.

"**Temasek Companies**") and Keppel Corporation, its subsidiaries and associated companies (collectively, the "**Keppel Companies**") with respect to the Enlarged Trust is rebutted and that KIT will not be obliged to make an offer under Rule 14 of the Take-over Code (as defined herein) as a result of the Consideration CIT Units issued to KIT prior to the Distribution In Specie (as defined herein). Accordingly, the issue of Consideration CIT Units to KIT upon Completion and the Distribution in Specie will not result in any of the Keppel Companies and the Temasek Companies being obliged to make an offer under Rule 14 of the Take-over Code.

The Proposed Transaction (and the related transactions in connection therewith) is accretive on a *pro forma* basis to CIT Unitholders, as the *pro forma* distribution per CIT Unit of 3.69 Singapore cents is higher than the distribution per CIT Unit of 3.28 Singapore cents for the 12 months ended 31 December 2014. This is calculated on the basis of having the Enlarged Trust undertaking the KMC Equity Fund Raising to raise gross proceeds of S$525 million, and the other bases and assumptions set out in Appendices 3 and 4 of this Circular. CIT Unitholders should note that historical financial performance is not necessarily indicative of future financial results and nothing in this Circular should be interpreted to mean that the future distribution per unit of the Enlarged Trust will necessarily be greater than the distribution per CIT Unit ("**DPU**") before Completion.

As at the Latest Practicable Date, the public float of CIT was approximately 62.4 per cent. and the public float of KIT was approximately 50.8 per cent. Based on this, the *pro forma* public float of the Enlarged Trust upon Completion would be approximately 57.1 per cent. Assuming an illustrative price of S$0.515 per CIT Unit and that S$525 million of gross proceeds are raised pursuant to the KMC Equity Fund Raising (at an illustrative price of S$0.490 per New Unit for the Placement (as defined herein) and S$0.485 per New Unit for the Preferential Offering (as defined herein)), the *pro forma* public float of the Enlarged Trust upon the completion of the KMC Equity Fund Raising would (a) be approximately 67.1 per cent., on a percentage basis and (b) increase from S$488 million to approximately S$1.3 billion, on a nominal basis.

The Proposed Transaction is considered a "very substantial acquisition" under Rule 1015 of the Listing Manual and the value of the Proposed Transaction exceeds the applicable materiality threshold for interested person transactions pursuant to Rule 906(1)(a) of the Listing Manual. Accordingly, the Proposed Transaction is required to be approved by CIT Unitholders, with Temasek and its associates (as defined under the Listing Manual) abstaining from voting. Please also refer to paragraphs 3.6 and 11 of this Circular for more information.

1.2 KMC Equity Fund Raising

To fund the purchase of KMC, the Enlarged Trust proposes to offer up to 1,132,700,000 new units ("**New Units**"), representing up to approximately 39.8 per cent of the total issued units in the Enlarged Trust (the "**Enlarged Trust Units**") prior to the KMC Equity Fund Raising, by way of (i) a non-renounceable preferential offering ("**Preferential Offering**") and (ii) a placement to institutional and other investors ("**Placement**"), to raise up to approximately S$525 million in gross proceeds ("**KMC Equity Fund Raising**"). The record date for the Preferential Offering pursuant to the KMC Equity Fund Raising ("**EFR Record Date**") will be set to fall after the Consideration CIT Units have been distributed to the KIT Unitholders so that they, together with existing CIT Unitholders, as Enlarged Trust Unitholders, will be eligible to participate in the Preferential Offering. Each of Tembusu Capital Pte. Ltd. ("**Tembusu**"), a wholly-owned subsidiary of Temasek, and KI, a wholly-owned subsidiary of Keppel Corporation, intends to subscribe for and/or procure the subscription for, the *pro rata* entitlements of the Initial Units (as defined herein) under the Preferential Offering and has undertaken that it will not dispose of its effective interests in (a) the Enlarged Trust Units as at the date of Completion (the "**Initial Units**")[4] and (b) the New Units to be issued arising from the subscription for the *pro rata* entitlements of the

[4] In the case of Tembusu, the Initial Units are the aggregate number of 568,234,112 units that are held through its wholly-owned subsidiaries Bartley, Napier, Nassim and CSIM.

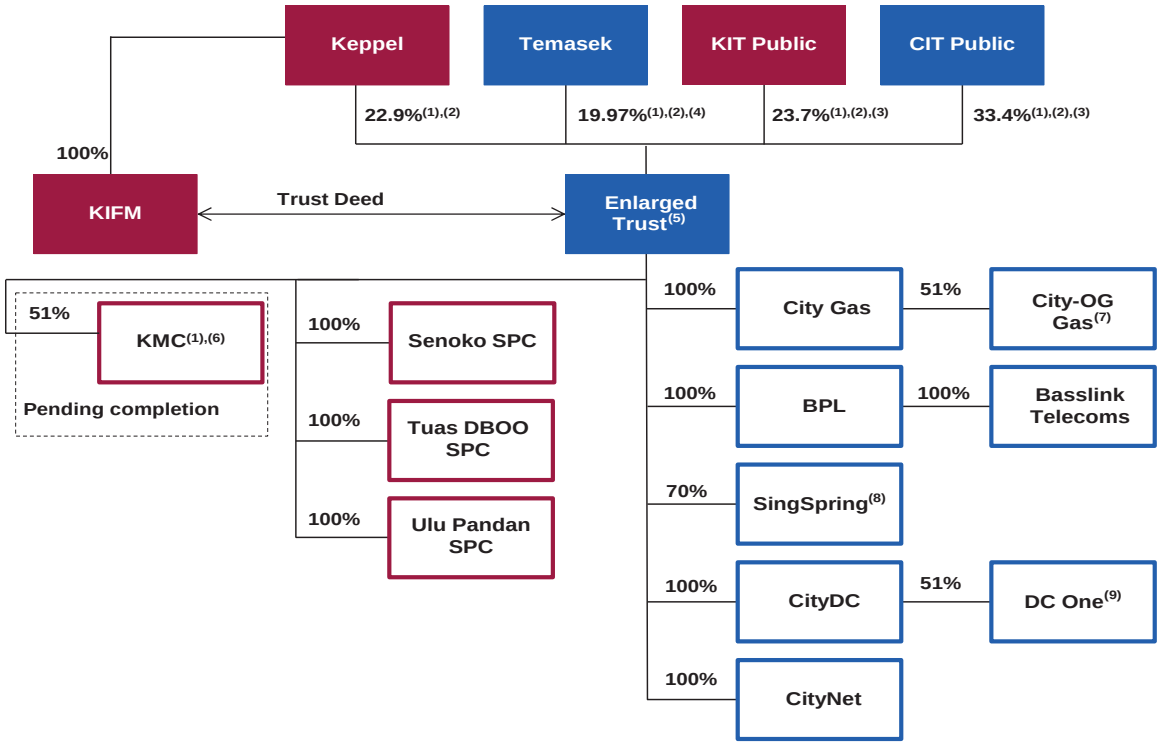
Initial Units under the Preferential Offering from the date of Completion until the earlier of, (a) 30 September 2016, and (b) the date falling 12 months after the completion of the KMC Equity Fund Raising (both dates inclusive) (the "**KMC EFR Lock-Up Period**"). For the avoidance of doubt, Tembusu's undertaking does not include Temasek's deemed interests through Keppel Corporation.

In addition, pursuant to Rule 229 of the Listing Manual, (a) each of Tembusu and KI will not dispose of its effective interests in the Initial Units from the date of Completion until the date falling 12 months thereafter (both dates inclusive) (the "**Lock-Up Period**") and (b) each of Temasek and Keppel Corporation has agreed that it will maintain its effective interests in the Initial Units for the Lock-Up Period. For the avoidance of doubt, these undertakings by Tembusu and Temasek do not include Temasek's deemed interests through Keppel Corporation. For more information, please refer to paragraph 3.8 of this Circular.

As part of the KMC Acquisition, it is intended that a bridge loan be secured so that, in the event of volatility in equity market conditions, the bridge loan may be drawn to complete the KMC Acquisition. In such event, the KMC Equity Fund Raising will be deferred till such time when equity market conditions are suitable for an equity fund raising and the proceeds of the KMC Equity Fund Raising will be used to repay the bridge loan.

1.3 Group Structure Chart

Following Completion, the enlarged group structure of the Enlarged Trust will be as follows. The diagram below also shows the assets which the Enlarged Trust will own following Completion:



Notes:

(1) Unitholdings/shareholdings shown above are post-Completion, but exclude the KMC Acquisition. The KMC Acquisition is shown on the chart for completeness, but will be effected after Completion.

(2) Based on the 180-day VWAP as of 13 November 2014. 180-day VWAP for KIT = S$1.0446 and 180-day VWAP for CIT = S$0.4960, resulting in a swap ratio of 2.106 CIT Units per KIT Unit.

(3) Unitholdings include the interests of the directors and management of CIT and KIT in the CIT Units and KIT Units respectively as at the Latest Practicable Date, which will amount to approximately 0.1% of the Enlarged Trust Units in issue upon Completion.

(4) Temasek's 19.97% unitholding is held through its wholly-owned subsidiaries, Bartley, Napier, Nassim and CSIM, and excludes Temasek's deemed interests through Keppel Corporation.

(5) The Enlarged Trust will be renamed "Keppel Infrastructure Trust".

(6) Keppel Energy holds the remaining 49 per cent. equity interest in KMC.

(7) Osaka Gas Singapore Pte. Ltd. holds the remaining 49 per cent. equity interest in City-OG Gas.

(8) Hyflux Ltd holds the remaining 30 per cent. equity interest in SingSpring.

(9) WDC Development Pte. Ltd. holds the remaining 49 per cent. equity interest in DC One.

1.4 Circular

In summary, therefore, in this Circular, CIT seeks the approval of CIT Unitholders:

(1) to approve the Proposed Acquisition (including the KMC Acquisition);

(2) to approve the issue of 1,326,319,374 Consideration CIT Units pursuant to the Proposed Acquisition;

(3) to approve the appointment of KIFM as the trustee-manager of CIT (to be renamed "Keppel Infrastructure Trust"), in replacement of CSIM, with effect from the effective date of the Proposed Acquisition;

(4) to approve the issue of up to 1,132,700,000 New Units pursuant to the KMC Equity Fund Raising;

(5) to approve the amendment of CIT's existing general mandate for interested person transactions pursuant to the Proposed Acquisition; and

(6) to approve the amendment of the Trust Deed to reflect the proposed fee structure of the Replacement Trustee-Manager,

in cases (1) to (5) above by way of ordinary resolutions ("**Ordinary Resolutions**") and in case (6) above by way of an extraordinary resolution ("**Extraordinary Resolution**"). These resolutions will be proposed at the extraordinary general meeting of CIT Unitholders to be held on 30 April 2015 ("**EGM**"), notice of which is set out on pages 235 to 237 of this Circular. Further details of these resolutions are set out in the section titled "Notice of Extraordinary General Meeting".

CIT Unitholders should note that the passing of resolutions (1), (2), (3) and (4) as stated in the notice of EGM contained in this Circular ("Notice of EGM") are inter-conditional on the passing of each other. The passing of resolutions (5) and (6) as stated in the Notice of EGM are each conditional on the passing of resolutions (1) to (4).

2. INFORMATION ON THE ENLARGED TRUST

2.1 Overview of CIT

CIT is a business trust listed on the SGX-ST, with the principal objective of investing in infrastructure assets and providing CIT Unitholders with long-term, regular and predictable distributions and the potential for long-term capital growth.

CIT's portfolio comprises 100 per cent. of City Gas Trust ("**City Gas**"), 70 per cent. of SingSpring Trust ("**SingSpring**") (with the remaining 30 per cent. held by Hyflux Ltd), 100 per cent. of Basslink Pty Ltd ("**BPL**") (including Basslink Telecoms Pty Ltd ("**Basslink Telecoms**")), 100 per cent. of CityNet Infrastructure Management Pte. Ltd. ("**CityNet**") and 100 per cent. of CityDC Pte. Ltd. ("**CityDC**") which in turn holds 51 per cent. of DataCentre One Pte. Ltd. ("**DC One**") (with the remaining 49 per cent. held by WDC Development Pte. Ltd.).

Please refer to Appendix 1 of this Circular for further information about the assets owned by CIT.

2.2 Overview of KIT

KIT was formerly known as K-Green Trust and is a business trust listed on the SGX-ST, with a mandate to invest in infrastructure assets in Singapore and globally.

KIT's current portfolio of assets comprises:

(a) **Senoko Plant**

KIT has a contract to own and operate an incinerator plant with a requirement to carry out the Flue Gas Treatment Upgrade (as defined herein), which has contracted incineration capacity of 2,100 tonnes per day with six incinerator-boiler units and two condensing turbine-generators with a power generation capacity of 2x28 MW. This contract has a concession period of 15 years commencing from 2009. The Senoko Trust (as defined herein) has a contractual right under the concession arrangement to receive fixed and determinable amounts of payment during the concession period.

Under the Senoko ISA (as defined herein), the contracted incineration capacity of Senoko Plant is 2,100 tonnes per day (based on a net calorific value of 9,000 kJ/kg). In September 2014, the Senoko Trustee (as defined herein) has entered into a supplemental incineration services agreement with NEA to provide additional incineration services (the "**Senoko Supplemental ISA**"). The contracted incineration capacity of Senoko Plant will progressively increase up to 10 per cent. from 2,100 tonnes per day. Payments to the Senoko Trustee under the Senoko ISA will correspondingly be increased.

(b) **Tuas DBOO Plant**

KIT has a Design-Build-Own-Operate contract to design, build, own and operate a waste-to-energy plant, which has a contracted incineration capacity of 800 tonnes per day with two incinerator-boiler units and one condensing turbine-generator with a power generation capacity of 22 MW. This contract has a concession period of 25 years commencing from 2009. The Tuas DBOO Trust (as defined herein) has a contractual right under the concession arrangement to receive fixed and determinable amounts of payment during the concession period.

(c) **Ulu Pandan Plant (together with the Senoko Plant and the Tuas DBOO Plant, the "Existing Plants")**

KIT has a Design-Build-Own-Operate contract to design, build, own and operate a water treatment plant, which has the capacity to produce 148,000m^3 of NEWater daily. This contract has a concession period of 20 years commencing from 2007. The Ulu Pandan Trust (as defined herein) has a contractual right under the concession arrangement to receive fixed and determinable amounts of payment during the concession period.

The contracts stated above are subject to customary termination provisions such as for defaults, force majeure events and insolvencies.

KIT's trustee-manager is KIFM, a wholly-owned subsidiary of KI, the infrastructure arm of Keppel Corporation. KI is also the single largest unitholder of KIT, holding 49.17 per cent. of all the KIT Units in issue.

As at and for the year ended 31 December 2014, the KIT Group had S$611.0 million in total assets, S$65.5 million in revenues and S$56.4 million cash generated from operations, and had distributed 7.82 Singapore cents per KIT Unit.

Please refer to Appendix 1 of this Circular for further information about the assets owned by KIT.

2.3 Overview of KMC

KMC presently owns and operates a combined cycle gas turbine generation facility with a gross capacity of approximately 1,300 MW (the "**KMC Plant**") and ancillary facilities on Jurong Island off the south-west coast of Singapore. For more information on KMC and the KMC Plant, please refer to paragraph 4 below and Appendix 1 of this Circular.

3. THE PROPOSED ACQUISITION

3.1 Overview

Subject to the Proposed Acquisition being approved by CIT Unitholders and KIT Unitholders, the Proposed Acquisition is proposed to be effected in the following manner:

(a) CIT shall undertake a one-time pre-Completion distribution of S$30 million to CIT Unitholders ("**CIT Special Distribution**"). Please also refer to paragraph 5 of this Circular for more information;

(b) pursuant to the Proposed Acquisition, KIT will transfer the Assets (as defined herein) and Assumed Liabilities (as defined herein) to CIT in consideration for CIT issuing 1,326,319,374 new CIT Units (the "**Consideration CIT Units**") to KIT, representing approximately 46.6 per cent. of the enlarged issued unit capital of CIT. The swap ratio has been arrived at based on the market capitalisation of S$658 million of KIT and S$753 million of CIT, based on their respective VWAP for the 180-day period ended on the Announcement LPD. The swap ratio is fixed and is not subject to any adjustment;

(c) the KIT Trustee-Manager will then distribute in specie the Consideration CIT Units to KIT Unitholders (the "**Distribution In Specie**"). Each KIT Unitholder will receive 2.106 Consideration CIT Units for every KIT Unit held;

(d) CIT will be the surviving trust and will be renamed "Keppel Infrastructure Trust";

(e) KI, the sponsor of KIT, will become the sponsor of the Enlarged Trust ("**Sponsor**"). KI will execute a deed of right of first refusal in favour of the Replacement Trustee-Manager on substantially the same terms as the ROFR Deed (as defined herein);

(f) CSIM, an indirect wholly-owned subsidiary of Temasek, has given notice of its resignation to CIT Unitholders on 3 February 2015 and a further notice on 1 April 2015, and has nominated KIFM as the replacement trustee-manager of CIT. KIFM will be appointed as the Replacement Trustee-Manager on the completion date of the Proposed Acquisition ("**Completion**"). In support of the Proposed Transaction, KI, the sponsor of KIT, has agreed that the KIT Trustee-Manager shall only charge its acquisition fee for the KMC Acquisition and shall waive its divestment fee for the SPA. For the avoidance of doubt, the existing remuneration structure of the Trustee-Manager does not provide for an acquisition fee and accordingly, the Trustee-Manager will not be entitled to any acquisition fee arising from the Proposed Acquisition. Temasek, the sponsor of CIT and owner of CSIM, has agreed that CSIM will not receive any compensation for relinquishing its role as Trustee-Manager; and

(g) the constituent trust deed of CIT will be amended to, *inter alia*, adopt the KIT Trustee-Manager's existing fee structure for the Replacement Trustee-Manager, conditional upon the passing of resolutions (1) to (4) as set out in the Notice of EGM by CIT Unitholders and obtaining the approval of CIT Unitholders for such change to the fee structure. Based on a comparison of the KIT Trustee-Manager's fee structure for KIT and the Trustee-Manager's fee structure for CIT, had the Proposed Acquisition been completed and the KIT Trustee-Manager's fee structure for the Replacement Trustee-Manager been adopted on 1 January 2014, the Enlarged Trust would have enjoyed a reduction in trustee-manager fees of approximately S$5.3 million for the calendar year ended 31 December 2014 assuming no fees were payable for acquisitions or divestments for the calendar year ended 31 December 2014. Please also refer to paragraph 8 of this Circular titled "*Proposed Fee Structure of Replacement Trustee-Manager"* for more information.

Following Completion:

(a) the Enlarged Trust shall, before the KMC Equity Fund Raising, undertake a one-time post-Completion distribution of S$30 million to Enlarged Trust Unitholders ("**Enlarged Trust**

Special Distribution") (of which approximately S$16 million will be distributed to CIT Unitholders with the balance of approximately S$14 million distributed to KIT Unitholders). KIT Unitholders who receive Consideration CIT Units as part of the Proposed Acquisition will receive their share of this post-Completion distribution if they are Enlarged Trust Unitholders on the relevant record date;

(b) KI will be the single largest Enlarged Trust Unitholder with approximately 22.9 per cent. of the Enlarged Trust prior to the KMC Equity Fund Raising. Temasek will, through certain of its wholly-owned subsidiaries[5], hold approximately 19.97 per cent. of the Enlarged Trust (excluding Temasek's deemed interests through Keppel Corporation) prior to the KMC Equity Fund Raising;

(c) the management team of the Replacement Trustee-Manager will be led by Mr Khor Un-Hun as chief executive officer. KIFM has offered employment to substantially all of CSIM's employees. The Enlarged Trust will retain all the employees of the underlying CIT assets;

(d) the Enlarged Trust will assume all rights and obligations of KIT in respect of the KMC Acquisition and undertake the KMC Equity Fund Raising so as to raise gross proceeds of up to approximately S$525 million to fund the KMC Acquisition and the related expenses of the KMC Equity Fund Raising and the KMC Acquisition;

(e) each of KI and Tembusu intends to subscribe for and/or procure the subscription for, the *pro rata* entitlements of the Initial Units under the Preferential Offering and has undertaken not to dispose of its effective interests in (a) the Initial Units[6] and (b) the New Units to be issued arising from the subscription for the *pro rata* entitlements of the Initial Units under the Preferential Offering from the date of Completion until the earlier of, (i) 30 September 2016, and (ii) the date falling 12 months after the completion of the KMC Equity Fund Raising (both dates inclusive); and

(f) CSIM has given notice of its resignation to CIT Unitholders on 3 February 2015 and a further notice on 1 April 2015. KIFM will be appointed as the Replacement Trustee-Manager. CSIM will resign as Trustee-Manager and Temasek will cease to be the sponsor of CIT. KIT, which will have been renamed Crystal Trust immediately prior to Completion, will be wound up.

3.2 KIT Assets and Assumed Liabilities

On the terms and subject to the conditions set out in the SPA (as defined herein), CIT will acquire all the assets of KIT ("**Assets**") as set out below:

(a) 100 per cent. of the issued share in Senoko Waste-to-Energy Pte. Ltd. ("**Senoko SPC**"), the trustee of Senoko Trust ("**Senoko Trust**"), 100 per cent. of the issued units in Senoko Trust, and 100 per cent. of the outstanding principal amount of notes due 31 August 2024 issued by Senoko Trust;

(b) 100 per cent. of the issued shares in Keppel Seghers Tuas Waste-to-Energy Plant Pte. Ltd. ("**Tuas DBOO SPC**"), the trustee of Tuas DBOO Trust (the "**Tuas DBOO Trust**"), 100 per cent. of the issued units in Tuas DBOO Trust, and 100 per cent. of the outstanding principal amount of notes due 31 December 2028 issued by Tuas DBOO Trust;

(c) 100 per cent. of the issued shares in Keppel Seghers NEWater Development Co Pte. Ltd. ("**Ulu Pandan SPC**"), the trustee of Ulu Pandan Trust (the "**Ulu Pandan Trust**"), 100 per cent. of the issued units in Ulu Pandan Trust, and 100 per cent. of the outstanding principal amount of notes due 31 December 2023 issued by Ulu Pandan Trust;

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5 Comprising Bartley, Napier, Nassim and CSIM.

6 In the case of Tembusu, the Initial Units are the aggregate number of 568,234,112 units that are held through its wholly-owned subsidiaries Bartley, Napier, Nassim and CSIM.

(d) all cash, cash equivalents and bank deposits of the KIT Trustee-Manager as at Completion; and

(e) all rights of the KIT Trustee-Manager under all agreements entered into by the KIT Trustee-Manager in relation to the KMC Acquisition.

In addition, on the terms and subject to the conditions set out in the SPA, the KIT Trustee-Manager agrees to novate and transfer, and the Trustee-Manager agrees to accept and assume, all liabilities relating to the Assets, including KIT's liabilities under all bank facilities and shareholder loans, (subject to the provisions in the SPA) all obligations and liabilities of the KIT Trustee-Manager under all agreements entered into by the KIT Trustee-Manager in relation to the KMC Acquisition, and (subject to the completion of the KMC Acquisition) the liability to pay the acquisition fee of S$4.335 million to KIFM (the "**Assumed Liabilities**").

3.3 Consideration

The aggregate consideration payable by the Trustee-Manager for the purchase of the Assets and the novation of the Assumed Liabilities on Completion shall be approximately S$657.9 million (the "**Consideration**"). For the avoidance of doubt, the Consideration does not include the consideration for the KMC Acquisition. The Consideration shall be satisfied in full by the allotment and issuance of an aggregate of 1,326,319,374 Consideration CIT Units at an issue price of S$0.496 for each Consideration CIT Unit, such Consideration CIT Units to be credited as fully paid.

The Consideration was derived by multiplying 629,781,279 KIT Units in issue by the swap ratio of 2.106 Consideration CIT Units for every 1 KIT Unit, giving a total of 1,326,319,374 Consideration CIT Units to be issued to KIT. At the issue price of S$0.496 for each Consideration CIT Unit, the 1,326,319,374 Consideration CIT Units are valued at S$657,854,409.50.

The Assets to be acquired and the Assumed Liabilities to be novated are valued in their entirety at the market capitalisation of KIT, based on the respective VWAPs of KIT Units and CIT Units for the 180-day period ended on the Announcement LPD. The 180-day VWAP averages out fluctuations in the market prices of KIT Units and CIT Units and takes into account the total volumes transacted over the period. The Trustee-Manager and the KIT Trustee-Manager have agreed to value the Assets and Assumed Liabilities based on the market capitalisation of KIT, in view that the Proposed Acquisition involves the entire business undertaking of KIT.

3.4 KMC Acquisition

As stated above, KIT has on 18 November 2014 agreed to acquire a 51.0 per cent. stake in KMC, which owns a combined cycle gas turbine generation facility with gross capacity of approximately 1,300 MW on Jurong Island, Singapore, from Keppel Energy for a cash consideration of S$510 million based on an EV of S$1,700 million.

As part of the KMC Acquisition, Keppel Electric and KMC will enter into a 15-year capacity tolling agreement ("**KMC CTA**"), pursuant to which KMC will contract its full generation capacity exclusively to Keppel Electric. Under the KMC CTA, the maximum capacity fee payable by Keppel Electric to KMC is S$108 million per annum as long as KMC meets the availability and capacity test targets, with most of KMC's operating costs being passed through. This arrangement is designed to mitigate KMC's exposure to the volatility caused by movements in electricity price and demand in the Singapore merchant power market. In addition, substantially all of KMC's operating costs will be passed through to Keppel Electric. KI will provide further credit enhancement by guaranteeing the obligations of Keppel Electric under the KMC CTA. KMC will enter into a long-term Operation and Maintenance Services Agreement service contract ("**OMSA**") with KMC O&M Pte. Ltd. ("**KMC O&M**"), also a wholly-owned subsidiary of KI, and continue to be operated and maintained by the same team which has operated the KMC Plant since 2007.

KIT's rights and obligations in respect of the KMC Acquisition form part of the Assets to be purchased by CIT pursuant to the SPA. Such rights and obligations of KIT in relation to the KMC Acquisition will be transferred to CIT upon and subject to Completion. The KMC Acquisition is expected to be completed no later than the third calendar quarter of 2015, and is expected to occur after Completion.

3.5 Conditions Precedent

Completion, which is expected to take place in the second calendar quarter of 2015, is conditional upon, *inter alia*, the following conditions precedent ("**Conditions Precedent**") being satisfied, or waived by the party to the SPA having the benefit of such Conditions Precedent:

(a) the approval of the CIT Unitholders at the EGM by way of ordinary resolution for the Proposed Acquisition (including the KMC Acquisition), the issue of the Consideration CIT Units, the issue of New Units pursuant to the KMC Equity Fund Raising, and the appointment of KIFM as the Replacement Trustee-Manager. Each of these resolutions is inter-conditional on the passing of each other resolution relating to the Proposed Acquisition or the KMC Acquisition;

(b) the approval of the KIT Unitholders at an extraordinary general meeting to be convened by way of ordinary resolution for the Proposed Acquisition, the Distribution In Specie, the KMC Acquisition and the issue of new KIT Units pursuant to an equity fund raising to be undertaken by KIT to finance the KMC Acquisition ("**KIT Equity Fund Raising**") (in the event the KMC Acquisition completes without the Proposed Acquisition completing);

(c) the approval of the SGX-ST for (i) the Proposed Transaction as a "very substantial acquisition" for CIT and (ii) the listing and quotation of the Consideration CIT Units and the New Units on the Main Board of the SGX-ST;

(d) the approval, consent or confirmation of no objection by the various regulatory authorities in Singapore and Australia for the Proposed Acquisition, including (i) the Energy Market Authority ("**EMA**") (with respect to City Gas and KMC), (ii) the Public Utilities Board ("**PUB**") (with respect to SingSpring and the Ulu Pandan Plant), (iii) the National Environment Agency ("**NEA**") (with respect to the Senoko Plant and the Tuas DBOO Plant), (iv) the Infocomm Development Authority of Singapore ("**IDA**") (with respect to CityNet, the trustee-manager of NetLink Trust) and (v) the Minister for Environment, Climate Change and Water for the State of Victoria, Australia (with respect to BPL);

(e) the confirmation by Hydro Electric Corporation of Tasmania ("**HT**"), if and to the extent applicable, that it has no objection to the change of control of BPL, which owns and operates the Basslink undersea electricity interconnector in Australia;

(f) all definitive transaction documents for the KMC Acquisition (including the equity bridge loan for the KMC Equity Fund Raising) having been entered into and all conditions precedent to their coming into full force and effect, to the extent such conditions may be satisfied before Completion, having been satisfied; and

(g) certain other customary conditions precedent as to the absence of breach of warranties or covenants or material adverse changes.

If any of the conditions precedent to completion of the Proposed Acquisition has not been satisfied, or where applicable, has not been waived by 30 June 2015, the SPA will terminate.

As at the Latest Practicable Date, all the Conditions Precedent stated above have been fulfilled save for the Conditions Precedent as described in paragraphs 3.5(a), 3.5(b), 3.5(d)(ii) to 3.5(d)(iv), 3.5(f) and 3.5(g) which are pending fulfilment. The Trustee-Manager,

or KIT Trustee-Manager, as the case may be, is still in discussions with the PUB, the NEA and the IDA to obtain their respective consent(s) for the Proposed Transaction to take effect.

3.6 The Proposed Transaction as a "Very Substantial Acquisition"

For the purposes of Chapter 10 of the Listing Manual, the relative figures of the Proposed Transaction computed on the bases set out in Rule 1006(a) to (e) of the Listing Manual are as follows:

Listing Rule	Bases	KIT and its subsidiaries ("KIT Group") and KMC (million)	CIT and its subsidiaries ("CIT Group") (million)	Relative figures (%)
1006(a)	The net asset value ("**NAV**") of the assets to be disposed of, compared with the CIT Group's NAV.	Not applicable to an acquisition of assets.		
1006(b)	The net profits attributable to the Assets and the KMC Acquisition, compared with the CIT Group's net profits.	S$22.8(1)	S$1.9(2)	1,200.0
1006(c)	The Consideration, compared with CIT's market capitalisation.	S$1,167.9(3)	S$767.0(4)	152.3
1006(d)	The number of new CIT Units to be issued by CIT as consideration for the Proposed Acquisition, compared with the number of units previously in issue.	2,459,019,374 new CIT Units(5)	1,518,893,062 CIT Units in issue as at Announcement LPD	161.9
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the CIT Group's proved and probable reserves.	This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not applicable to an acquisition of assets.		

Notes

(1) For the financial year ended 31 December 2014. For a more meaningful comparison, the net profit before tax, non-controlling interests and extraordinary items of KMC is derived based on a 51 per cent. interest in the *pro forma* financials of KMC assuming the Restructuring (as defined herein) of KMC had been implemented. The effect of KMC issuing the KMC QPDS to its shareholders is not taken into account as it will be eliminated upon the consolidation of KMC and its parent entity. Please refer to paragraph 4.3.4 of this Circular for more information.

(2) For the financial year ended 31 March 2014.

(3) Based on 629,781,279 KIT Units in issue and the VWAP based on the 180-day period ending on the Announcement LPD, and S$510 million for the 51.0 per cent. stake in KMC based on an EV of S$1,700 million.

(4) Based on 1,518,893,062 CIT Units in issue and the closing price of S$0.505 per CIT Unit as at the Announcement LPD.

(5) Calculated based on (i) 1,326,319,374 Consideration CIT Units to be issued pursuant to the Proposed Acquisition and (ii) up to 1,132,700,000 New Units to be issued pursuant to the KMC Equity Fund Raising calculated on the bases and assumptions set out in paragraph 9.3 of this Circular.

Pursuant to Rule 1015(1)(a) of the Listing Manual, where an acquisition of assets is one where any of the relative figures as computed on the bases set out in Rule 1006 is 100 per cent. or

more, or is one which will result in a change of control of the issuer, the transaction is classified as a "very substantial acquisition" or "reverse takeover" respectively.

Prior to the Proposed Acquisition, Temasek, through certain of its wholly-owned subsidiaries[7], holds 37.4 per cent. of the issued CIT Units. After the Proposed Acquisition, Temasek will, through the same wholly-owned subsidiaries, hold 19.97 per cent. of the Enlarged Trust Units and by virtue of holding 20.44 per cent. of Keppel Corporation (as at the Latest Practicable Date), be deemed to have an interest in the 22.9 per cent. of the Enlarged Trust held by Keppel Corporation and its wholly-owned subsidiaries. In aggregate, Temasek's direct and indirect interests amount to 42.9 per cent. of the Enlarged Trust and there is no change in control of CIT and accordingly, the Proposed Transaction is not a "reverse takeover" for the purposes of Rule 1015(1)(a) of the Listing Manual.

As shown in the table above, the relevant relative figures of the Proposed Transaction computed on the bases set out in Rule 1006 of the Listing Manual exceed 100 per cent. Accordingly, the Proposed Transaction is considered a "very substantial acquisition" under Rule 1015 of the Listing Manual and the Proposed Transaction is required to be approved by CIT Unitholders at the EGM and the SGX-ST.

Pursuant to Listing Rule 1015(2), the target business to be acquired in relation to a "very substantial acquisition" must be profitable and must meet the requirement in Rule 210(4)(a), and the enlarged group must comply with the requirements in Rule 210(5) and Rule 210(6).

As a business trust, KIT is permitted to pay distributions out of operating cashflows in excess of accounting profits. On this basis, KIT has been able to pay distributions to KIT Unitholders amounting to S$49.2 million for FY 2013 and FY 2014 despite having a profit attributable to KIT Unitholders of S$14.2 million for FY 2013 and S$12.7 million for FY 2014.

The Restructuring of KMC (as described in paragraph 4.3.4 of this Circular) is designed to ensure that its operating cash flows will be positive and will substantially be up-streamed to the holders of the KMC QPDS via interest payments. City Gas, SingSpring, Senoko Trust, Tuas DBOO Trust and Ulu Pandan Trust also have similar tax-efficient QPDS arrangements which allow them to up-stream cash regardless of accounting profits.

On the basis of the above, the Enlarged Trust will have viable businesses that are able to generate positive operating cash flows to fund distributions to the Enlarged Trust Unitholders, and the target businesses and the Enlarged Trust meet the requirement in Rule 210(4)(a) of the Listing Manual.

3.7 *Pro forma* Financial Effects of the Proposed Transaction

The *pro forma* financial effects of the Proposed Transaction (and the related transactions in connection therewith) on (i) the number of CIT Units in issue, (ii) the NAV per CIT Unit, (iii) the net loss/earnings per CIT Unit, (iv) the cash earnings per CIT Unit and (v) the distribution per CIT Unit are set out in Appendix 4 of this Circular.

3.8 Moratorium

3.8.1 Lock-up pursuant to Rules 227 to 229 of the Listing Manual

(i) The Proposed Transaction, being within the ambit of Rule 1015 of the Listing Manual, is subject to the moratorium requirements specified in Rules 227 to 229 of the Listing Manual. In connection with Rule 1015(3) of the Listing Manual, each of Tembusu and KI has agreed with the Financial Adviser that it will not, without the prior written consent of the Financial

[7] Comprising Bartley, Napier, Nassim and CSIM.

Adviser (such consent not to be unreasonably withheld or delayed), during the Lock-Up Period, directly or indirectly:

(a) offer, issue, sell, contract to issue or sell, grant any option to purchase, grant security over, encumber or otherwise dispose of or transfer, any of its effective interests in the Initial Units[8] (the "**Lock-Up Units**"), including any securities convertible into or exchangeable for Lock-Up Units;

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-Up Units or any securities convertible into or exercisable or exchangeable for Lock-Up Units;

(c) deposit any or all Lock-Up Units or securities convertible into or exchangeable for or which carry rights to subscribe or purchase any of the Lock-Up Units in any depository receipt facility; and

(d) publicly announce any intention to do any of the above.

The restrictions in paragraph 3.8.1(i) of this Circular shall not prohibit (i) transfers by KI to and between any of its wholly-owned subsidiaries and (ii) transfers by Tembusu's wholly-owned subsidiaries to and between Temasek and/or Temasek's wholly-owned subsidiaries (together, the "**Permitted Transfers**"), of the Lock-Up Units insofar as the transferees have executed and delivered to the Financial Adviser an undertaking to the effect that they will comply with the same restrictions in respect of such Lock-Up Units which are the subject of the Permitted Transfers for the unexpired period of the Lock-up Period.

(ii) In addition, each of Temasek and Keppel Corporation, has agreed with the Financial Adviser that during the Lock-Up Period, unless prior written consent of the Financial Adviser is obtained (such consent not to be unreasonably withheld or delayed), it will maintain its effective interest in the Lock-Up Units.

For the avoidance of doubt, the restrictions in paragraphs 3.8.1(i) and 3.8.1(ii) of this Circular do not include Temasek's deemed interests through Keppel Corporation.

3.8.2 Lock-up pursuant to KMC Equity Fund Raising

Further, each of Tembusu and KI intends to subscribe for and/or procure the subscription for, the *pro rata* entitlements of the Initial Units under the Preferential Offering. In this regard, each of Tembusu and KI has agreed with the Trustee-Manager that it will not, without the prior written consent of the Trustee-Manager (such consent not to be unreasonably withheld or delayed), during the KMC EFR Lock-Up Period, directly or indirectly:

(a) offer, issue, sell, contract to issue or sell, grant any option to purchase, grant security over, encumber or otherwise dispose of or transfer, any of its effective interests in (i) the Initial Units[8] and (ii) the New Units to be issued arising from the subscription for the *pro rata* entitlements of the Initial Units under the Preferential Offering (the "**KMC EFR Lock-up Units**"), including any securities convertible into or exchangeable for the KMC EFR Lock-up Units;

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the KMC EFR Lock-up Units or any securities convertible into or exercisable or exchangeable for the KMC EFR Lock-up Units;

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[8] In the case of Tembusu, the Initial Units are the aggregate number of 568,234,112 units that are held through its wholly-owned subsidiaries Bartley, Napier, Nassim and CSIM.

(c) deposit any or all KMC EFR Lock-Up Units or securities convertible into or exchangeable for or which carry rights to subscribe or purchase any of the KMC EFR Lock-up Units in any depository receipt facility; and

(d) publicly announce any intention to do any of the above.

The restrictions in paragraphs 3.8.2(a) to 3.8.2(d) of this Circular shall not prohibit Permitted Transfers of the KMC EFR Lock-up Units insofar as the transferees have executed and delivered to the Trustee-Manager an undertaking to the effect that they will comply with the same restrictions in respect of such KMC EFR Lock-Up Units which are the subject of the Permitted Transfers for the unexpired period of the KMC EFR Lock-up Period.

For the avoidance of doubt, the restrictions in paragraphs 3.8.2(a) to 3.8.2(d) of this Circular do not include Temasek's deemed interests through Keppel Corporation.

4. INFORMATION ON THE KMC ACQUISITION

*This paragraph has been extracted from the circular to KIT Unitholders in relation to the (i) KMC Acquisition and the KIT Equity Fund Raising, (ii) proposed disposal of the assets and liabilities of KIT to CIT, (iii) Distribution In Specie and (iv) proposed winding up of KIT ("**KIT Circular**") (with amendments made to conform to the references and definitions of this Circular). Upon Completion, CIT will acquire all the rights of the KIT Trustee-Manager under the KMC SPA (as defined herein) and references to KIT and KIFM will be to the Enlarged Trust and Replacement Trustee-Manager respectively.*

4.1 Information on KMC and the KMC Plant

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

The KMC Plant has been operating since 2007. The KMC Plant was constructed in two phases. Phase I of KMC has a generation capacity of 500 MW, and commenced commercial operation in 2007. Phase II involved an addition of 800 MW, which commenced commercial operations in 2013. The audited NTA of KMC as at 31 December 2014 was approximately S$19.5 million as KMC is now principally funded by shareholders' loan and advances of S$1.1 billion. The audited net profit after tax of KMC for the FY 2014 was approximately S$90.2 million. Further information on the KMC Plant is set out in Appendix 1 of this Circular.

A condition precedent in the conditional sale and purchase agreement dated 18 November 2014 between the KIT Trustee-Manager and Keppel Energy ("**KMC SPA**") is that KMC shall undertake a restructuring of its business ("**Restructuring**") the salient terms of which are described in paragraph 4.3.4 of this Circular. On the completion date of the KMC Acquisition ("**KMC Completion Date**"), Keppel Energy and the Replacement Trustee-Manager (or the KIT Trustee-Manager, as the case may be) together with KMC, shall enter into a shareholders' agreement ("**KMC SHA**") to govern their relationship as shareholders of KMC, as Keppel Energy will retain a significant shareholding interest of 49 per cent. in KMC. Assuming that Completion had taken place on 1 January 2014 and that the Restructuring was completed on or prior to 1 January 2014, KMC would have contributed about a fifth of the annual operating cashflow of the Enlarged Trust on a *pro forma* basis for the 12-month period ended 31 December 2014.

4.2 Information on Keppel Energy and Keppel Electric

Keppel Electric is one of the electricity retail licensees active in electricity retailing in the National Electricity Market of Singapore ("**NEMS**") and is a wholly-owned subsidiary of Keppel Energy, which is in turn a wholly-owned subsidiary of KI, the Sponsor of the Enlarged Trust and the single largest Enlarged Trust Unitholder. KI is in turn a wholly-owned subsidiary of Keppel Corporation.

4.3 The KMC SPA

The principal terms of the KMC SPA include, among others, the following:

4.3.1 KMC Purchase Consideration

The purchase consideration (the "**KMC Purchase Consideration**") for the 51 per cent. interest in KMC is S$510 million, comprising S$255 million for 102 ordinary shares in the capital of KMC, representing 51 per cent. of the issued and paid-up share capital of KMC, ("**KMC Sale Shares**") and S$255 million for 51 per cent. of the KMC QPDS to be issued by KMC to KIT (or the Enlarged Trust, in the event that Completion takes place) on the KMC Completion Date. The KMC QPDS have been approved by the Monetary Authority of Singapore ("**MAS**") on 11 November 2014 to qualify as qualifying project debt securities ("**QPDS**") under the MAS Circular (FDD Circular 15/2006) on Tax Incentives for Project Finance dated 1 November 2006, as extended and enhanced by the MAS Circular (FDD Circular 02/2008) dated 12 May 2008 and the MAS Circular (FDD Circular 01/2011) dated 28 April 2011 on Tax Incentives for Project and Infrastructure Finance and represents a more tax efficient method of capitalisation. The notes to be issued by KMC (having a total principal amount of S$500 million) (the "**KMC QPDS**"), which are unsecured with no fixed terms of repayment, will be issued with fixed interest rates in the region of 16.5 per cent. to 20 per cent. per annum throughout their tenure.

The KMC Purchase Consideration is payable wholly in cash on the KMC Completion Date and was negotiated on a willing-buyer and willing-seller basis between Keppel Energy and the KIT Trustee-Manager, based on an EV of S$1,700 million for KMC, less a S$700 million loan to replace existing loans from KMC's related corporations, having regard to the future cash-flows to be generated by KMC after the Restructuring and the risk profile of KMC as an entity post-Restructuring.

Subsequent to the entry into of the KMC SPA, the directors of KIFM have commissioned Stone Forest Corporate Advisory Pte Ltd ("**SFCA**") to conduct an independent valuation of 51 per cent. of the share capital of KMC and 51 per cent. of the KMC QPDS, which KIT intends to subscribe to. Based on the projected operating cash flows of KMC over 25 years (based on the KMC CTA being extended by Keppel Electric (the "**Toller**") and the estimated useful life of the KMC Plant) only and without taking into consideration any additional value realisable at the end of the 25-year period, SFCA has arrived at a valuation range of S$480 million to S$515 million for 51 per cent. of the share capital of KMC and 51 per cent. of the KMC QPDS as at 30 November 2014.

4.3.2 KMC Completion Date

The KMC Completion Date is expected to be no later than the end of the third calendar quarter of 2015.

4.3.3 Conditions Precedent

Completion of the KMC Acquisition is subject to and conditional upon, among others:

(i) the approval of KIT Unitholders for the KMC Acquisition and the KIT Equity Fund Raising;

(ii) the receipt by Keppel Energy and/or KIT of all necessary consents and approvals required under any and all applicable laws for the sale of the KMC Sale Shares and the issuance of the KMC QPDS by KMC and to give effect to the transactions contemplated in the KMC SPA;

(iii) the Restructuring (further details of which are set out in paragraph 4.3.4 in this Circular) having been duly completed prior to, or on, the KMC Completion Date;

(iv) the successful completion of the KIT Equity Fund Raising or successful drawdown of an equity bridge loan agreement, in order to fund the KMC Purchase Consideration; and

(v) the successful drawdown of the Facility Agreement (as defined herein) of S$700 million by KMC on the KMC Completion Date.

If any of the conditions precedent to the completion of the KMC Acquisition has not been satisfied or (where applicable), has not been waived by 30 September 2015 (or a date mutually agreed by the parties to the KMC Acquisition), the KMC SPA will be terminated.

As at the Latest Practicable Date, the condition in paragraph 4.3.3(ii) has been fulfilled and the condition in paragraph 4.3.3(iii) is in the process of being fulfilled.

4.3.4 Restructuring of KMC

Keppel Energy and KMC have put in place arrangements for the Restructuring in preparation for, and which will be effected prior to, or on, the KMC Completion Date.

Pursuant to the Restructuring, KMC will transform its business of being an independent power producer that competes in the NEMS, to being a power producer to Keppel Electric, a related corporation of the KIT Trustee-Manager, by entering into the KMC CTA with Keppel Electric.

The salient steps in the Restructuring are as follows:

(i) the execution of the KMC CTA by KMC and Keppel Electric;

(ii) the execution of the OMSA by KMC and KMC O&M, which is an indirect, wholly-owned subsidiary of KI;

(iii) the transfer by KMC to KMC O&M of its employees who are in charge of operations and maintenance of the KMC Plant;

(iv) the novation of certain agreements of KMC to Keppel Electric, such as its gas sales agreement with Keppel Gas Pte. Ltd. to supply piped natural gas as fuel for the KMC Plant, the entry by KMC into agreements with Pipenet Pte. Ltd., a subsidiary of KI, for maintenance services and rental charges related to KMC's wayleave facilities (the "**Pipenet Agreements**") and with Keppel Gas Pte. Ltd., a subsidiary of KI, for management services relating to the Vesting LNG Contract (as defined herein) with BG Singapore Gas Marketing Pte. Ltd. (the "**Gas Management Agreement**"), and the execution of a master settlement agreement (the "**Master Settlement Agreement**") by, *inter alia*, KMC and Keppel Electric whereby Keppel Electric will assume the risks and benefits of fuel price and foreign exchange hedging arrangements that were put in place by KMC; and

(v) a capital restructuring exercise to be carried out by KMC whereby it will replace existing loans from its related corporations (Kephinance Investment Pte Ltd and Keppel Energy) with (a) the KMC QPDS to be issued by KMC to KIT (or the Enlarged Trust, in the event that Completion takes place), Keppel Energy, Keppel Electric and KIS (as defined herein) in the proportions of 51 per cent., 39 per cent., 5 per cent. and 5 per cent. respectively (please refer to paragraph 4.3.1 of this Circular for the principal terms of the KMC QPDS) and (b) credit facilities from commercial banks by signing a facility agreement ("**Facility Agreement**") for S$700 million with financial institutions in Singapore (the "**Facility**"). The effective interest rate for the S$700 million loan shall be fixed at a rate which can only be determined closer to the drawdown date and the principal amount shall be repaid in its entirety at the end of the 5-year term of the Facility. The Facility Agreement will be secured mainly by an assignment of KMC's rights under the KMC CTA. In addition, all debt owing or incurred by KMC to the noteholders of the KMC QPDS shall be subordinated to the lenders' rights under the Facility Agreement, and KMC will be permitted to make interest payments on the KMC QPDS provided that no event of default has occurred under the Facility Agreement.

As at the Latest Practicable Date, paragraphs 4.3.4(i) to 4.3.4(iv) of the Restructuring steps set out above are in the process of being fulfilled, with the entry into of the Pipenet Agreements and the Gas Management Agreement having been completed. In respect of paragraph 4.3.4(v), KMC

has agreed the form of the notes subscription deed with the prospective noteholders and the principal terms of the Facility Agreement. Assuming KIT Unitholders' approval for the KMC Acquisition and the KIT Equity Fund Raising is obtained, the capital restructuring exercise is envisaged to be completed no later than 30 September 2015.

After the Restructuring, the capital structure of KMC will comprise (A) S$500 million of the KMC QPDS and (B) an external loan of S$700 million.

4.4 The KMC CTA

The principal terms of the KMC CTA will include, among others, the following:

(a) Keppel Electric will pay an availability-based capacity fee and a fixed O&M fee indexed to the Consumer Price Index of Singapore ("**CPIS**") (collectively, the "**Tolling Fees**") to KMC, in return for KMC making available the KMC Plant's electricity generation capacity. Under the KMC CTA, the maximum capacity fee that KMC will receive is S$108 million a year as long as KMC meets the availability and capacity test targets, with most of KMC's operating costs being passed through. The capacity fee for achieving 100 per cent. availability factor is $108 million a year, and this represents the level of fees that the Toller is willing to commit to pay for the initial contract term of 15 years for the KMC CTA, as well as for the 10-year extension option. Other than costs arising from unexpected plant outages/equipment failure, KMC's operating costs for maintenance, consumables and fuel are all passed through to the Toller, through a combination of the fixed O&M fee and costs to be directly reimbursed in accordance with the KMC CTA. The capacity fee does not have any indexation mechanisms. The availability target is set annually and takes into account provision for downtime (i.e. when the KMC Plant will not be available for generating electricity) for plant testing, and planned and unplanned maintenance works. As long as actual availability is higher than the target, availability factor is 100 per cent. The annual availability targets are agreed between the Toller and KMC. (See also "*Risk Factors – Risks relating to the KMC Acquisition – Changes to the Tolling Fee in the event of material adverse change and no right to recover change of law costs in the KMC CTA*");

(b) the terms of the KMC CTA are designed to ensure that the costs of planned maintenance of the KMC Plant, fuel costs and fuel availability risk to run the KMC Plant are 'effectively passed' through and borne by the Toller. In addition, using the fixed O&M fee received from the Toller, KMC will bear the economic costs of paying KMC O&M as the operator of the KMC Plant, insurance premiums and property taxes associated with owning the KMC Plant and costs of maintaining its property leases. The initial fixed O&M fee is approximately S$25.24 million (inclusive of O&M fees payable to KMC O&M under the OMSA, land charges, Pipenet charges, property tax, costs of statutory inspections and administrative costs) and is indexed to the CPIS (see also "*Risk Factors – Risks relating to the KMC Acquisition – CPIS adjustments to fixed O&M fees under the KMC CTA may not fully cover increases in the underlying expenses*");

(c) the duration of the KMC CTA shall be for an initial term of 15 years from the KMC Completion Date. The Toller is given certain rights to give a matching offer if KMC proposes to source for a third party to enter into a new capacity tolling agreement after the KMC CTA expires. If KMC cannot find such a third party within a prescribed time period (which is the one-year period between the fourth year and the third year prior to the expiry of the KMC CTA), the Toller is given an option (but has no obligation) to extend the duration of the KMC CTA by a 10-year period from the expiry of the CTA at the same terms; and

(d) during the contract period of the KMC CTA, the Toller may make a proposal to KMC to incur major capital expenditure to upgrade the KMC Plant ("**Required Modification**"). Major capital expenditure means capital expenditure to upgrade and enhance the KMC Plant (as part of a "repowering" proposal). Repowering of a power plant is a major modification to the

power generating equipment of the power plant (including the turbines) and will likely involve substantial periods (of up to a year or longer) of planning lead time and downtime, thereby requiring prior coordination with EMA in order to mitigate the impact on the power generation capacity in Singapore. If KMC elects not to participate in the Required Modification, the Toller has the right to undertake the upgrading works at the Toller's sole costs without reducing the Tolling Fees payable to KMC. In the event that the Toller exercises such a right, in order for it to recover its costs, the Toller has the option (but has no obligation) to extend the duration of the KMC CTA on the same terms by a period of up to 20 years commencing from the date of completion of the Required Modification. If the Toller's performance of the Required Modification, or the Required Modification once completed, gives rise to additional operations and maintenance costs and expenses, then the Toller shall reimburse KMC monetarily for all such additional costs and expenses throughout the remaining term of the KMC CTA. The risk of loss of the Required Modification and any affected areas of the KMC Plant shall be borne by the Toller. If KMC elects to participate in respect of any Required Modification, the Toller and KMC shall agree on the key details with respect to such Required Modification before KMC commences work on such Required Modification. Since the KMC CTA will be a contract with an interested party upon Completion, subsequent modifications to the KMC CTA will be subject to interested person transactions review procedures pursuant to Chapter 9 of the Listing Manual.

4.5 The OMSA

The OMSA between KMC and KMC O&M will, when entered into, be deemed to take effect from 1 January 2015 for an initial term of 20 years with an operator extension option. KMC O&M will be responsible for maintaining the parts of the KMC Plant that are not under the purview of the ALSTOM group which is maintaining the gas turbine and steam turbine assemblies of the KMC Plant. KMC O&M is part of KIS, which houses the technical support and O&M capabilities within the KI group of companies.

KMC O&M shall be responsible for providing, among other things, day-to-day operations of the KMC Plant, managing the KMC Plant's operating budget, producing an annual operating plan, managing the various sub-contractors and overall site management, procuring inventory and consumables and calculating plant availability. KMC O&M will prepare an annual operations and maintenance plan ("**AOMP**") which will set out the KMC Plant's annual operating budget for KMC and Keppel Electric to approve.

In consideration of the due performance by KMC O&M of the aforesaid services, KMC shall pay to KMC O&M, a fixed O&M fee which shall be indexed to the CPIS. KMC has an initial two-year period, during which all costs are reimbursed by the Toller to KMC, to achieve a better understanding of the budgeting and cost structures of the project such that it is better able to prevent cost overruns from the third year onwards. KMC will reimburse KMC O&M for the costs of planned maintenance and repair works included in the AOMP and receive reimbursement for the same from Keppel Electric. KMC will also reimburse KMC O&M for costs of unplanned maintenance and repair works, which shall be subject to interested person transactions review procedures pursuant to Chapter 9 of the Listing Manual. (see also "*Risk Factors – Risks relating to the KMC Acquisition – Fees payable to KMC O&M under the OMSA are not fixed*").

The KMC Plant has a remaining useful life beyond the 15-year term of the KMC CTA. As stated in the KIT Circular**,** KIFM believes it is advantageous for the term of the OMSA to be a longer period matching the remaining useful life of the KMC Plant of at least 21 years as much as possible so that KIT will have access to the experienced personnel of KMC O&M to operate and maintain the KMC Plant as long as possible. A longer OMSA gives KMC greater certainty over its

operation and maintenance costs, which is conducive to achieve the investment objective of providing stable income distributions to Enlarged Trust Unitholders.

5. FUTURE DISTRIBUTIONS

CIT Unitholders will be entitled to their customary quarterly distributions of 0.82 Singapore cents per CIT Unit up to Completion. In conjunction with the Proposed Acquisition, CIT will be making a cumulative distribution to CIT Unitholders, comprising the distribution for the period commencing from 1 January 2015 to 31 March 2015, and a pro-rated distribution for the period commencing from 1 April 2015 and ending immediately prior to Completion ("**Pre-Completion Stub Distribution**").

In addition, CIT will declare and pay a special cash distribution of S$30 million in aggregate to CIT Unitholders as at a record date immediately before Completion ("**CIT Special Distribution**"), representing 1.98 Singapore cents per CIT Unit.

Subject to and after Completion, pursuant to the Enlarged Trust Special Distribution, the Enlarged Trust will declare and pay a special cash distribution of S$30 million in aggregate to Enlarged Trust Unitholders (of which approximately S$16 million will be distributed to CIT Unitholders with the balance of approximately S$14 million distributed to KIT Unitholders), representing 1.05 Singapore cents per Enlarged Trust Unit. The record date for the Enlarged Trust Special Distribution will be set to fall after the Consideration CIT Units have been distributed to the KIT Unitholders but before the completion of the KMC Equity Fund Raising so that they, together with the existing CIT Unitholders, as Enlarged Trust Unitholders, will be eligible to participate in such distribution.

Assuming that the KMC Equity Fund Raising completes prior to 30 June 2015, the next distribution thereafter will be for the period commencing from the date of Completion and ending on the day immediately before the issue of the New Units pursuant to the Placement (the "**Pre-EFR Stub Distribution**"). This is to ensure fairness to the holders of the Enlarged Trust Units existing prior to the issue of New Units pursuant to the Placement.

The Pre-EFR Stub Distribution is intended to ensure that the holders of the Enlarged Trust Units existing prior to the Placement receive a distribution for the period from the date of Completion up to the day immediately preceding the date of the issue of New Units pursuant to the Placement, prior to the dilution arising from the KMC Equity Fund Raising.

The next distribution after the Pre-EFR Stub Distribution will comprise of distribution for the period commencing from the date of issue of New Units pursuant to the Placement and ending on 30 June 2015 (the "**Post-EFR Stub Distribution**"). Thereafter, it is expected that the Enlarged Trust will continue to declare and pay distributions to the Enlarged Trust Unitholders on a quarterly basis.

The New Units issued pursuant to the Placement and the Preferential Offering will, upon issue and allotment, rank *pari passu* in all respects with the existing Enlarged Trust 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 New Units pursuant to the Placement to 30 June 2015 as well as all distributions thereafter.

The timings in relation to the payment of the distributions which are scheduled to take place after the EGM have yet to be determined and will be determined at the absolute discretion of the Trustee-Manager or the Replacement Trustee-Manager, where applicable. The Trustee-Manager or the Replacement Trustee-Manager, where applicable, intends to announce the exact dates of such events as soon as they have been determined. Announcements will be made through SGXNet.

6. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition provides CIT Unitholders with a unique opportunity to take part in the formation of the flagship investment vehicle for Singapore infrastructure, with an enlarged and diversified portfolio of core infrastructure assets.

In addition, the KMC Acquisition presents the rare opportunity for the Enlarged Trust to acquire a controlling stake in a strategic asset expected to generate stable cash flows over the long term.

6.1 Aligned investment strategies and enlarged and diversified portfolio of core infrastructure assets

After the Proposed Transaction, the Enlarged Trust will offer the Enlarged Trust Unitholders and investors the opportunity to invest in a diverse portfolio of core infrastructure assets (ranging from waste treatment, water production, power production and transmission, piped gas production and retailing to telecommunications) located in jurisdictions with well-developed legal frameworks that support infrastructure investment.

CIT and KIT pursue similar investment strategies of acquiring and managing assets which provide long-term, regular and predictable cash flows.

CIT's and KIT's portfolios are attractive to investors, due to the low volatility and the horizon of their respective assets' cash flow generation. In addition, the Proposed Transaction will increase portfolio diversification and mitigate any potential concentration risk associated with any single asset for the benefit of Enlarged Trust Unitholders.

The Existing Plants which KIT currently owns generate stable cash flows from contractual rights under concession arrangements with Singapore statutory bodies (namely, NEA and PUB) to receive fixed and determinable amounts of payment during their concession periods irrespective of usage of the plants. More details on KIT's current portfolio of assets can be found in paragraph 2.2 and Appendix 1 of this Circular.

Under the contemplated KMC Acquisition, KMC will transform its business of being an independent power producer that competes with other electricity retail licensees in the NEMS, to being a captive power producer earning availability-based tolling fees in return for making its entire generation capacity exclusively available to Keppel Electric, for an initial contract period of 15 years. With this arrangement, KMC's exposure to volatility caused by movements in electricity price and demand that is typically experienced by independent power producers will be mitigated. KI will provide further credit enhancement by guaranteeing Keppel Electric's payment obligations to KMC. To ensure continuity of operations, KMC will be operated by the operations team which has operated it since 2007, under a long-term operations and maintenance contract with KMC O&M.

6.2 Accretion in *pro forma* distributions per unit

The Enlarged Trust will benefit from the strong cash generation by each of KIT's assets until the end of their concession periods.

The completion of the KMC Acquisition is expected to further enhance the Enlarged Trust's cash flow generation and the sustainability of distributions to Enlarged Trust Unithholders.

As part of the Proposed Transaction, it is proposed that the fee structure of the Replacement Trustee-Manager will be revised so as to adopt that of the KIT Trustee-Manager. On a *pro forma* basis, the adoption of the revised trustee-manager fee structure for the Enlarged Trust would have resulted in a reduction in trustee-manager fees of approximately S$5.3 million for the year ended 31 December 2014. The figure of S$5.3 million is arrived at based on the *pro forma* calculation assuming that (i) the Replacement Trustee-Manager fee structure had been adopted by the Trustee-Manager for the financial year ended 31 December 2014, (ii) KIFM had waived its

divestment fee in respect of the disposal of KIT's assets to CIT pursuant to the Proposed Acquisition, (iii) once-off cash inflow from a sub-trust to CIT of S$89.2 million in 2014 was excluded for the purposes of calculating the performance fees, and (iv) there were no other fees payable for acquisitions or divestments for the financial year ended 31 December 2014. More details on the Replacement Trustee-Manager's proposed fee structure for the Enlarged Trust can be found in paragraph 8 of this Circular.

Taking into account the benefits mentioned above, the Proposed Transaction (and the related transactions in connection therewith) is accretive on a *pro forma* basis to CIT Unitholders, as the *pro forma* distribution per CIT Unit of 3.69 Singapore cents (calculated on the basis of the KMC Equity Fund Raising of S$525 million and on the other bases and assumptions set out in Appendices 3 and 4 of this Circular) is higher than the distribution per CIT Unit of 3.28 Singapore cents for the 12-month period ended 31 December 2014.

6.3 Create the flagship investment vehicle for Singapore infrastructure

The Proposed Transaction will further enlarge and diversify CIT's portfolio and consolidate the Enlarged Trust's position as the largest Singapore infrastructure-focused business trust and the second largest business trust listed in Singapore in terms of total assets. The Enlarged Trust would be the flagship investment vehicle for investors looking to get exposure to Singapore infrastructure.

The Enlarged Trust's *pro forma* total assets are over S$4 billion and *pro forma* market capitalisation is over S$1.9 billion[9], calculated based on an illustrative price of S$0.515 per CIT Unit and per Consideration CIT Unit and assuming the completion of the Proposed Transaction and that S$525 million of gross proceeds are raised pursuant to the KMC Equity Fund Raising.

With greater scale and critical mass, the Enlarged Trust will be better able to pursue sizeable transactions fitting its investment criteria, while competing more effectively with larger infrastructure investors on future acquisition opportunities.

In addition, the KMC Equity Fund Raising will enable the Enlarged Trust to raise its profile in the investment community, increase its nominal free float to enhance the liquidity of its units, as well as build up its institutional investor base, which will further increase its ability to access capital markets to fund its future growth.

6.4 Benefit from the sponsorship of KI

The Sponsor of the Enlarged Trust, KI, will own 100 per cent. of the Replacement Trustee-Manager. KI drives the Keppel Group's (as defined herein) strategy to invest in, own and operate competitive infrastructure solutions and services.

KI has three core business platforms: (i) "gas-to-power", which includes its investment in KMC; (ii) "waste-to-energy", which provides technologies and seeks investment opportunities in the waste-to-energy space; and (iii) "x-to-energy", which spearheads KI's strategic developments into alternative energy sources, energy conversion and integration of the energy value chain to meet growing demand for competitive energy. It also holds KI's district heating and cooling business. KI also owns Keppel Infrastructure Services Pte. Ltd. ("**KIS**"), which provides operation and maintenance services both internally and to third party customers.

As KI's businesses are complementary to that of the Enlarged Trust, the Enlarged Trust will benefit from KI's sponsorship in the following ways: (i) draw on KI's expertise and network in sourcing for and evaluating acquisitions; (ii) tap into KI's operational expertise in managing and

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[9] This statement should not be interpreted to mean that the Enlarged Trust will trade at such market capitalisation upon Completion.

operating the Enlarged Trust's assets; (iii) the right of first refusal to acquire assets developed or incubated by KI will help expand the Enlarged Trust's acquisition pipeline; and (iv) potential co-investment opportunities with KI.

Under the KMC SHA to be entered into upon completion of the KMC Acquisition between the KIT Trustee-Manager (or the Replacement Trustee-Manager, as the case may be), Keppel Energy and KMC to govern their rights as shareholders of KMC, the KIT Trustee-Manager (or the Replacement Trustee-Manager, as the case may be) will have first rights over Keppel Energy's shares in KMC in the event that Keppel Energy wishes to divest its 49 per cent. interest in KMC, and *vice-versa*.

7. REPLACEMENT TRUSTEE-MANAGER

This paragraph has been drafted based on information provided to CIT by KIFM and information extracted from the KIT Circular and publicly available sources such as the 2013 annual report of KIT (formerly known as K-Green Trust). CIT understands from KIFM that the information reproduced in paragraph 7.3 relates to the processes and internal controls which the KIT Trustee-Manager has put in place and KIFM will adopt these processes and internal controls for the Enlarged Trust once it is appointed as the Replacement Trustee-Manager. KIFM has confirmed that the processes and internal controls in paragraph 7.3 are up to date and remain applicable. While the Directors have taken reasonable action to ensure that the information in relation to the KIT Group, KIFM and the Replacement Trustee-Manager reproduced in this paragraph is extracted accurately and fairly and has been included in this Circular in its proper form and context, they have not independently verified the accuracy of the relevant information and do not make any representation as to its accuracy.

CSIM has given notice of its resignation to CIT Unitholders on 3 February 2015 and a further notice on 1 April 2015, and has nominated KIFM as the replacement trustee-manager of CIT. Subject to the approval of the CIT Unitholders at the EGM, KIFM will be appointed as the Replacement Trustee-Manager upon Completion. The Replacement Trustee-Manager will offer employment to substantially all of CSIM's employees.

KIFM was incorporated in the Republic of Singapore in 2008 and is currently the trustee-manager of KIT.

7.1 Directors of Replacement Trustee-Manager

The proposed composition of the board of directors for the Replacement Trustee-Manager appropriately comprises directors who as a group are able to provide an appropriate balance and diversity of skills, experience and business knowledge to the benefit of the Enlarged Trust. As stated in the KIT Circular, Mr Koh Ban Heng and Mr Alan Tay Teck Loon will replace Mr Khor Poh Hwa and Mr Tan Boon Leng (who are existing directors of KIFM) post the EGM and prior to the Completion. Further, subject to and upon Completion, Mr Daniel Cuthbert Ee Hock Huat shall be appointed to the board of directors of the Replacement Trustee-Manager.

The proposed board of directors of the Replacement Trustee-Manager will be as follows:

Name of Director	Designation
Mr Koh Ban Heng	Independent director and chairman of the board of directors of KIFM
Mr Alan Ow Soon Sian	Independent director and chairman of the nominating committee of KIFM
Mr Paul Ma Kah Woh	Independent director and chairman of the audit committee of KIFM
Ms Quek Soo Hoon	Independent director and chairman of the conflicts resolution committee of KIFM
Mr Thio Shen Yi	Independent director and chairman of the remuneration committee of KIFM
Dr Ong Tiong Guan	Non-executive and non-independent director of KIFM
Mr Alan Tay Teck Loon	Non-executive and non-independent director of KIFM
Mr Daniel Cuthbert Ee Hock Huat	Independent director of KIFM

Please refer to Appendix 9 of this Circular for the present and past directorships held by the proposed directors of the Replacement Trustee-Manager from 1 January 2010 to 31 December 2014.

Further information on the proposed directors of the Replacement Trustee-Manager is as follows:

Mr Koh Ban Heng

Independent director and chairman of the board of directors of KIFM

Mr Koh retired on 30 June 2011 from Singapore Petroleum Ltd where he was the chief executive officer and executive director for almost eight years from August 2003 to June 2011. Upon his retirement, since 1 July 2011, Mr Koh has been appointed as the senior advisor of Singapore Petroleum Ltd, which is a fully owned subsidiary of PetroChina.

Mr Koh started his career in the oil industry when he first joined Mobil Oil Singapore in 1972 before joining Singapore Petroleum Ltd in March 1974 where he held several key positions in the company before being appointed the chief executive officer in August 2003.

Mr Koh's experience spans refining operations and planning, marketing, distribution and terminalling, supply and trading, oil and gas exploration and production including the development and establishment of new businesses. Mr Koh was instrumental in the refinery assets and service station retail network acquisitions in 2004 by Singapore Petroleum Ltd from BP Plc in Singapore. Under Mr Koh's leadership, Singapore Petroleum Ltd grew to become an integrated oil and gas company in the Asia Pacific region.

Currently, he is an independent director of KI. He is also an independent director of Linc Energy Ltd as well as Tipco Asphalt PLC, a listed company in Thailand. He sits on the school management committees of Chung Cheng High School (Main), Chung Cheng High School (Yishun) and Nanyang Junior College. Mr Koh also served as advisor to the chairman and chief executive officer of Dialog Group of Malaysia.

Mr Koh received his secondary and high school education from Chung Cheng High School. He has a Bachelor degree in Applied Chemistry and post-graduate diploma in Business Administration, both from University of Singapore.

Mr Alan Ow Soon Sian

Independent director and chairman of the nominating committee of KIFM

Mr Alan Ow Soon Sian has been an independent director of KIFM since 11 February 2010.

Mr Ow started his career with the Inland Revenue Department in 1970 and retired as the senior deputy commissioner of the Inland Revenue Authority of Singapore in 2007. From 2006 to 2007, he was also concurrently the chief executive officer of the Tax Academy of Singapore. He was also a director of the Tax Academy of Singapore from 2006 to 2008.

Mr Ow was a tax consultant (non-legal practitioner) with KhattarWong LLP, a law firm in Singapore, from May 2008 to November 2013.

Mr Ow obtained a Bachelor of Social Sciences (Second Class Honours, Lower Division) degree from the University of Singapore in 1970. He completed the International Tax Program at Harvard Law School in 1980 and the Advanced Management Program at Harvard Business School in 1997.

Mr Ow was awarded the Public Administration Bronze Medal in 1981, the Public Administration Silver Medal in 1986 and the Public Administration Gold Medal in 1997 by the Public Service Division, Prime Minister's Office of Singapore, in recognition of his contribution to public administration in Singapore. In addition to his current commitments, Mr Ow is the vice president of Morning Star Community Services, a community services organisation.

Mr Paul Ma Kah Woh

Independent director and chairman of the audit committee of KIFM

Mr Paul Ma Kah Woh has been an independent director of KIFM since 11 February 2010.

Mr Ma was a senior partner of KPMG Singapore where he was in charge of the audit and risk advisory practice and risk management function for many years until his retirement in 2003.

Mr Ma sits on the board and is a member of the audit and risk committee, executive resource and compensation committee, investment committee and transaction review committee of Mapletree Investments Pte Ltd. He is the chairman of the board of Mapletree Logistics Trust Management Limited, the manager of Mapletree Logistics Trust, a logistics real estate investment trust listed in Singapore.

Mr Ma also sits on the boards of two private equity funds, CapitaLand China Development Fund Pte Ltd and CapitaLand China Development Fund II Ltd, and the board of Nucleus Connect Pte Ltd, a wholly-owned subsidiary of Starhub Ltd and the operator of the Next Generation Broadband Network. He sits on the board of NRF Holdings Pte Ltd and the board of PACC Offshore Services Holdings Ltd. He is a trustee on the board of trustees of the National University of Singapore and chairs its audit committee. He is also a director on the National Heritage Board.

Mr Ma is a Fellow of the Institute of Chartered Accountants in England and Wales, and a Member of the Institute of Singapore Chartered Accountants.

Ms Quek Soo Hoon

Independent director and chairman of the conflicts resolution committee of KIFM

Ms Quek Soo Hoon has been an independent director of KIFM since 11 February 2010.

Ms Quek is an operating partner at iGlobe Partners (II) Pte Ltd, a venture capital firm that invests in technology companies internationally.

She is also a Distinguished Fellow of the International Association of Insurance Supervisors (IAIS), a standard-setting body that represents insurance regulators and supervisors globally.

Ms Quek currently holds directorship positions in Singapore Deposit Insurance Corporation Ltd, Special Needs Trust Company Ltd, School of the Arts, Singapore and Enactus Singapore (formerly known as Students-in-Free-Enterprise), amongst others.

Ms Quek graduated from the London School of Economics and Political Science in 1975 with a Bachelor of Science (Economics) (First Class Honours) and later qualified for Fellowship at the Institute of Actuaries (United Kingdom).

Mr Thio Shen Yi

Independent director and chairman of the remuneration committee of KIFM

Mr Thio Shen Yi has been an independent director of KIFM since 11 February 2010.

Mr Thio is a Senior Counsel and is currently the joint managing director of TSMP Law Corporation.

Mr Thio obtained a Bachelor of Arts degree and a Master of Arts degree from the University of Cambridge in 1991 and 1995, respectively. In 1992, Mr Thio was called to the Middle Temple in England as a barrister-at-law, winning the 1992 Council of Legal Education Prize in the process. He was admitted as an advocate and solicitor of the Supreme Court of Singapore in 1993. Mr Thio was appointed a fellow of the Singapore Institute of Arbitrators in 2006, and Senior Counsel by the Selection Committee under the Legal Profession Act (Chapter 161) in 2008. He is a panel arbitrator of the Singapore International Arbitration Centre and the Kuala Lumpur Regional Centre for Arbitration.

Mr Thio is president of the Law Society of Singapore and member of the ethics committee. He is also a fellow and Senate Member of the Singapore Academy of Law and a member of its Legal Education and Studies Committee. He sits on the management committee of the Law Society's Pro Bono, Learning and Support Services, a charity and Institute of Public Character established by the Law Society of Singapore.

Dr Ong Tiong Guan

Non-executive and non-independent director of KIFM

Dr Ong has been a non-executive and non-independent director of KIFM since 1 June 2014.

Dr Ong was appointed Keppel Energy's executive director from November 1999. He became managing director of Keppel Energy with effect from 1 May 2003. He is currently chief executive officer of KI and is responsible for Keppel Corporation's power generation and gas business, which develops, owns and operates power generation projects in Asia and in the Americas.

Dr Ong's career spans across the energy industry from engineering and contracting to investment and ownership of energy assets. He started with Jurong Engineering as a design engineer in 1987 and went on to hold senior management positions in Foster Wheeler Eastern, the Sembawang Group, and CMS Energy Asia. Dr Ong was Chairman of the Singapore Electricity Pool Executive Committee for its financial year 2002/2003.

His directorships include KI, KIFM, Keppel Energy, Keppel Electric, KMC, Keppel Gas Pte. Ltd., Keppel Integrated Engineering Ltd and Keppel DHCS Pte. Ltd.

Dr Ong holds a Bachelor of Engineering (First Class Honours) from Monash University, and Doctor of Philosophy (Ph.D.) under Monash Graduate Scholarship, Monash University, Australia.

Mr Alan Tay Teck Loon

Non-executive and non-independent director of KIFM

Mr Tay is Executive Director, Business Development, of KI, with overall responsibility for the business development of the company and its subsidiaries. Prior to joining Keppel Group, Mr Tay was head of South East Asia for JPMorgan Asset Management, Global Real Assets – Asian Infrastructure, a US$860 million private equity fund focused on infrastructure and related resources investments across Asia. He was also a member of the fund's investment committee and board member of J.P. Morgan Asset Management Real Assets (Singapore) Pte. Ltd. and Eco Management Korea Holdings Inc.

Mr Tay's experience spans across the origination and execution of mergers and acquisitions, greenfield development, joint venture, disposal, debt and equity fund raising transactions in Asia, including Singapore, Malaysia, Indonesia, South Korea, Japan, Taiwan, China, Australia and India covering power, natural gas, transportation, banking, property, water, shipyard and manufacturing sectors.

Mr Tay holds a Bachelor of Business Administration with Second Class Upper Honours from the National University of Singapore.

Mr Daniel Cuthbert Ee Hock Huat

Independent director of KIFM

Mr Ee is the current chairman of CSIM and serves on the board of Citibank Singapore Limited. He is the deputy chairman of SIC and a Fellow and Council Member of the Singapore Institute of Directors. Mr Ee had also served as the chairman of Gas Supply Pte Ltd from 2002 to July 2010 and on the board of National Environment Agency from 2006 to March 2012. He was a member of the Corporate Governance Council from February 2010 till its dissolution in May 2012.

Mr Ee has more than 14 years of experience in the banking sector, in particular in corporate finance. Prior to that, he had served in various capacities in the public sector from 1975 to 1985. Mr Ee graduated from the University of Bath, UK with a Bachelor of Science in Systems Engineering (1st Class Honours) and has a Master of Science in Industrial Engineering from the National University of Singapore. He was awarded the Public Service Medal in 2003.

7.2 Management of Replacement Trustee-Manager

The management team of the Replacement Trustee-Manager is proposed to be led by Mr Khor Un-Hun, the current chief executive officer of KIFM, as chief executive officer of the Replacement Trustee-Manager. Mr Lionel Chua, who is the existing chief financial officer of KIFM, will act as the chief financial officer of the Replacement Trustee-Manager after the completion of the Proposed Transaction.

Information on the current key management members of KIFM is as follows:

Name of Key Management Member	Designation
Mr Khor Un-Hun	Chief executive officer
Mr Koh Hee Song	Senior adviser
Mr Lionel Chua	Chief financial officer
Ms Foo Chih Chi	Senior investment manager
Mr Liew Yuen Cheng	Senior asset manager

Mr Khor Un-Hun

Chief executive officer

Mr Khor Un-Hun has been the chief executive officer of KIFM since May 2014.

As the chief executive officer of KIFM, he is responsible for working with the board of directors of KIFM to determine the strategy for KIT. He works with other members of the management team of KIFM to execute the stated strategy of KIT.

Mr Khor joined KI as development director in April 2014, where he worked on KI's various business development initiatives.

Prior to joining KI, Mr Khor spent most of his career in banking, during which he was involved in a wide range of mergers and acquisitions, financial advisory, capital markets and debt transactions across different sectors throughout Asia.

He held various positions in the corporate finance teams of Deutsche Bank and ING Bank in Singapore and Hong Kong before becoming managing director and head of Corporate Finance, Asia at ING Bank, where he oversaw the origination and execution of corporate finance transactions in the region. He was also a member of ING Bank's regional management committee.

Mr Khor Un-Hun holds a Bachelor of Accountancy degree with First Class Honours from Nanyang Technological University and is a Chartered Financial Analyst.

Mr Koh Hee Song

Senior adviser

Mr Koh Hee Song has been a senior adviser to KIFM since June 2010.

As a senior adviser, he works with the other members of the management team of KIFM to evaluate potential acquisitions and/or divestments and recommend and analyse potential asset enhancement initiatives from a technical perspective. He also advises the management team on technical matters relating to the business of KIT as and when the circumstances require. Prior to June 2010, Mr Koh was a senior adviser to Keppel Seghers Engineering Singapore Pte. Ltd. in matters pertaining to solid waste management projects.

Mr Koh started his career as a mechanical engineer with the Sewerage Department of the Public Works Department in 1969. In 1990, Mr Koh was appointed as the Head of the Engineering Services Department in the Ministry of the Environment and the NEA upon its formation in 2002, until his retirement in 2003.

Mr Koh was awarded the Colombo Plan Scholarship for Mechanical Engineering, Australia in 1965 and he obtained a Bachelor of Engineering (Mechanical) (Second Class Honours, Division One) in 1968 from the University of Sydney. Mr Koh was also awarded the Public Administration Bronze Medal in 1981, the Public Administration Silver Medal in 2002 and the Long Service Medal in 2003 by the Government of Singapore in recognition of his contribution to public administration in Singapore. Mr Koh is also a member of the Professional Engineers Board, Singapore.

Mr Lionel Chua

Chief financial officer

Mr Lionel Chua joined KIFM as chief financial officer in May 2013.

He is responsible for KIFM's and KIT's financial and reporting functions, including accounting, taxation, treasury and compliance.

Mr Chua has more than 17 years of experience in financial and management accounting where he has held senior positions, including vice president (finance) of The Ascott Group Limited and chief financial officer of Mary Chia Holdings Limited. He has also worked at CapitaLand Group and Singapore Airlines Limited. Prior to joining KIFM, Mr Chua was the financial controller at Keppel REIT Management Limited, where he was responsible for the financial and reporting functions and also participated in various acquisition exercises.

Mr Chua holds a Bachelor of Accountancy (Merit) degree from Nanyang Technological University of Singapore. He is a Chartered Accountant of Singapore, CA (Singapore), with the Institute of Singapore Chartered Accountants.

Ms Foo Chih Chi

Senior investment manager

Ms Foo Chih Chi has been a senior investment manager of KIFM since June 2010.

As a senior investment manager, she is responsible for identifying and evaluating potential acquisitions with a view to enhance KIT's portfolio.

Ms Foo has over 10 years of experience in investment evaluation, corporate strategy and new business development. She joined Keppel Corporation in 2000, where as a part of Keppel Corporation's strategic development and planning division, she was responsible for corporate strategy and new business development.

Ms Foo obtained a Bachelor of Business Administration from the University of Michigan, School of Business Administration in 1999.

Mr Liew Yuen Cheng

Senior asset manager

Mr Liew Yuen Cheng is the senior asset manager of KIFM. He joined KIFM in June 2010.

As the senior asset manager, Mr Liew implements asset management plans for KIT's asset portfolio by engaging the operations and maintenance contractor to ensure that the required levels of service standards are met and also to enhance operational performance. He works with the operations and maintenance contractor in asset enhancement and upgrading projects as well.

Mr Liew joined Keppel FELS Limited in 1998, where he held various positions in the production, engineering and marketing departments. From 2004 to 2008, he was seconded to Caspian Shipyard Company Ltd (an overseas subsidiary of Keppel Offshore & Marine Ltd) in Azerbaijan, where he headed the marketing, procurement and subcontracting functions as Commercial Manager. Prior to joining KIFM, he was a Project Manager for engineering, procurement and construction for rig construction projects in Keppel FELS Limited in Singapore.

Mr Liew obtained a Bachelor of Engineering (First Class Honours) degree in Marine Technology (Offshore Engineering) from the University of Newcastle upon Tyne (United Kingdom) in 2001 and a Diploma (with Merit) in Shipbuilding & Offshore Engineering from the Ngee Ann Polytechnic (Singapore) in 1998. Mr Liew is a member of the Society of Naval Architects and Marine Engineers Singapore and was a Council Member of the Society of Naval Architects and Marine Engineers Singapore from 2002 to 2004.

7.3 Internal Controls

Pursuant to the Proposed Acquisition, KIFM will be appointed as the Replacement Trustee-Manager and will adopt the internal controls which it currently adopts in its capacity as the trustee-manager of KIT. The internal controls of the KIT Trustee-Manager as at the Latest Practicable Date are extracted from the 2013 annual report of KIT and are set out below.

KIT adopts a holistic and comprehensive risk management framework that identifies, evaluates and manages risks in its decision-making process. KIT, together with the Keppel O&M Operator (as defined herein), identifies, reviews and assesses regularly the potential risks that may affect its operations.

In addition, the KIT Trustee-Manager has adopted the Keppel Group's System of Management Controls Framework outlining KIT's internal control and risk management processes and procedures. The framework comprises three lines of defence towards ensuring the adequacy and effectiveness of KIT's system of internal controls and risk management.

Under the first line of defence, the KIT Trustee-Manager is required to ensure good corporate governance through the implementation and management of policies and procedures relevant to KIT's business scope and environment. Such policies and procedures govern financial, operational, information technology and compliance matters and are reviewed and updated periodically. Employees are also guided by the core values of the Keppel Group and are expected to comply strictly with its Employee Code of Conduct.

Under the second line of defence, the KIT Trustee-Manager conducts an annual self-assessment exercise to assess the status of the internal controls and risk management via self-assessment questionnaires. Action plans would then be drawn up to remedy identified weaknesses. Through the Enterprise Risk Management Framework, significant risk areas are identified and assessed, with systems, policies and processes put in place to manage and mitigate the identified risks. Fraud risk management processes include mandatory conflict of interest declaration by employees in high-risk positions and the implementation of policies, such as its Whistle-Blower Protection Policy and its Employee Code of Conduct, to establish a clear tone at the top with regard to employees' business and ethical conduct.

Under the third line of defence, assurances are sought from the internal and external auditors based on their independent assessments.

The board of directors of the KIT Trustee-Manager has also received assurance from the chief executive officer and chief financial officer of the KIT Trustee-Manager that, amongst others:

a. the financial records have been properly maintained and the financial statements give a true and fair view of KIT's operations and finances;

b. the internal controls are adequate and effective to address the financial, operational, compliance and information technology risks which KIT considers relevant and material to its current business scope and environment and that they are not aware of any material weakness in the system of internal controls; and

c. they are satisfied with the adequacy and effectiveness of KIT's risk management system.

The above internal controls were implemented by the KIT Trustee-Manager for FY 2013. Based on KIT's framework of management control, the internal control policies and procedures established and maintained by the KIT Trustee-Manager, the operational risk management procedures put in place by the Keppel O&M Operator, and the regular audits, monitoring and reviews performed by the internal and external auditors, and management, the board of directors of the KIT Trustee-Manager, with the concurrence of the audit committee of the KIT Trustee-Manager, has confirmed in the 2013 annual report of KIT that, it was of the opinion that, the internal controls to address the financial, operational, compliance risks and information technology controls, and risk management systems which the KIT Trustee-Manager considered relevant and material to its current business scope and environment, were adequate and effective.

7.4 Legal Representatives

As at the Latest Practicable Date, no legal representatives with sole powers to represent, exercise rights on behalf of, and enter into binding obligations on behalf of, the Enlarged Trust or its principal subsidiaries, have been appointed or designated.

7.5 Material Background Information

As at the Latest Practicable Date, each of the proposed directors and current key executive officers of the Replacement Trustee-Manager has represented that, none of them:

(a) at any time during the last ten years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time he was a partner or at any time within two years from the date he ceased to be a partner;

(b) at any time during the last ten years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding-up or dissolution of that entity or, where the entity is the trustee of a business trust, that business trust, on the ground of insolvency;

(c) any unsatisfied judgment against him;

(d) ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;

(e) ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;

(f) at any time during the last ten years, had judgment entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;

(g) ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;

(h) ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;

(i) ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;

(j) ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:

  (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;

(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;

(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; and

(k) been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the MAS or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

7.6 Proposed Change of Name

Following the Proposed Acquisition, CIT will be the surviving trust and will be renamed "Keppel Infrastructure Trust". As stated in the KIT Circular, it is intended that following the last day of trading in KIT Units on a "cum" basis in respect of the Proposed Acquisition, trading in KIT Units will be suspended and the existing KIT will be renamed "Crystal Trust" prior to Completion to avoid investors confusing KIT with the Enlarged Trust, and Crystal Trust will be wound up following the Distribution in Specie. Correspondingly, KIT's trading counter name will be changed to "Crystal Tr". Crystal Trust will adopt the existing KIT stock code of "LH4U". The aforesaid dates for the last day of trading and suspension will be announced by KIT in due course once determined.

The change of name of CIT will only take effect after Completion. In line with the proposed change of name, the trading counter name of the Enlarged Trust will be changed to "Kep Infra Tr fka CIT" for a period of three months. Subsequently the new trading counter name for the Enlarged Trust will be changed to "Kep Infra Tr". A further SGXNet announcement to this effect will be made in due course. The Enlarged Trust will adopt the existing CIT stock code of "A7RU". Announcements made, or circulars despatched, by the Enlarged Trust on SGXNet may be found by referring to the security name of "KEPPEL INFRA TRUST WEF 2015".

The Enlarged Trust will issue an announcement to notify CIT Unitholders of the coming into effect of CIT's new name. CIT Unitholders should note that the change of CIT's name does not affect the legal status of CIT. No further action would be required on the part of CIT Unitholders.

8. PROPOSED FEE STRUCTURE OF REPLACEMENT TRUSTEE-MANAGER

8.1 Proposed Fee Structure of the Replacement Trustee-Manager

As part of the Proposed Transaction, it is proposed that the fee structure of the Replacement Trustee-Manager will be revised so as to adopt that of the KIT Trustee-Manager. The key changes to the fee structure are summarised in the table below:

Type of fees	Current fee structure of the Trustee-Manager	Proposed fee structure of Replacement Trustee-Manager
Base fee	1 per cent. per annum of CIT's market capitalisation subject to a minimum of S$3.5 million per annum.	S$2.0 million per annum subject to increase each year by such percentage increase (if any) in the average of the monthly CPIS for the 12 calendar months immediately preceding the beginning of each financial year over the average of the monthly CPIS for 2010. The base fee for the KIT Trustee-Manager for the financial year ended 31 December 2014 is approximately S$2.25 million.
Performance fee	20 per cent. of outperformance measured by comparing the total return on CIT Units against the total return on the MSCI Asia Pacific ex-Japan Utilities Index, after taking into account the under-performance in prior periods.	4.5 per cent. per annum of all the cash inflow received by the Enlarged Trust from its subsidiaries, associates, sub-trusts and investments.
Mergers and acquisitions, and disposal, fees	Nil	Acquisition fee of 0.5 per cent. of the EV of any investment acquired from the Sponsor Group Entities (as defined herein), and 1.0 per cent. of the EV of any investment acquired from non-Sponsor Group Entities. Divestment fee of 0.5 per cent. of the EV of any investment sold by the Enlarged Trust.

KIFM has agreed to waive the divestment fee in respect of the disposal of the Assets by KIT to CIT pursuant to the Proposed Acquisition. If the revised fee structure of the Replacement Trustee-Manager is approved, the Replacement Trustee-Manager will be entitled to an acquisition fee for the KMC Acquisition, based on the formula shown in the table above. For avoidance of doubt, the existing remuneration structure of the Trustee-Manager does not provide for an acquisition fee and accordingly, the Trustee-Manager will not be entitled to any acquisition fee arising from the Proposed Acquisition.

Based on the *pro forma* calculation, and for illustrative purposes only, assuming that (i) the Replacement Trustee-Manager fee structure of the KIT Trustee-Manager had been adopted by the Trustee-Manager for the financial year ended 31 December 2014, (ii) KIFM had waived its divestment fee in respect of the disposal of KIT's assets to CIT pursuant to the Proposed Acquisition, (iii) once-off cash inflow from a sub-trust to CIT of S$89.2 million in 2014 was excluded for purposes of calculating the performance fees, and (iv) there were no other fees payable for acquisitions or divestments for the financial year ended 31 December 2014, the adoption of a revised trustee-manager fee structure for the Enlarged Trust would have resulted in a reduction in trustee-manager fees of approximately S$5.3 million for the year ended 31 December 2014.

8.2 Amendment of Trust Deed

In connection with the Proposed Acquisition and the proposed fee structure for the Replacement Trustee-Manager, CIT proposes to make amendments to the Trust Deed, in particular to Clause 11 of the Trust Deed, to replace the fee structure of the Trustee-Manager with that of the KIT Trustee-Manager, and to incorporate certain housekeeping amendments (such as by referencing the proposed new name of the Enlarged Trust).

Clause 11 of the Trust Deed will be replaced in its entirety with the new Clause 11 as shown in Appendix 8. Other changes include the proposed change of name of CitySpring Infrastructure Trust to "Keppel Infrastructure Trust" and the change of trustee-manager to "Keppel Infrastructure Fund Management Pte. Ltd." (subject to CIT Unitholders' approval) and editorial amendments to improve the overall clarity of the Trust Deed. CIT Unitholders should consider the amended Trust Deed as set out in Appendix 8 in its entirety. The proposed adoption of the amended Trust Deed requires the approval of CIT Unitholders at the EGM by way of an Extraordinary Resolution.

Pursuant to Section 31(5)(c) of the Business Trusts Act. Chapter 31A of Singapore ("**BTA**"), where the trustee-manager of a registered business trust proposes to the unitholders of the registered business trust to act by special resolution to effect a revision to the fees or charges payable out of trust property of the registered business trust to the trustee-manager, the trustee-manager shall include in the notice to the unitholders pursuant to Section 63 of the BTA for such resolution to be considered a special resolution, among others, an opinion, from an independent adviser, on whether the methods or procedures for determining the proposed revision to the fees or charges are sufficient to ensure that the proposed revision is on normal commercial terms and will not be prejudicial to the interests of all the unitholders as a whole.

As stated above, by virtue of Temasek's interest in Keppel Corporation, Temasek is deemed to have an interest in KI's 100 per cent. shareholding interest in KIFM and the Proposed Acquisition is regarded to be an interested person transaction for the purposes of Chapter 9 of the Listing Manual. Accordingly, the proposed appointment of KIFM and the proposed change in fee structure of the Replacement Trustee-Manager is regarded to be an interested person transaction for the purposes of Chapter 9 of the Listing Manual. Pursuant to Rule 921(4)(a) of the Listing Manual, an opinion from an independent financial adviser stating whether the transaction is on normal commercial terms, and is prejudicial to the interests of the issuer and its minority unitholders is required.

Please refer to Appendix 7 of this Circular for the opinion letter given by PricewaterhouseCoopers Corporate Finance Pte Ltd ("**PwC**") in relation to the amendment of the trustee-manager fees (and in relation to the amendment of CIT's existing general mandate for interested person transactions) ("**PwC Letter**").

9. THE PROPOSED KMC EQUITY FUND RAISING

As the KMC Equity Fund Raising will be conducted by the Replacement Trustee-Manager after Completion, all information in this Circular relating to the KMC Equity Fund Raising has been provided by the Replacement Trustee-Manager who is solely responsible for such information.

9.1 Structure

The KMC Equity Fund Raising will comprise:

(1) the Preferential Offering; and

(2) the Placement,

in each case at an issue price to be determined by the Replacement Trustee-Manager and the KMC EFR Underwriters (as defined herein), so as to raise gross proceeds of up to approximately S$525 million in aggregate.

The Replacement Trustee-Manager will determine the exact structure of the KMC Equity Fund Raising closer to the launch of such offering, having regard to, among other things, market conditions at such time.

Prior to Completion, the KIT Trustee-Manager will enter into an equity bridge loan to fund the KMC Acquisition, such facility to be drawn down on the completion of the KMC SPA if the KMC Equity Fund Raising has not been completed on or prior to such completion. The equity bridge loan facility, if drawn down, shall be fully repaid upon the completion of the equity fund raising exercise to fund the KMC Acquisition and in any event, by the date falling 15 months from Completion or 1 August 2016 (whichever is earlier).

In the event that the Proposed Acquisition is completed, the Enlarged Trust will assume all rights and obligations of KIT in respect of the KMC Acquisition (including undertaking the KMC Equity Fund Raising and the equity bridge loan facility) to fund the KMC Acquisition and the related expenses of the KMC Equity Fund Raising and the KMC Acquisition.

9.2 Issue Price

The issue price at which New Units will be offered and issued pursuant to the KMC Equity Fund Raising will be determined by the Replacement Trustee-Manager in consultation with the underwriters for the KMC Equity Fund Raising ("**KMC EFR Underwriters**") to be appointed, closer to the date of commencement of the KMC Equity Fund Raising.

In particular, the issue price for the New Units to be issued pursuant to the Placement shall be at a price that represents a discount of not more than 10 per cent. to the weighted average price for trades done on the SGX-ST for the full Market Day on which the underwriting agreement is signed, and the issue price for the New Units to be issued pursuant to the Preferential Offering shall be at a price that represents a discount of not more than 10 per cent. to the weighted average price for trades done on the SGX-ST for the full Market Day on which the Preferential Offering is announced.

9.3 New Units

Approval in-principle has been granted by the SGX-ST for the issue of up to 1,132,700,000 New Units, based on an illustrative issue price of S$0.4635 (which is arrived at by assuming a 10 per cent. discount to the illustrative unit price of S$0.515 as at 14 November 2014). In order to raise an amount of up to approximately S$525 million from the KMC Equity Fund Raising, the Enlarged Trust will have to issue approximately 1,132,700,000 New Units based on the illustrative issue price of S$0.4635. CIT Unitholders are to note that the number of New Units to be issued will depend on the price at which such units will be offered, which may differ from what is stated in this Circular. As the issue price of the New Units cannot be determined as at the date of this Circular, it is likely that the number of New Units to be issued may exceed the mandate granted on 30 July 2014 by CIT Unitholders to the Directors to issue new units (the "**Existing Mandate**") and hence CIT Unitholders' approval is required for the issue of New Units.

The New Units to be issued under the KMC Equity Fund Raising will rank *pari passu* in all respects with the other Enlarged Trust Units in issue, except that such New Units shall not be entitled to any distributions the record date for which falls prior to the date of their issue.

9.4 Underwriting

The Replacement Trustee-Manager will appoint the KMC EFR Underwriters for the KMC Equity Fund Raising and announce such appointment prior to the launch of the KMC Equity Fund Raising. The KMC Equity Fund Raising will be underwritten by the KMC EFR Underwriters subject to the execution of underwriting agreement(s) on such terms and conditions as they may agree with the Replacement Trustee-Manager.

9.5 Use of Proceeds

The Enlarged Trust will apply the gross proceeds of the KMC Equity Fund Raising of up to approximately S$525 million to fund the KMC Acquisition of S$510 million and to pay for the fees and expenses (including underwriting and selling commissions and professional and other fees and expenses) incurred by it in connection with the KMC Equity Fund Raising and the KMC Acquisition.

9.6 Preferential Offering – Non-Renounceable

If a preferential offering is included as part of the KMC Equity Fund Raising, such offering will be made on a non-renounceable basis and provisional allocations of New Units cannot be renounced in favour of a third party or traded on the SGX-ST. Singapore-registered Enlarged Trust Unitholders, including Restricted Placees (as defined herein) (such as the directors of the Replacement Trustee-Manager, their immediate family members and substantial Enlarged Trust Unitholders) who are Singapore-registered Enlarged Trust Unitholders, can accept their provisional allocations of New Units under the Preferential Offering in full or in part, or decline to accept their provisional allotments of New Units.

9.6.1 Eligible Unitholders

Eligible Enlarged Trust Unitholders ("**Eligible Unitholders**") are (i) Enlarged Trust Unitholders with Enlarged Trust Units standing to the credit of their Securities Accounts (as defined herein) as at the EFR Record Date and (a) whose registered addresses with CDP are in Singapore as at the EFR Record Date; (b) who have, at least three Market Days (as defined herein) prior to the EFR Record Date provided CDP with addresses in Singapore for the service of notices and documents or (c) who are Eligible QIBs (as defined herein); and (ii) Enlarged Trust Unitholders whose Enlarged Trust Units are not deposited with CDP and who have tendered to the Registrar (as defined herein) valid transfers of their Enlarged Trust Units and/or the documentary evidence evidencing their title in relation thereto for registration up to the EFR Record Date, and (a) whose registered addresses with the Registrar are in Singapore as at the EFR Record Date, (b) who have, at least three Market Days prior to the EFR Record Date, provided the Registrar with addresses in Singapore for the service of notices and documents or (c) who are Eligible QIBs.

Acceptance of the provisional allocations of New Units under the proposed Preferential Offering may be effected via application forms.

As the proposed Preferential Offering is to be made on a non-renounceable basis, the provisional allocations of New Units cannot be renounced in favour of a third party or traded on the SGX-ST. For the avoidance of doubt, the New Units pursuant to the Placement will be issued after the EFR Record Date and accordingly, the placees under the Placement will not be entitled to participate, either based on any issue or allocation of the New Units pursuant to the Placement, or otherwise, in the Preferential Offering in respect of the New Units pursuant to the Placement.

9.6.2 Ineligible Unitholders

No provisional allotments of New Units will be made to Enlarged Trust Unitholders other than Eligible Unitholders ("**Ineligible Unitholders**") and no purported acceptance thereof or application therefor by Ineligible Unitholders will be valid.

The making of the Preferential Offering may be prohibited or restricted in certain jurisdictions under their relevant securities laws. Thus, for practical reasons and in order to avoid any violation of the securities legislation applicable in countries (other than Singapore) where Enlarged Trust Unitholders may have their addresses registered with

CDP or the Registrar (as the case may be), any such Preferential Offering will not be extended to Ineligible Unitholders.

Save as provided herein, Ineligible Unitholders who wish to participate in the Preferential Offering will have to provide CDP with addresses in Singapore for the service of notices and documents and any other evidence of eligibility that the Replacement Trustee-Manager, in its absolute discretion, requires at least three Market Days prior to the EFR Record Date. Save as provided herein and for the avoidance of doubt, Ineligible Unitholders are not eligible to participate in the Preferential Offering.

The New Units have not been, and will not be, registered under the Securities Act, or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, United States persons (as defined in Regulation S under the Securities Act) except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

The New Units may only be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly (i) within the United States only to Eligible QIBs in reliance on the exemption from the registration requirements of the Securities Act under Section 4(a)(2) thereof; and (ii) outside the United States only in compliance with Regulation S under the Securities Act to persons located outside the United States.

Notice is hereby given that, subject to the relevant approvals sought at the EGM being obtained, the EFR Record Date (on which the transfer books and register of Enlarged Trust Unitholders will be closed to determine the provisional allocation of Eligible Unitholders under the proposed Preferential Offering) will be announced closer to the date of the commencement of the KMC Equity Fund Raising.

9.7 Enlarged Trust Unitholders' Entitlement to the New Units

9.7.1 EFR Record Date

Subject to the Proposed Transaction and the KMC Equity Fund Raising being approved by CIT Unitholders at the EGM and satisfaction of the approvals, the register of Enlarged Trust Unitholders will be closed at 5.00 p.m. on the EFR Record Date for the purpose of determining the entitlement of Enlarged Trust Unitholders to the Preferential Offering.

9.7.2 Entitlement to New Units

The entitlement of each Eligible Unitholder will depend on the total number of issued Enlarged Trust Units held by the Eligible Unitholder as at the EFR Record Date and will be announced later.

9.7.3 Enlarged Trust Unitholders (being Depositors) whose Enlarged Trust Units are deposited with CDP

In the case of Enlarged Trust Unitholders (being Depositors), entitlements to the New Units will be determined on the basis of the number of Enlarged Trust Units standing to the credit of their respective Securities Accounts as at the EFR Record Date. Enlarged Trust Unitholders (being Depositors) are requested to take the necessary action to ensure that the Enlarged Trust Units owned by them are credited to their Securities Accounts by the EFR Record Date.

9.7.4 Investors whose Enlarged Trust Units are held through a finance company and/or a Depository Agent

In the case of investors who hold Enlarged Trust Units through a finance company and/or a Depository Agent, entitlements to the New Units will be determined on the basis of the number of Enlarged Trust Units held by the finance companies and/or the Depository Agents on behalf of each such investor as at the EFR Record Date. Following the EFR Record Date, CDP will credit the New Units attributable to such investors pursuant to the Preferential Offering to the Securities Accounts of the finance companies and/or the Depository Agents.

9.7.5 Overseas Enlarged Trust Unitholders

The distribution of this Circular and the Preferential Offering may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. Overseas Enlarged Trust Unitholders ("**Overseas Unitholders**") are required to inform themselves of and to observe any such prohibition or restriction at their own expense and without liability to CIT and/or the Enlarged Trust.

For practical reasons and in order to avoid violating applicable securities laws outside Singapore, the New Units will not be distributed to Overseas Unitholders who have not at least three (3) Market Days prior to the EFR Record Date provided the Registrar (Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623) or CDP, as the case may be, with addresses in Singapore for the service of notices or documents in accordance with the foregoing.

For the avoidance of doubt, even if an Overseas Unitholder has provided a Singapore address as aforesaid, the distribution of New Units to him will be subject to compliance with applicable securities laws outside Singapore to the extent reasonably practicable.

9.7.6 Odd-Lot Trading

For the purposes of trading on the Main Board of the SGX-ST, each board lot of Enlarged Trust Units will comprise 100 Enlarged Trust Units. Following the Preferential Offering, the Securities Accounts of Eligible Unitholders who are Depositors may be credited with odd lots of Enlarged Trust Units (i.e. lots other than board lots of 100 Enlarged Trust Units). Eligible Unitholders who receive odd lots of Enlarged Trust Units pursuant to the Preferential Offering should note that an application will be made by the Replacement Trustee-Manager for the establishment of a temporary counter for the trading of Enlarged Trust Units in board lots of one (1) Enlarged Trust Unit for a period of one (1) calendar month from the date that the Enlarged Trust Units are credited to the Securities Accounts of the Eligible Unitholders for their convenience. After the period of one (1) calendar month from the date that the Enlarged Trust Units are credited to the Securities Accounts of the Eligible Unitholders, Enlarged Trust Unitholders who hold odd-lots of Enlarged Trust Units can continue to trade in odd-lots on the Unit Share Market of the SGX-ST which allows trading of securities in single units.

10. RISK FACTORS

CIT Unitholders should consider carefully, together with all other information contained in this Circular, the factors described below before deciding how to vote on the resolutions proposed at the EGM as these may, among other things, adversely affect the Enlarged Trust's ability to make distributions to the Enlarged Trust Unitholders. The risk factors below are intended to highlight the incremental material risks faced by the Enlarged Trust as a result of the Proposed

Transaction (and the related transactions in connection therewith) that CIT Unitholders and/or the Enlarged Trust Unitholders should consider. These risk factors are not intended to be exhaustive.

The risk factors set out in this section below relate principally to the risks of KIT's assets and KMC as well as the industry in which the Enlarged Trust will operate following the completion of the Proposed Transaction. Other considerations relate principally to general economic, political and regulatory conditions. The risk factors below are not the only risks which the Enlarged Trust will face. Some risks are not yet known to the CIT Group and the KIT Group and there may be others which they currently believe are not material but may subsequently turn out to be so.

Pursuant to the Completion, if any of the following considerations, risks and uncertainties set out in this section of this Circular develops into actual events, the business operations, financial condition, results, cash flow and prospects of the Enlarged Trust could be, directly or indirectly, materially and adversely affected. In the event that any of the foregoing occurs, the trading price of the Enlarged Trust Units could fluctuate and/or decline and the Enlarged Trust Unitholders may lose all or part of their investment in the Enlarged Trust Units.

In considering the risks relating to the Proposed Acquisition, the Trustee-Manager has derived certain facts and information relating to KIT's existing portfolio from various publicly available sources, including but not limited to the introductory document dated 31 May 2010 in connection with the listing of KIT (formerly known as K-Green Trust) on the SGX-ST and the KIT Circular. While the Directors have taken reasonable action to ensure that the information is extracted accurately and fairly and has been included in this Circular in its proper form and context, they have not independently verified the accuracy of the relevant information and do not make any representation as to its accuracy.

RISKS RELATING TO KMC AND KIT'S BUSINESS AND OPERATIONS

The Trustee-Manager has not carried out extensive technical due diligence on the Plants (as defined herein)

CIT Unitholders should note that although the Trustee-Manager engaged financial, accounting, tax and legal advisers, as well as a technical adviser for a limited review of KMC, the Trustee-Manager did not engage in extensive technical due diligence on the Plants and has primarily focused on issues of non-compliance in relation to the Plants in its scope of due diligence. The Trustee-Manager had also relied on information obtained from publicly available sources and information and representations provided by the KIT Group and had not verified the accuracy of such information. Although the Trustee-Manager had conducted discussions with the management of the KIT Trustee-Manager and documentary due diligence on the KIT Group, KMC and the Plants, CIT Unitholders should note that the Trustee-Manager did not carry out site visits on any of the Plants. In any event, to the extent any due diligence has been conducted, there is no assurance that such due diligence will identify any or all defects or deficiencies (including latent defects) in the Plants. Accordingly, there can be no assurance that there are no issues with the KIT Group and/or the KMC Acquisition which could adversely affect the business, financial condition, results of operations and prospects of the Enlarged Trust and in turn, adversely affect future distributions to Enlarged Trust Unitholders. See also, "*Risks Relating to the Enlarged Trust's Business and Operations – The due diligence exercise on KIT's portfolio prior to the Proposed Acquisition may not have identified all material defects, breaches of laws and regulations, and other deficiencies*" and "*Risks Relating to the KMC Acquisition – The KMC Acquisition was negotiated between KIT and KI, and the Trustee-Manager did not participate in such negotiations*".

The Enlarged Trust may be adversely affected if there is any significant downtime of the Existing Plants and the KMC Plant (collectively, the "Plants")

Each Plant is subject to normal wear and tear as a natural consequence of its operations. Normal wear and tear results from exposure to elements and deterioration of equipment, whether from

use or otherwise. As a result, the Plants may require periodic downtime for repairs and maintenance. Repairs and maintenance are also expected to become more frequent as the Plants get older (such as for Senoko Plant which was commissioned in 1992). In the case of Plants that are newly constructed (such as the KMC IIA and KMC IIB (each as defined in Appendix 1)), defects which may not have been apparent during the testing and commissioning of the Plant may become apparent only after some period of operations. In such an event, the Plant may require downtime for rectification or modification.

If the time required for repairs and maintenance of the Plants exceeds the time anticipated or if the time required for repairs and maintenance of the Plants becomes more frequent than anticipated, the available incineration capacity for Senoko Plant and Tuas DBOO Plant, or available production capacity for Ulu Pandan Plant, or available electricity generation capacity for KMC Plant, may fall below their respective contracted incineration capacities or available production capacity or electricity generation capacity. This could result in the Senoko Trustee, the Tuas DBOO Trustee (as defined herein), the Ulu Pandan Trustee (as defined herein) or KMC, as the case may be, not receiving the full payments due under the respective Senoko ISA (as defined herein), the Tuas DBOO ISA (as defined herein), the NEWater Agreement (as defined herein) or the KMC CTA.

In addition, if any extraordinary or extensive repairs to the Plants or equipment are required due to any mechanical breakdown, fire, natural calamity or any event (whether natural or man-made), the Plants could require significant downtime during which such Plants would not be able to incinerate waste, produce and generate electricity, and produce and supply NEWater, as applicable. Any significant downtime of the Plants may have far-reaching consequences, and could lead to the termination of the Senoko ISA, the Tuas DBOO ISA, the NEWater Agreement or the KMC CTA, as the case may be, and/or compensation liabilities arising under the agreements.

Senoko Trustee in September 2014 has entered into an agreement with NEA to provide additional incineration capacity. The contracted incineration capacity of the Senoko Plant will increase by up to 10 per cent. from 2,100 tonnes per day. The upgrade works mainly involve modifications to the plant's incineration units and steam-condensation system. As a result of the modifications being made, the Senoko Plant may experience more downtime compared to its previous operating history.

If Senoko Plant or Tuas DBOO Plant requires significant downtime during which it would not be available to incinerate waste and generate electricity, or if Ulu Pandan Plant requires significant downtime during which it would not be available to produce and supply NEWater, the liability of Keppel Seghers Engineering Singapore Pte. Ltd. ("**Keppel O&M Operator**"), as the operation and maintenance ("**O&M**") operator for that Plant will be capped generally at 30 per cent. of the fixed O&M fee payable under the Senoko O&M Agreement (as defined herein), the Tuas DBOO O&M Agreement (as defined herein) or the Ulu Pandan O&M Agreement (as defined herein), as the case may be, for that contract year (subject to certain exceptions). Accordingly, the damages that the Sub-Trustees (as defined herein) may recover from the Keppel O&M Operator may not be sufficient to cover the loss in revenues that any of them may suffer as a result of the downtime of any of the Plants.

There have in the past been ruptures of boiler tubes among the incinerator-boilers of Senoko Plant resulting in the shutdown of the affected incinerator-boiler for the period required to replace the ruptured boiler tube. There is no assurance that the boiler tubes would not rupture in future or any other defects would not surface, and that such shutdowns of incinerator-boilers will not occur in the future (as a result of ruptured boiler tubes or otherwise). Such shutdowns may have a material impact on the availability of Senoko Plant.

If the KMC Plant requires significant downtime during which it would not be available to produce and generate electricity, the liability of KMC O&M will be capped at 10 per cent. of the service fee

for each contract year under the OMSA. Accordingly, the damages that KMC may recover from KMC O&M may not be sufficient to cover the loss in revenues that it may suffer as a result of the downtime of the KMC Plant.

While the Plants are insured against, among others, loss of income from business interruption, there can be no guarantee that the costs of any such claims would be fully covered. Please also refer to "– *There is no guarantee that the insurance coverage for the Plants will be sufficient to cover all the losses of the Enlarged Trust or that such insurance coverage will continue to be available in future*".

There can be no assurance that any precautionary or safety measures taken by the Keppel O&M Operator or KMC O&M (as the case may be) operating or upgrading the Plants can or will prevent damage to the facilities or disruptions to the operations of the Plants. The inability to use any of the Plants will materially and adversely affect the business, financial condition, results of operations and prospects of the Enlarged Trust.

The Enlarged Trust will be fully reliant on its service providers to perform their obligations

Other than routine maintenance, KMC has executed three major maintenance agreements with the ALSTOM group since 12 May 2004 (the "**Major Maintenance Agreements**") to receive services for the maintenance of the gas turbine and steam turbine assemblies of the KMC Plant throughout the useful life of the gas turbine and steam turbine assemblies. The Major Maintenance Agreements with the ALSTOM group have a sixteen to twenty-year duration (depending on operating hours) commencing from the provisional acceptance date. In the event that the Major Maintenance Agreements are not extended after expiry, there is no assurance that KMC would be able to appoint suitable replacement service providers to provide maintenance for the gas turbine and steam turbine assemblies of the KMC Plant (the "**Power Train**") or obtain suitable parts for the Power Train, or that such other service provider would be able to provide heat rate or capacity degradation guarantees.

Upon the effective date of the Restructuring, KMC will not have employees. All of its existing employees will be seconded or transferred to KMC O&M, its service provider under the OMSA for routine maintenance. KMC is thus fully reliant on KMC O&M to provide routine maintenance for the KMC Plant that is not covered by the Major Maintenance Agreements. As a result, if any of the service providers fails to perform their services in breach of their contracts, there is no assurance that KMC would be able to appoint suitable replacement service providers, either on commercially acceptable terms or at all, and may suffer loss in the interim period if the service providers' non-performance results in the KMC Plant not meeting its agreed targets in the KMC CTA.

In addition, under the Major Maintenance Agreements and the OMSA, there are liability caps on the compensation payable by the service providers to KMC. Accordingly, the damages that KMC may recover from the service providers may not be sufficient to cover the loss in revenues that it may suffer as a result of the downtime of the KMC Plant. These liability caps will not apply in events of gross negligence or wilful misconduct.

KIT currently relies, and the Enlarged Trust will upon Completion, rely solely on the Keppel O&M Operator for the operations and maintenance of the Existing Plants, and any failure by its service provider(s) in relation to any of the Plants will have a material adverse effect on them. Furthermore, significant costs and time may have to be spent to find a replacement provider for these services, and any material increase in the price charged or material change in terms for the services could adversely and materially affect the Enlarged Trust's operations, business and financial condition.

The operations of the Plants may be affected by accidents or unforeseen events arising from the activities of third parties on the premises

KMC may fail to meet its availability targets under the KMC CTA for a variety of reasons, such as due to the occurrence of accidents or unforeseen events, including events arising from the acts of ALSTOM Group entities, its service providers under the Major Maintenance Agreements, or KMC O&M, its service provider under the OMSA and their subcontractors.

The Senoko Plant and the Tuas DBOO Plant are also open to the public and refuse collectors to enter and dispose of waste within the premises. Any accidents or other unforeseen events arising from the activities of these parties, which are in close proximity to the Plants, may materially disrupt the operations of the Plants and adversely affect the business and results of operations of the Plants.

The Enlarged Trust will be exposed to the credit risk of its customers

Each of the Plants has a single customer and sole source of revenue. In the case of Senoko Plant and Tuas DBOO Plant, NEA is the customer and the respective incineration services agreements ("**ISAs**") are the sole source of revenue. In the case of Ulu Pandan Plant, PUB is the single customer and the NEWater Agreement is the sole source of revenue. Even if the Plants meet the contractual requirements under the ISAs or the NEWater Agreement, the Enlarged Trust will still be exposed to the credit risk of NEA and PUB, both of which are statutory boards owned by the Government of Singapore.

As the KMC CTA is the sole source of revenue for KMC, even if KMC meets its agreed targets in the KMC CTA, it is exposed to the credit risk of the Toller being financially able or willing to pay the capacity fee of up to S$9,000,000 per month (the "**capacity fees**") to KMC. The obligations of the Toller in the KMC CTA are guaranteed by KI, its indirect parent company, and likewise, KMC will assume the credit risk of KI being financially able or willing to honour its guarantee obligations.

If the credit-worthiness of any of these counterparties deteriorates, the business, financial condition, results of operations and prospects of the Enlarged Trust may be materially and adversely affected.

The historical records of the Plants may not be indicative of their future performance

The past performance of the Plants is not indicative of their future performance. There can be no assurance that the Plants will continue to achieve (in the case of KMC) the contracted availability and capacity, (in the case of Senoko Plant and Tuas DBOO Plant) the contracted incineration capacity and (in the case of Ulu Pandan Plant) the contracted production capacity, which entitles, or would entitle, KMC and the relevant Sub-Trustee to the payments under the KMC CTA, Senoko ISA, the Tuas DBOO ISA or the NEWater Agreement (as the case may be).

There is no guarantee that the insurance coverage for the Plants will be sufficient to cover all the losses of the Enlarged Trust or that such insurance coverage will continue to be available in future

The Plants are insured against property damage, loss of income from business interruption and claims arising from third party liabilities and as a result of acts of terrorism. In addition, the Senoko Trustee maintains a constructors' all risks insurance policy for its upgrade of the Senoko Plant.

While the Plants may maintain insurance policies in relation to loss of income, property damage and liabilities likely to be associated with the above risks, there can be no guarantee that the

costs of any such claims would be fully covered or that such insurance coverage will continue to be available or available at a commercially acceptable premium in the future.

The Existing Plants may be purchased by NEA and/or PUB and this could have a material adverse effect on the business, financial condition, results of operations and prospects of the Enlarged Trust

In the event that any of the Senoko ISA, the Tuas DBOO ISA or the NEWater Agreement is terminated, the respective Existing Plants may be purchased by NEA or PUB (as the case may be) at a purchase price to be determined in accordance with the terms of the Senoko ISA, the Tuas DBOO ISA or the NEWater Agreement (as the case may be). The purchase price will vary depending on the event which gives rise to the right of termination and/or the party committing the default. Any such purchase may have a material adverse effect on the business, financial condition, results of operations and prospects of the Enlarged Trust and the level of distributions payable to Enlarged Trust Unitholders.

The rights and interests of the Replacement Trustee-Manager, in relation to the Sub-Trusts will, upon Completion, be subject to the rights, powers and remedies of NEA and PUB set out in the Senoko ISA, the Tuas DBOO ISA and the NEWater Agreement

Currently, each Sub-Trustee holds the relevant Existing Plant on trust for the KIT Trustee-Manager pursuant to deeds of trust constituting the Sub-Trusts (as defined herein) and the KIT Trustee-Manager in turn holds all the shares of the SPCs (as defined herein), all the units in the Sub-Trusts and all the notes in each case on trust for the KIT Unitholders. Under the terms of the deeds of trust, the rights and interests of the KIT Trustee-Manager as the sole unitholder of each Sub-Trust will be at all times subject to, among other things, the rights, powers and remedies of NEA and PUB set out in the Senoko ISA, the Tuas DBOO ISA or the NEWater Agreement, as the case may be, and any other agreement, undertaking, deed or instrument made from time to time between NEA or PUB and the relevant Sub-Trustee, as well as any requirement which may be imposed by NEA or PUB in connection with the O&M of the relevant Existing Plant or the incineration of waste, generation and sale of electricity and delivery of ash to NEA or the production of NEWater, as the case may be. There can be no assurance that any such requirement imposed by NEA or PUB will not, upon Completion, have a material adverse effect on the business, financial condition, results of operations and prospects of the Enlarged Trust and the level of distributions to the Enlarged Trust Unitholders.

The Enlarged Trust will depend on certain key personnel, and the loss of any key personnel may adversely affect its operations

The Enlarged Trust's performance will depend, in part, upon the continued service and performance of its executive officers and key personnel of the Keppel O&M Operator and KMC O&M. There is no assurance that these persons will not leave the Replacement Trustee-Manager, the Keppel O&M Operator, KMC O&M or, in the case of secondees from Keppel Corporation or any of its subsidiaries (collectively, "**Keppel Group**"), Keppel Group, and may in the future compete with the Enlarged Trust. The loss of these key personnel could adversely affect the operating results of the Enlarged Trust and its ability to generate cash and make distributions to the Enlarged Trust Unitholders.

Energy costs are a significant component of the total operating costs for Ulu Pandan Plant and any significant changes in energy costs beyond those projected and/or hedged may have an adverse effect on its business, financial condition and results of operations

In the water reclamation process, the cost of energy is the single largest variable cost item and energy costs are a significant component of the annual operating costs of Ulu Pandan Plant.

Total energy costs to operate Ulu Pandan Plant will vary with the cost of fuel and may be higher or lower than the variable power payment component in the variable payment payable under the NEWater Agreement for the volume of Feedwater (as defined herein) treated receivable from PUB under the NEWater Agreement. The variable power payment component is adjustable for fuel cost movement according to a formula prescribed by PUB. Only 60.8 per cent. of the variable power payment component is adjustable for fuel price indexation and the fuel price indexation is a factor of the monthly average 180 Centistoke Heavy Sulphur Fuel Oil for the previous 12 months over the actual fuel price as at 28 March 2007. If the actual cost of fuel is higher than the fixed fuel cost used in the calculation, the variable power payment component will not be sufficient to cover the actual power costs incurred by Ulu Pandan Plant and Ulu Pandan Trust will have to bear the extra costs of fuel incurred. If the actual cost of fuel is lower than the fixed fuel cost used in the calculation, the variable power payment component is able to cover the actual power costs incurred and Ulu Pandan Trust will be able to keep the difference in savings. In view of this, adverse fluctuations in the cost of fuel may have a material adverse effect on the profitability, financial condition and results of operations of Ulu Pandan Trust.

The Ulu Pandan Trustee has entered into a deed of assignment and novation with Ulu Pandan SPC and Keppel Electric, a wholly-owned subsidiary of Keppel Corporation, in relation to the electricity retail agreement dated 28 February 2005 (as supplemented). The Ulu Pandan Trustee may also enter into electricity price hedges which serve to reduce the volatility of its energy exposures throughout the term of the NEWater Agreement. However, these hedging transactions may not have the desired beneficial impact on the business, financial condition or results of operations of Ulu Pandan Trust and may not completely insulate Ulu Pandan Trust from the risks associated with fluctuations in fuel costs. In addition, electricity price hedging transactions are exposed to fluctuations in the U.S. dollar exchange rate and any adverse fluctuations could reduce the effectiveness of the electricity price hedges. Any significant changes in energy costs beyond those projected and/or hedged amounts may have an adverse effect on the business, financial condition and results of operations of Ulu Pandan Trust.

Waste delivered to Senoko Plant and Tuas DBOO Plant and Feedwater supplied to Ulu Pandan Plant that exceed certain input specifications may adversely affect the earnings of the respective Plants and consequently, the Enlarged Trust

Senoko Plant and Tuas DBOO Plant are built to incinerate waste that falls within certain waste specifications. In the event that the specifications are not met, and depending on the extent of such deviation, it may not be possible for these Plants to maintain the performance standards (while meeting the contracted incineration capacity). The amount of electricity generated may also deviate from expectation and affect revenue from electricity.

The Ulu Pandan Trustee relies solely on PUB to supply effluent from the Ulu Pandan Water Reclamation Plant located next to Ulu Pandan Plant ("**Feedwater**") and any failure by PUB may result in Ulu Pandan Plant not receiving sufficient O&M income under the NEWater Agreement.

Ulu Pandan Plant is built to treat Feedwater that falls within certain water quality specifications. For example, in the event that the chemical oxygen demand, which is one measure of water pollution, is higher than the specifications in the NEWater Agreement, and depending on the extent of such deviation, it may not be possible for the Feedwater supply to be treated, or to be treated to attain the water quality standards provided for under the NEWater Agreement, or within the cost structure contemplated by the NEWater Agreement. In addition, any excessive pollution of the Feedwater may adversely affect the operating costs and earnings of Ulu Pandan Plant due to the higher costs of treating the water to attain the water quality standard specified in the NEWater Agreement or lower revenue from a reduction in water output.

Even if it falls within the designated water quality specifications, the Feedwater may contain other substances which may affect the NEWater production process. For instance, such other substances may obstruct the flow of Feedwater into Ulu Pandan Plant and/or cause fouling damage to the membranes. In such an event, the Ulu Pandan Trustee may not be able to maintain the warranted capacity of the Ulu Pandan Plant and/or the required storage quantity of NEWater at Ulu Pandan Plant pursuant to the NEWater Agreement. This may result in deductions being made from the fixed payments made by PUB for the provision of production capacity and/or termination of the NEWater Agreement, and such events may have a material adverse effect on the business, financial condition, results of operations and prospects of the Enlarged Trust and the Enlarged Trust's ability to make distributions to Enlarged Trust Unitholders.

Expiry of Senoko Plant concession may have an adverse impact on Enlarged Trust Unitholders' return

Senoko Plant is a significant revenue source in the asset portfolio of KIT. The concession of Senoko Plant ends in 2024. There is no guarantee that the Enlarged Trust will be able to extend the concession of Senoko Plant at commercially reasonable terms. If concession extension is not viable, and the Enlarged Trust is unable to acquire assets that contribute a similar or higher level of cashflow, distributions to the Enlarged Trust Unitholders may be adversely affected.

RISKS RELATING TO THE KMC ACQUISITION

The KMC Acquisition was negotiated between KIT and KI, and the Trustee-Manager did not participate in such negotiations

The KMC Acquisition forms an integral part of the Proposed Acquisition. The Trustee-Manager has not participated and was not involved in negotiations in relation to the KMC SPA. It is therefore not in the position to influence the outcome of the KMC CTA and the OMSA. The Trustee-Manager's role in the KMC Acquisition was limited to participating in management discussions with representatives from KI and conducting documentary due diligence on the KMC Acquisition. There can be no assurance that there are no issues with the KMC Acquisition which could adversely affect the business, financial condition, results of operations and prospects of the Enlarged Trust and in turn, adversely affect future distributions to Enlarged Trust Unitholders. See also, "*Risks Relating to KMC and KIT's Business and Operations – The Trustee-Manager has not carried out extensive technical due diligence on the Plants",* "*Risks Relating to the Enlarged Trust's Business and Operations – The due diligence exercise on KIT's portfolio prior to the Proposed Acquisition may not have identified all material defects, breaches of laws and regulations, and other deficiencies"* and *"– KIT's acquisition of KMC may be subject to risks associated with the acquisition of companies and properties".*

KIT's acquisition of KMC may be subject to risks associated with the acquisition of companies and properties

There can be no assurance that the KMC Plant will not have defects or deficiencies including latent defects, requiring significant capital expenditure, repair or maintenance expenses, or that KMC will not have payment or other obligations to third parties or that the records or diligence documents are complete and up to date. The due diligence documents and reports that the KIT Trustee-Manager has relied upon in relation to KMC and the KMC Plant as part of its due diligence investigations may contain inaccuracies and deficiencies, as certain building defects and deficiencies may be difficult or impossible to ascertain where such defects are latent or due to the limitations inherent in the scope of the inspections, the technologies or techniques used and other factors and diligence documents may not be complete or up to date. Keppel Energy's contractual representations, warranties and indemnities in the KMC SPA may be breached or

unenforceable. The duration of the warranties under the KMC SPA are between one and a half to three years, save for tax warranties, which are for five years.

In addition, laws and regulations may have been breached and certain regulatory requirements in relation to the KMC Acquisition or the KMC Plant may not have been complied with. As a result, KMC may incur financial or other obligations in relation to such breaches or non-compliance. Furthermore, existing contracts entered into by KMC may expose KMC to contractual liability.

In the event that KMC incurs any obligations in relation to breaches or non-compliance of laws and regulatory requirements, or is exposed to any liability with contracting third parties, this may have an adverse effect on the financial position and results of operations of the Enlarged Trust.

Risks associated with KMC's Restructuring exercise and debt financing

As part of the Restructuring exercise, KMC will be entering into the Facility Agreement for credit facilities of S$700 million. It is expected that the principal amount of the Facility shall be repaid in its entirety upon maturity of the Facility. KMC is subject to risks associated with debt refinancing. For example, if KMC defaults under the Facility, the lenders may be able to declare a default and initiate enforcement proceedings in respect of any security provided, and/or call upon any guarantees provided. There is also no certainty that interest rates will not move against KMC, whether prior to the entry into the Facility or subsequent to the maturity of the Facility which would result in higher interest rates and interest expenses, thereby adversely affecting KMC's cash flows and the amount of funds available for distribution to its shareholders and noteholders (including the Enlarged Trust), and in turn affect the Enlarged Trust's distributions to the Enlarged Trust Unitholders.

If the principal amount of the Facility due for repayment at maturity cannot be refinanced, extended or paid with proceeds of other capital transactions, such as the raising of new equity capital, KMC may be required to seek additional financing to fund working capital requirements, to support the future growth of its business and/or to refinance existing debt obligations. There can be no assurance that additional financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained at interest rates on the same rates and/or on terms favourable to KMC. Factors that could affect KMC's ability to procure financing include market disruption risks which could adversely affect the liquidity, interest rates and the availability of funding sources.

The Enlarged Trust may not be able to complete the KMC Equity Fund Raising and hence the KMC Acquisition, and any draw down of the bridge loan in connection therewith would result in an increase in the Enlarged Trust's aggregate leverage ratio

Notwithstanding that the Enlarged Trust has until 30 September 2015 to complete the KMC Acquisition pursuant to the terms of the KMC SPA, uncertainties and instability in global market conditions could, among other things, adversely affect the Enlarged Trust's ability to successfully complete the KMC Equity Fund Raising, in which case, it would have to draw down on the equity bridge loan to fund the KMC Acquisition. Accordingly, this could result in an increase in the aggregate leverage ratio of the Enlarged Trust. For illustrative purposes, based on the *pro forma* balance sheet of the Enlarged Trust as at 31 December 2014, the net leverage ratio will be, (i) 33.1 per cent. in the event the KMC Equity Fund Raising is undertaken to raise gross proceeds of S$525 million, and (ii) 44.8 per cent. in the event there is a draw down on the equity bridge loan of S$525 million. If the Enlarged Trust should then, from time to time, require further debt financing to achieve its investment strategy, such increase in its aggregate net leverage ratio may adversely affect its ability to make further borrowings.

The consequences of this limitation on borrowings may include, among other things:

- an inability to fund capital expenditure requirements;

- cash flow shortages (including with respect to distributions) which the Enlarged Trust might otherwise be able to resolve by borrowing funds; and
- the Enlarged Trust may not be able to obtain additional equity or debt financing or be able to obtain such financing on favourable terms.

The above business consequences may adversely affect the Enlarged Trust's financial condition, results of operations and its level of distributable income and unit price.

The KMC CTA may not generate regular cash flows for KMC under certain circumstances

The KMC CTA is the sole source of revenue of KMC for the 15-year duration of the KMC CTA. Under the terms of the KMC CTA, if KMC does not ensure the KMC Plant is able to meet certain availability and capacity targets for the Toller, the Toller is not obligated to pay in full its capacity fees to KMC, and may reduce such payments proportionately. Therefore, while the KMC CTA is designed to ensure KMC does not take on the market risks of owning and operating a power plant as an independent power producer, KMC is nonetheless subject to the risks of the KMC Plant being unable to meet the aforementioned targets in order to receive the capacity fees in full. Assuming that the KMC CTA had been effective in 2014, the availability factor would have been 99.5 per cent. This was due to a single isolated incident involving one generating unit. Operator training and standard operating procedures have been improved to avoid a recurrence. Correspondingly the capacity fee, if the KMC CTA was in place in 2014, would have been S$107.4 million. See also "*Risks Relating to KMC and KIT's Business and Operations – The Enlarged Trust may be adversely affected if there is any significant downtime of the Existing Plants and the KMC Plant*", *"Risks Relating to KMC and KIT's Business and Operations – The Enlarged Trust will be fully reliant on its service providers to perform their obligations" and "Risks Relating to KMC and KIT's Business and Operations – The operations of the Plants may be affected by accidents or unforeseen events arising from the activities of third parties on the premises".*

Changes to the Tolling Fee in the event of material adverse change and no right to recover change of law costs in the KMC CTA

Each party to the KMC CTA has the right to request a good faith negotiation over an adjustment to the Tolling Fee (as defined in the KMC CTA) when a "Material Adverse Change" occurs. The definition of "Material Adverse Change" is not limited to unforeseeable events and includes a reference to changes to the Vesting Contract (as defined in the KMC CTA) level or Vesting Contract price. As the Vesting Contract price and level is anticipated to change approximately every two years, there could be situations in which the Tolling Fee may reduce in the near future. However, it should be noted that the Toller's right to request an adjustment does not entitle it to automatic changes to the Tolling Fee. KMC will be required to negotiate with the Toller in good faith, but it will be under no legal obligation to agree to any change to the Tolling Fee if it is not in its best interests to do so. Any changes to the contract terms of the KMC CTA will be subject to the review procedures for interested person transactions in accordance with the IPT Mandate (as defined herein) for interested person transactions and Chapter 9 of the Listing Manual.

Further, KMC is required to give KMC O&M relief if KMC O&M suffers a change of law that materially increases the cost of its provision of the services. However, KMC has no corresponding right to pass this risk on to the Toller and has no means of mitigating this risk of bearing the increased cost. Examples of possible changes in law that can cause KMC O&M to face a material increase in the cost of service provision include regulatory changes by the Ministry of Manpower with respect to foreign labour or changes by the Ministry of Home Affairs requiring increased security manpower requirements at KMC. As long as KMC O&M is able to demonstrate and provide invoices substantiating the increase in cost caused by the change in law, KMC O&M is entitled to reimbursement.

Fees payable to KMC O&M under the OMSA are not fixed

The OMSA is not a fixed price agreement and there is potential for the amount payable by KMC to KMC O&M to exceed the amounts budgeted for in the AOMP. Such excess amounts are most likely expected to arise from costs incurred for unplanned maintenance which is not due to the fault of KMC O&M. However, cost control mechanisms have been included in the OMSA with the purpose of limiting the extent of such costs increase, including:

(a) KMC has an initial two-year period, during which all costs are reimbursed, to achieve a better understanding of the budgeting and cost structures of the project such that it is better able to prevent cost overruns from the third year onwards;

(b) the requirement that nearly all reimbursable expenses meet the requirements of the defined term "Reimbursable Expenses Items", which amongst others, excludes any costs caused by KMC O&M's negligence or breach of the OMSA; and

(c) the operator only has an ability to incur additional reimbursable expenses beyond the amounts under the AOMP with KMC's consent (subject to what is stated below).

KMC O&M may disclaim liability for outages or breakdowns if KMC does not meet unforeseen expenses outside KMC O&M's control. This right can limit KMC's practical control over costs in certain situations.

In the event KMC O&M exceeds the amount budgeted in the AOMP and KMC pays these costs, KMC's right of recourse to recover these amounts is subject to the Toller's agreement. Accordingly, this may lead to KMC's cashflows being eroded if it is unable to manage KMC O&M's expenses. KMC would have to pay KMC O&M substantially higher fees than received from the Toller in the event of significant unplanned maintenance e.g. unexpected major equipment failure.

CPIS adjustments to fixed O&M fees under the KMC CTA may not fully cover increases in the underlying expenses

Under the KMC CTA, the fixed O&M fee is indexed to the CPIS annually. The increases in the expenses covered by the fixed O&M fee may exceed the CPIS and may adversely affect KMC's cashflow and ultimately, distributions to Enlarged Trust Unitholders. For instance, the fixed O&M fee is intended to cover property related charges which are generally subject to the rental indexation of Jurong Town Corporation ("**JTC**") and increases in such charges may not match indexation based on the CPIS.

Effect of termination of the KMC CTA

In the event that the KMC CTA with the Toller is terminated and there is no buyout undertaking by KI, KMC will either enter into another tolling agreement with another power company or operate the KMC Plant as an independent power producer in the NEMS or divest the KMC Plant. This may have a material adverse effect on the business, financial condition, results of operations and prospects of the Enlarged Trust and the level of distributions payable to the Enlarged Trust Unitholders. Although the Enlarged Trust may, upon Completion, be able to sell its investment in KMC to third parties, there is no guarantee that the proceeds from such a sale will enable the Enlarged Trust to fully recover its original investment in KMC.

KMC may not be able to renew the KMC CTA and OMSA on terms commercially acceptable to the Enlarged Trust

The KMC CTA will have a fixed 15-year duration commencing from the KMC Completion Date and the OMSA will have a fixed 20-year duration commencing from 1 January 2015. Neither the Toller, the counterparty of KMC for the KMC CTA, nor KMC O&M, the counterparty of KMC for

the OMSA, shall be legally obliged to renew the agreements signed with KMC on the terms and provisions as currently agreed. In the event that the KMC CTA is not renewed with the Toller, KMC will assume the market risks of owning and operating a power plant as an independent power producer, unless KMC is able to find another party willing to enter into a similar contractual agreement with it like the KMC CTA or KMC is able to divest the KMC Plant. In the event the Toller offers to enter into a new capacity tolling agreement after the initial 15-year term, there is no assurance that it would offer the same terms and provisions as in the current KMC CTA, or the terms and provisions then offered by the Toller will be commercially acceptable to the Enlarged Trust. Similarly, after the expiry of the initial term of the OMSA, KMC may have to find another service provider to provide routine maintenance to the KMC Plant and such service provider may demand terms and conditions that are less favourable to the Enlarged Trust than the terms now in the OMSA.

Uncertainty on the extension of the KMC CTA after the initial 15-year period

The KMC CTA will have an initial 15-year duration. After such initial duration, a number of outcomes may materialise. For instance, KMC may request the Toller for a further 10-year extension of the KMC CTA on the same terms, provided that KMC gives notice of at least four years before the expiry of the KMC CTA. If the Toller does not accept KMC's request or if KMC does not give notice as aforementioned, KMC may seek a new tolling agreement with a *bona fide* third party, provided that it gives the Toller an opportunity to match such third party's terms. If the Toller can match the terms, KMC shall be obliged to enter into a new tolling agreement with the Toller on such terms. KMC may only enter into a new tolling agreement with the third party if the Toller cannot or does not match the third party's terms. The right of the Toller to match the third party's terms may adversely affect the ability of KMC to negotiate a new tolling agreement with third parties, or the tolling rates thereunder. In the event the Toller elects to extend the KMC CTA on the same terms for a further 10 years, the Enlarged Trust will not have control over the negotiation of such terms. Additionally, in certain circumstances where modifications are made to the KMC Plant at the Toller's expense, the Toller shall have the right to extend the KMC CTA by up to 20 years.

Generally, the Toller has the option, but not the obligation, to extend the KMC CTA after the initial 15-year duration. There is no certainty as to whether the KMC CTA will be extended beyond the initial 15-year duration and, if so extended, the terms of such extension. There is also no assurance that any extension of the KMC CTA will be on the same terms or on terms which are better than the current terms of the KMC CTA. There is uncertainty as to the tolling arrangement of KMC after the expiry of the KMC CTA and, depending on the outcome, the returns to the Enlarged Trust may be adversely affected.

There is no assurance that Keppel Energy (or its successors or assigns) will cooperate on matters concerning KMC

Under the proposed KMC SHA, certain matters, such as changing the equity capital structure, issuing securities, use of funds, capital borrowings and other credit activities, may require unanimous shareholders' approval.

As the Enlarged Trust will not own the entire interests in KMC upon completion of the KMC Acquisition, there is no assurance that such unanimous approval from the shareholders of KMC would be obtained. The other shareholder(s) of KMC may vote against such resolutions and hence prevent such resolutions from being passed. If such resolutions are not passed, certain matters relating to KMC, such as those relating to the operation of the KMC Plant and the level of dividends to be declared by KMC, may not be carried out and this may adversely affect the Enlarged Trust's results of operations or distributions to Enlarged Trust Unitholders.

RISKS RELATING TO THE ENLARGED TRUST'S BUSINESS AND OPERATIONS

The Enlarged Trust may not be able to realise the full synergies of the Proposed Transaction if it is unable to successfully integrate its businesses

There is no assurance that the Enlarged Trust will be able to successfully integrate the business of the KIT Group. While the existing business of the CIT Group and the business carried on by the KIT Group are similar in nature, there may be unexpected integration challenges which may adversely affect the business, financial condition, results of operations and prospects of the Enlarged Trust. Accordingly, there is no assurance that the Enlarged Trust will achieve the synergies, the returns and other benefits expected of the Proposed Transaction.

The portfolio of the Enlarged Trust comprises, and the Enlarged Trust may in the future invest in, illiquid assets that may not be sold without regulatory approval or if such approval is granted may not be sold for a price that equates to the valuation of the assets

The business undertakings of the Enlarged Trust are, and the Enlarged Trust may invest in, assets that are not listed on a stock exchange or for which there are only a limited number of potential buyers. As a consequence, the realisable value of an asset may be less than the full or fair value based on its estimated future cash flows. Any sale of such assets under such circumstances may have an adverse effect on the price of the Enlarged Trust Units.

The terms of the Senoko ISA, the Tuas DBOO ISA, the Water Purchase Agreement and the NEWater Agreement restrict the transfer or grant of any encumbrance over any part of the equity in Senoko Trust, Senoko Trustee, Tuas DBOO Trust, Tuas DBOO Trustee, Ulu Pandan Trust, Ulu Pandan Trustee, SingSpring Pte. Ltd. and SingSpring Trust without prior written approval from NEA or PUB (as the case may be). The Basslink Services Agreement ("**BSA**") between BPL and HT restricts the transfer of BPL's equity and assets without prior written approval from HT. A change in ownership of CityNet requires the approval of the IDA. There are restrictions on the sale of DC One's data centre arising from the lease agreements with the Housing Development Board of Singapore and with 1-Net Singapore Pte Ltd.

The Enlarged Trust may invest in other assets that have the same restrictions or for which there are only a limited number of potential buyers. In these circumstances, the Enlarged Trust may not be able to sell its assets or such assets may only be sold for a price which is significantly less than the Enlarged Trust's valuation of the assets. A sale of any of the Enlarged Trust's assets under such circumstances may have an adverse effect on the price of the Enlarged Trust Units.

The Replacement Trustee-Manager may not be able to execute its expansion strategy successfully or fund future acquisitions of assets successfully due to the unavailability of debt or equity financing on acceptable terms

The Replacement Trustee-Manager's business strategy includes strategically expanding the size of the Enlarged Trust's portfolio of infrastructure assets in Singapore and globally. There can be no assurance that the Replacement Trustee-Manager will be able to implement this strategy successfully or that it will be able to expand the Enlarged Trust's portfolio at all, or at any specified rate or to any specified size. The Replacement Trustee-Manager may not be able to make acquisitions or investments on favourable terms or within a desired time frame, if at all.

A major component of the Replacement Trustee-Manager's strategy is to acquire additional infrastructure assets both within the sectors in which the Plants operate and in sectors and regions where the Enlarged Trust will initially have no presence. The Replacement Trustee-Manager expects to face competition for acquisition opportunities and that competitors for these opportunities may have greater financial resources or access to financing on more favourable terms than the Enlarged Trust. The Replacement Trustee-Manager also expects acquisition opportunities for fully operational energy and environmental infrastructure assets to be limited.

The Enlarged Trust may not have sufficient cash to make acquisitions or investments at the relevant time and may need to obtain additional equity or debt financing to fund or re-finance (where applicable) its capital expenditure, working capital and other requirements. Additional equity financing may result in dilution of existing Enlarged Trust Unitholders' interests and rights. Additional debt financing may limit the Enlarged Trust's ability to pay distributions, increase the Enlarged Trust's vulnerability to general adverse economic and industry conditions, require the Enlarged Trust to dedicate a substantial portion of its cash flows from operations to payments on its debt, thereby reducing the availability of cash flows to fund capital expenditure, working capital and other requirements and/or limit its flexibility in planning for, or reacting to, changes in its business and its industry or subject the Enlarged Trust to conditions that may restrict the expansion of its portfolio. In addition, certain of the Enlarged Trust's loans will be due for re-financing within the next five years. There can be no assurance that the Enlarged Trust will be able to obtain the additional equity and/or debt financing or re-financing on terms that are acceptable to the Replacement Trustee-Manager, or at all.

Even if the Replacement Trustee-Manager is able to successfully make additional acquisitions or investments, there can be no assurance that the Enlarged Trust will achieve its expected returns on such acquisitions or investments. Acquisitions and investments involve a number of special risks, including the failure of the acquired business to achieve expected results, the failure to identify material risks or liabilities associated with the acquired business prior to its acquisition, diversion of the Replacement Trustee-Manager's attention and the failure to retain key personnel of the acquired business, some or all of which could have a material adverse effect on the Enlarged Trust's business, financial condition, results of operations and prospects and ability to make distributions to the Enlarged Trust Unitholders.

Infrastructure businesses are often regulated. Investment in infrastructure businesses may therefore be adversely affected by the impact of such regulations. In addition, the operations and business of its investments may be adversely affected by government policies, laws or regulations

The Replacement Trustee-Manager's strategy is to invest in infrastructure assets (including, but not limited to, utilities infrastructure assets and primary energy resources and alternative energy sources) in Singapore and globally. Government policies, laws and regulations often have a significant influence over infrastructure sectors generally. The application of these policies, laws and regulations may affect the implementation of the Replacement Trustee-Manager's strategy. For example, a government's decision to limit privatisation in a particular sector will reduce the possible investments available in that country.

The government policies, laws and regulations in those countries where the Enlarged Trust invests could have a material adverse effect on the operations and business of the Enlarged Trust's investments. The nature of infrastructure businesses requires the Enlarged Trust to comply with laws and regulations in those jurisdictions where it operates, including but not limited to those relating to the environment, and also to obtain and maintain governmental permits in relation to the use, storage, discharge and disposal of toxic or otherwise hazardous materials used in its businesses. If the Enlarged Trust fails to comply with any applicable laws and regulations, the Enlarged Trust could be subject to civil or criminal liability, fines and/or the withdrawal or suspension of relevant certificates, permits or licences required by these businesses. In addition, any failure or any claim that there has been a failure to comply with applicable laws or regulations may cause delays in the operations or expansion activities of the Enlarged Trust as well as adversely affect the public image of the Enlarged Trust.

Changes in government policies, laws or regulations or their application affecting the business activities of the relevant infrastructure business may adversely affect its operating results, business and financial condition. For example, there may be a need to incur additional costs or

limit business activities to comply with new laws or regulations, such as stricter environmental or safety controls. This may in turn have a material adverse effect on the business, financial condition, results of operations and prospects of the Enlarged Trust. In addition, any change in government policies, laws or regulations which result in increased competition in a particular sector in which the Enlarged Trust may have an investment could adversely impact that business or make it more difficult for it to pursue possible acquisitions in that country.

The withdrawal or suspension of any of the certificates, permits or licences required by the businesses of the Enlarged Trust, or the imposition of any penalties, as a result of any infringement of any regulatory requirements will have an adverse impact on its operations and business. In addition, these certificates, permits and licences are subject to periodic renewal and assessment by the relevant government authorities and the standards of compliance required in connection with such assessment may change from time to time. Changes in the relevant laws and regulations or their implementation may require the Enlarged Trust to obtain additional approvals, certificates, permits or licences from the relevant government authorities for the Enlarged Trust to carry on its operations.

The Enlarged Trust may be required to incur additional costs to ensure that it complies with any of the changes described above. This will add to the cost of carrying on business, and will materially and adversely affect the Enlarged Trust's business, financial condition, results of operations and prospects if such additional costs become material. In addition, there is no assurance that the Enlarged Trust will be able to obtain the additional approvals, certificates, permits or licences promptly or at all, and may be required to cease operations because it lacks such approvals, certificates, permits or licences.

The Enlarged Trust may be adversely affected by the adoption of the proposed fee structure of the Replacement Trustee-Manager

As part of the Proposed Transaction, it is proposed that the fee structure of the Replacement Trustee-Manager will be revised so as to adopt the fee structure currently adopted by the KIT Trustee-Manager. This proposed fee structure differs from the current fee structure of the Trustee-Manager in several respects. In particular, the proposed fee structure includes acquisition and divestment fees which are not present in the fee structure of the Trustee-Manager. There can be no assurance that the trustee-manager fees payable to the Replacement Trustee-Manager will decrease. On the contrary, trustee-manager fees may increase if the Enlarged Trust actively acquires and/or disposes of assets. The adoption of the proposed fee structure of the Replacement Trustee-Manager may therefore adversely affect the business, operations, results of operations and financial position of the Enlarged Trust and may not be aligned with the interests of the Enlarged Trust Unitholders.

The due diligence exercise on KIT's portfolio prior to the Proposed Acquisition may not have identified all material defects, breaches of laws and regulations, and other deficiencies

The Trustee-Manager did not engage in extensive technical due diligence with respect to the assets of KIT and there can be no assurance that the Assets will not have defects or deficiencies including latent defects, requiring significant capital expenditure, repair or maintenance expenses, or payment or other obligations to third parties or that the records or due diligence documents are complete and up to date. The due diligence documents that the Trustee-Manager has relied upon in relation to the Assets as part of its due diligence investigations may contain inaccuracies and deficiencies, as certain defects and deficiencies may be difficult or impossible to ascertain where such defects are latent or due to the limitations inherent in the scope of the inspections, the technologies or techniques used and other factors and diligence documents may not be complete or up to date. Additionally, KIFM's contractual representations, warranties and

indemnities in the SPA may be breached or unenforceable. There is no contractual limit on the duration of the warranties and indemnities given by the Trustee-Manager to the KIT Trustee-Manager, nor those given by the KIT Trustee-Manager to the Trustee-Manager, as part of the Proposed Acquisition. The limitation period under the statute of limitation will apply so that no claims can be made after 6 years from Completion.

For instance, Senoko Plant was commissioned in 1992 and was acquired by Senoko Trust from NEA on an "as-is-where-is" basis. There can be no assurance that Senoko Plant will not have design, construction or other latent property or equipment defects or deficiencies requiring repair or maintenance and which may result in the Enlarged Trust incurring significant capital expenditure, or repair or maintenance expenses or having to make payment of damages or other obligations to third parties. Certain building defects and deficiencies may be difficult or impossible to ascertain due to the limitations inherent in the scope of the inspections, the technology or techniques used and other factors. Senoko Plant may be in breach of laws and regulations or may have failed to comply with certain regulatory requirements. As a result, the Enlarged Trust may incur financial or other liabilities in relation to such breaches or non-compliance which may adversely affect the business, financial condition, results of operations and prospects of the Enlarged Trust. See also, "*Risks Relating to KMC and KIT's Business and Operations – The Trustee-Manager has not carried out extensive technical due diligence on the Plants*".

The Enlarged Trust will be subject to numerous environmental laws and regulations

The subsidiaries of the Enlarged Trust and their sub-contractors will be required to comply with numerous national and local laws and regulations relating to the protection of the environment and land use which are constantly changing, including obtaining or undertaking certain permits or acceptance procedures. There can be no assurance that the requirements to obtain such permits or undertake such acceptance procedures may not be made more stringent in the future and that such permits would be renewed when they expire. Failure to comply with environmental laws and regulations by the Enlarged Trust and its subsidiaries or their sub-contractors may adversely affect the business, operations, results of operations and financial position of the Enlarged Trust.

Enlarged Trust Unitholders may not be able to evaluate future projects which the Enlarged Trust will invest in, and will have to rely on the management team's ability to select suitable investments

Investors must rely on the management team of the Replacement Trustee-Manager to identify and acquire suitable future investment assets or projects. In addition, except for situations in which the future acquisitions require Enlarged Trust Unitholders' approval under the Listing Manual, Enlarged Trust Unitholders will not be able to participate in the decision-making process, and will not be able to evaluate the economic merit of particular projects prior to their acquisition.

There is no assurance that the Enlarged Trust Units will remain listed on the SGX-ST

Although it is intended that the Enlarged Trust Units will remain listed on the SGX-ST, there is no guarantee of the continued listing of the Enlarged Trust Units. Among other factors, the Enlarged Trust may not continue to satisfy the listing requirements. Accordingly, the Enlarged Trust Unitholders will not be able to sell their units through trading on the SGX-ST if the Enlarged Trust Units are no longer listed on the SGX-ST.

The Enlarged Trust will have a high proportion of its assets concentrated in Singapore

Pursuant to the Proposed Acquisition, the Enlarged Trust's portfolio of assets will consist of infrastructure assets, with the majority of such assets located in Singapore (with the exception of Basslink). The Enlarged Trust's focus on infrastructure assets gives rise to some degree of concentration risk, which means that the performance of those assets depends on the overall

conditions of the industry in which they operate, to a greater degree than an entity which has a more diversified portfolio of investments. In addition, the Enlarged Trust's portfolio of assets pursuant to the Proposed Acquisition will mainly be located in Singapore, exposing the Enlarged Trust to geographic and market concentration risks. There can be no assurance that the Enlarged Trust would be able to monitor and manage such market concentration risks. Failure to mitigate such market concentration risks could have a significant effect on the Enlarged Trust's business, financial condition and/or results of operations.

RISKS RELATING TO AN INVESTMENT IN THE ENLARGED TRUST UNITS AFTER COMPLETION

Dilution to existing Enlarged Trust Unitholders should the KMC Acquisition not be completed

The Enlarged Trust expects a period of approximately 30 days between completion of the KMC Equity Fund Raising and completion of the KMC Acquisition. There can be no assurance that events, unforeseen or otherwise, will not arise during this period which could lead to a termination of the KMC SPA prior to the completion of the KMC Acquisition, but after the KMC Equity Fund Raising is completed. In such an event, distributions per Enlarged Trust Unit of existing Enlarged Trust Unitholders will be diluted, notwithstanding the KMC Acquisition having been terminated.

The price of the Enlarged Trust Units may be volatile or decline after the KMC Equity Fund Raising

The issue price of the New Units in the Enlarged Trust will be determined by agreement of the Replacement Trustee-Manager and the KMC EFR Underwriters and may not be indicative of the market price for the New Units after completion of the KMC Equity Fund Raising.

The price of the Enlarged Trust Units may be volatile or decline after the KMC Equity Fund Raising. The trading price of the Enlarged Trust Units will depend on several factors, and may increase or decrease in response to a number of events and factors including:

- differences between the Enlarged Trust's actual financial and operating results and those projected or expected by analysts and investors, as well as any changes in analysts' financial estimates, recommendations or projections;
- variations in operating results;
- changes in general global, economic and market conditions;
- perceived prospects of the Enlarged Trust's business;
- market value of the Enlarged Trust's assets;
- the attractiveness of the Enlarged Trust Units against other equity securities and the general liquidity of the securities market;
- developments affecting the Enlarged Trust or its competitors;
- changes to the regulatory system, including the tax system, whether specific to the Enlarged Trust, the infrastructure sector, or generally;
- changes in accounting policies; and
- the Enlarged Trust's ability to continually expand its operations.

For any of the reasons above or otherwise, Enlarged Trust Units may trade at prices that are higher or lower than the NAV per Enlarged Trust Unit. Any failure on the Enlarged Trust's part to meet market expectations with regard to future earnings and cash distributions may adversely affect the market price of the Enlarged Trust Units.

Future issuances of Enlarged Trust Units may cause dilution to Enlarged Trust Unitholders

Pursuant to the KMC Equity Fund Raising, the Replacement Trustee-Manager plans to issue New Units, and the issue price of the New Units will be determined by the Replacement Trustee-Manager and the KMC EFR Underwriters after taking into consideration, among others, the prevailing market conditions at the time the KMC Equity Fund Raising is conducted. Institutional and other investors may purchase New Units at a price lower than the closing price per CIT Unit traded on the SGX-ST on the Latest Practicable Date. In addition, a *pro forma* analysis, relied upon by Rothschild (as defined herein), was prepared assuming that the New Units to be issued pursuant to the Preferential Offering and Placement will be issued at an illustrative price of S$0.485 and S$0.490 respectively. Should the New Units be issued at lower prices, this would lead to greater dilution to the Enlarged Trust Unitholders.

The Replacement Trustee-Manager may plan to issue additional Enlarged Trust Units in the future as may be required to fund future asset acquisitions or for other purposes. The price at which the Enlarged Trust issues any new Enlarged Trust Units in the future may affect the NAV per Enlarged Trust Unit. In addition, it is possible that cash available for distributions could be affected by the issuance of additional Enlarged Trust Units.

The Enlarged Trust may be unable to make distributions to Enlarged Trust Unitholders or the level of distributions may fall

Subject to and after Completion, the Enlarged Trust intends to declare and pay the Enlarged Trust Special Distribution, representing 1.05 Singapore cents per Enlarged Trust Unit. CIT Unitholders and/or Enlarged Trust Unitholders should note that such special distributions are one-off distributions and are not intended to be recurring. There can be no assurance that such special distributions would be in line with those set out in paragraph 5 titled "*Future Distributions*" of this Circular. In addition, no assurance can be given as to the Enlarged Trust's ability to pay or maintain quarterly distributions, nor is there any assurance that the level of such quarterly distributions will increase over time, or that the Enlarged Trust's cash flow available for quarterly distribution to Enlarged Trust Unitholders may increase.

Singapore takeover law may discourage or prevent certain types of transactions

The Singapore Code on Take-overs and Mergers (the "**Take-Over Code**") contains certain provisions that may delay, deter or prevent a future takeover or change in control of the Enlarged Trust. Any person acquiring an interest (either on his or her own or together with parties acting in concert with him or her) in 30.0 per cent. or more of the total Enlarged Trust Units must extend a takeover offer for the remaining Enlarged Trust Units in accordance with the provisions of the Take-Over Code. A takeover offer is also required to be made by a person holding (either on his or her own or together with parties acting in concert with him or her) between 30.0 per cent. and 50.0 per cent. (both inclusive) of the total Enlarged Trust Units if he or she acquires additional Enlarged Trust Units carrying more than 1.0 per cent. of the total Enlarged Trust Units in any six-month period. While the Take-Over Code seeks to ensure an equality of treatment among Enlarged Trust Unitholders, its provisions could substantially impede the ability of Enlarged Trust Unitholders to benefit from a change of control and, as a result, may adversely affect the market price of the Enlarged Trust Units and the ability to realise any benefit from a potential change of control.

Investors subscribing for the New Units in the KMC Equity Fund Raising will be subject to risks related to non-redeemable securities

Investors purchasing New Units may be exposed to risks associated with non-redeemable securities. Enlarged Trust Unitholders cannot require that the Enlarged Trust redeem their

Enlarged Trust Units while the Enlarged Trust Units are listed, except in the event of the distribution of residual property or in the event of dissolution and liquidation.

Enlarged Trust Units are not capital-safe products and there is no guarantee that Enlarged Trust Unitholders can recover the amount invested. If the Enlarged Trust files for bankruptcy or is otherwise liquidated, it is possible that all or a part of the principal of the Enlarged Trust Units will not be paid to the Enlarged Trust Unitholders.

The Enlarged Trust will be exposed to foreign currency fluctuations

As certain businesses of the Enlarged Trust are outside of Singapore, the Enlarged Trust will be affected by changes in foreign currency rates. Any fluctuations in foreign exchange rates between the respective reporting currencies and the currencies in which the Enlarged Trust receives its revenues and incurs operational costs could have a material adverse effect on the business, financial condition, results of operations and prospects of the Enlarged Trust.

The Enlarged Trust may enter into foreign currency hedging arrangements with respect to the expected dividends, distributions, interest and loan repayments from these foreign investments at the appropriate time. However, there is no assurance that these hedging arrangements may have the desired beneficial impact on the business, financial condition or results of operations of the Enlarged Trust or may completely insulate the Enlarged Trust from the risks associated with fluctuations in currency exchange rates.

Investors' investment in the New Units will be subject to foreign exchange risks

The New Units are denominated and payable in Singapore dollars. If the investors measure their investment returns by reference to a currency other than Singapore dollars, an investment in the New Units will entail foreign exchange-related risks, including possible significant changes in the value of the Singapore dollar relative to the currency by reference to which the investors measure their investment returns, due to, among other things, economic, political and other factors over which the Enlarged Trust has no control. In addition, there may be tax consequences for the investors as a result of any foreign exchange gains resulting from any investment in the New Units.

The sale or possible sale of a substantial number of the Enlarged Trust Units by the Sponsor or Tembusu (following the lapse of its holding period as set out below) in the public market could adversely affect, or increase the volatility of, the price of the Enlarged Trust Units

In conjunction with the Proposed Acquisition, the Sponsor will hold approximately 22.9 per cent. of the Enlarged Trust, and Tembusu will through certain of its wholly-owned subsidiaries[10] hold approximately 19.97 per cent. of the Enlarged Trust (excluding Temasek's deemed interests through Keppel Corporation), prior to the KMC Equity Fund Raising. Each of Tembusu, a wholly-owned subsidiary of Temasek, and KI, a wholly-owned subsidiary of Keppel Corporation, intends to subscribe and/or procure the subscription for the *pro rata* entitlements of the Initial Units under the Preferential Offering and has undertaken that it will not dispose of its effective interests in (a) the Initial Units[11] and (b) the New Units to be issued arising from the subscription for the *pro rata* entitlements of the Initial Units pursuant to the Preferential Offering from the date of Completion until the earlier of, (a) 30 September 2016, and (b) the date falling 12 months after the completion of the KMC Equity Fund Raising (both dates inclusive).

The New Units will be tradable on the Main Board of the SGX-ST. If the Sponsor or Tembusu, following the lapse of its respective holding period directly or indirectly sells, or is perceived as

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10 Comprising Bartley, Napier, Nassim and CSIM.

11 In the case of Tembusu, the Initial Units are the aggregate number of 568,234,112 units that are held through its wholly-owned subsidiaries Bartley, Napier, Nassim and CSIM.

intending to sell, a substantial number of the Enlarged Trust Units, the market price for the Enlarged Trust Units could be adversely affected.

The Replacement Trustee-Manager is a wholly-owned subsidiary of KI, the Sponsor. There may be potential conflicts of interest between the Enlarged Trust, the Replacement Trustee-Manager, KI and other Sponsor Group Entities

The Sponsor and other Sponsor Group Entities are engaged in the investment in, and the development and management of, among other things, a portfolio of infrastructure assets. As a result, there may be circumstances where the Enlarged Trust may compete directly with the Sponsor or other Sponsor Group Entities for the acquisition of infrastructure businesses and/or assets.

KI has executed the ROFR Deed in favour of the KIT Trustee-Manager, pursuant to which it has granted the KIT Trustee-Manager certain rights of first refusal in respect of the ROFR Assets (as defined herein), in order to address any potential conflicts of interests that may arise between KIT, KI and other Sponsor Group Entities. Except as provided for in the ROFR Deed, KI and other Sponsor Group Entities may not enter into any binding agreement to sell, transfer or otherwise dispose of, directly or indirectly, any ROFR Asset to any party other than the KIT Trustee-Manager. KI will execute a deed of right of first refusal in favour of the Replacement Trustee-Manager on substantially the same terms as the ROFR Deed.

There is no assurance that the deed of right of first refusal to be executed in favour of the Replacement Trustee-Manager can cover all eventualities or prevent the Sponsor or other Sponsor Group Entities from competing with the Enlarged Trust for the acquisition of infrastructure businesses and/or assets. There is also no assurance that conflicts of interests between the Enlarged Trust, the Sponsor and other Sponsor Group Entities will not arise or will be adequately addressed by the deed of right of first refusal to be executed in favour of the Replacement Trustee-Manager.

The Enlarged Trust's controlling unitholders, the Replacement Trustee-Manager and certain officers may take actions that are not in, or may conflict with, the Enlarged Trust's or the minority Enlarged Trust Unitholders' best interests

The controlling Enlarged Trust Unitholders may have the ability to exercise a controlling influence over the Replacement Trustee-Manager, and may cause the Replacement Trustee-Manager to take actions that are not in, or may conflict with, its interests or the interests of the minority Enlarged Trust Unitholders, including matters relating to the Enlarged Trust's management and policies and the election of the directors and senior management.

RISKS RELATING TO NON-FULFILMENT OF CONDITIONS PRECEDENT

The Proposed Acquisition is conditional upon the fulfilment of the Conditions Precedent pursuant to the SPA. In the event that any of the Conditions Precedent are not fulfilled or waived by the relevant party by 5.00pm on 30 June 2015 or such other date as the parties to the SPA may agree in writing, the Proposed Acquisition will not take place and this may adversely affect CIT's future financial condition and results of operations.

RISKS RELATING TO THE FINANCIAL INFORMATION IN THIS CIRCULAR

The effects of the KMC Acquisition, the KMC Equity Fund Raising and the Proposed Acquisition may not be fully captured in the pro forma financial statements included in this Circular

This Circular contains unaudited *pro forma* financial information of the Enlarged Trust, adjusted to reflect the effects of the Proposed Acquisition, the KMC Acquisition and the KMC Equity Fund Raising for the 12-month periods ended 31 December 2012, 2013 and 2014. The financial effects

of the Proposed Acquisition, the KMC Acquisition and the KMC Equity Fund Raising are consolidated in the Enlarged Trust's unaudited *pro form*a financial information on the basis of certain assumptions as set out in Appendices 3 and 4 of this Circular. The Enlarged Trust's future results of operations and financial condition may be substantially different from the results of operations and financial condition reflected in the unaudited *pro forma* financial information included in this Circular, after taking into account the Proposed Acquisition, the KMC Acquisition and the KMC Equity Fund Raising. While the unaudited *pro forma* financial statements have been presented in an effort to show the effects of the Proposed Acquisition, the KMC Acquisition and the KMC Equity Fund Raising, there can be no assurance that the unaudited *pro forma* financial statements fully capture the effects of such transactions, and the unaudited *pro forma* financial statements may not be indicative of the Enlarged Trust's future financial performance.

11. PROPOSED TRANSACTION AS INTERESTED PERSON TRANSACTION

In general, transactions between the CIT Group and any of its interested persons (namely, the directors, chief executive officer or controlling CIT Unitholders or the associates of such directors, chief executive officer or controlling CIT Unitholders) would constitute an interested person transaction.

Certain terms such as "associate", "control", "controlling unitholder", "entity at risk" and "interested person" used in this paragraph have the meanings as provided in the Listing Manual and in the Securities and Futures (Offers of Investment) (Shares and Debentures) Regulations 2005, unless the context specifically requires the application of the definitions in one or the other as the case may be.

As at the Latest Practicable Date, Temasek holds, through certain of its wholly-owned subsidiaries[12], 100 per cent. of the shares in CSIM and 37.41 per cent. of all the CIT Units in issue and directly holds 20.44 per cent. of all the issued shares in Keppel Corporation. Keppel Corporation owns all the issued shares in KI, which in turn holds 49.17 per cent. of all the KIT Units in issue.

Accordingly, by virtue of its interest in Keppel Corporation, Temasek is deemed to have an interest in KI's 49.17 per cent. unitholding in KIT and 100 per cent. shareholding interest in KIFM and the Proposed Acquisition is regarded to be an interested person transaction for the purposes of Chapter 9 of the Listing Manual. Accordingly, the proposed appointment of KIFM and the proposed change in fee structure of the Replacement Trustee-Manager is regarded to be an interested person transaction for the purposes of Chapter 9 of the Listing Manual.

Similarly, as Keppel Corporation owns all the issued shares in Keppel Energy, Temasek is deemed to have an interest in Keppel Corporation's 100 per cent. shareholding in Keppel Energy and the KMC Acquisition is regarded to be an interested person transaction for the purposes of Chapter 9 of the Listing Manual.

As has been disclosed previously, *inter alia*, in the Announcement, CIT is permitted to calculate the materiality of its interested person transactions 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**"), so long as the CIT Group does not have a positive NTA for at least two consecutive financial years. As the CIT Group's NTA for each of the financial years ended 31 March 2013 and 31 March 2014 was negative, the applicable interested person transactions materiality threshold for CIT is 5.0 per cent. of the market capitalisation of CIT as at 31 March 2014 of S$713.9 million, being S$35.7 million.

Accordingly, as the value of the Proposed Transaction exceeds the applicable materiality threshold for interested person transactions, pursuant to Rule 906(1)(a) of the Listing Manual, it is

[12] Comprising Bartley, Napier, Nassim and CSIM.

required to be approved by CIT Unitholders at the EGM, with Temasek and its associates (as defined in the Listing Manual) abstaining from voting.

Certain KMC Transaction Documents (as defined herein) entered or to be entered into by KMC as part of the KMC Acquisition would constitute interested person transactions of the Enlarged Trust once the Enlarged Trust acquires 51% interest in the shares of KMC. Such KMC Transaction Documents are the KMC CTA, the OMSA, the Pipenet Agreements, the Gas Management Agreement and the Master Settlement Agreement as described in paragraphs 4.3.4, 4.4 and 4.5, and as elaborated in Appendix 1, of this Circular. If CIT Unitholders approve the Proposed Transaction as an "interested person transaction" under Chapter 9 of the Listing Manual, such approval will be deemed to include the KMC Acquisition and in turn, the KMC Transaction Documents as they form an integral part of the contractual rights, entitlements and obligations of KMC once the Restructuring is completed. Subsequent modifications to the KMC CTA, the OMSA, the Pipenet Agreements, the Gas Management Agreement and the Master Settlement Agreement will be subject to interested person transactions review procedures of the Enlarged Trust in accordance with Chapter 9 of the Listing Manual.

Pursuant to Rule 921(4)(a) of the Listing Manual, the Directors who are considered independent of the Proposed Transaction (the "**Independent Directors**") have appointed Rothschild (Singapore) Limited ("**Rothschild**") as an independent financial adviser for the Proposed Transaction. Rothschild has advised that the terms of the Proposed Acquisition and KMC Acquisition are fair and reasonable; therefore the Proposed Transaction is also on normal commercial terms and is not prejudicial to the interests of CIT and CIT Unitholders (other than Temasek and its associates). The audit committee of the Trustee-Manager ("**AC**") shares a similar view as Rothschild's. For a summary of Rothschild's advice, please refer to paragraph 14.1 of this Circular. The letter by Rothschild dated 2 April 2015 is also appended as Appendix 5 to this Circular.

Pursuant to Rule 921(4)(a) of the Listing Manual, the Independent Directors have appointed PwC as an independent financial adviser in relation to the amendment of CIT's existing general mandate for interested person transactions and the proposed trustee-manager fee structure of the Enlarged Trust. In relation to the proposed fee structure of the Enlarged Trust, PwC has advised that (a) the methods or procedures for determining the proposed revision to the fees of the Replacement Trustee-Manager are sufficient to ensure that the proposed revised fees of the Replacement Trustee-Manager are on normal commercial terms and will not be prejudicial to the interests of (i) CIT; (ii) minority CIT Unitholders; and (iii) all CIT Unitholders as a whole, and (b) the proposed revised fees of the Replacement Trustee-Manager are on normal commercial terms and are not prejudicial to the interests of CIT and minority CIT Unitholders. The AC shares a similar view as PwC's. For a summary of PwC's advice in relation to the proposed trustee-manager fee structure of the Enlarged Trust, please refer to paragraph 14.3 of this Circular. The letter by PwC dated 2 April 2015 is also appended as Appendix 7 to this Circular.

12. GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

Upon Completion, KI and its associates will become Interested Persons (as defined in Appendix 6) of the Enlarged Trust. It is envisaged that, in the ordinary course of business, the Enlarged Trust will from time to time, enter into transactions with Interested Persons. CIT intends to seek the approval of CIT Unitholders to amend CIT's existing general mandate for interested person transactions. For instance, the test for determining the Relevant Benchmark (as defined in Appendix 6) in relation to the approval limits will be amended and treasury transactions will be added to the categories of interested person transactions covered under the IPT Mandate (as defined herein). The details on such modifications are set out in the IPT Mandate, appended as Appendix 6 to this Circular. If approved by CIT Unitholders and subject to the passing of ordinary

resolutions (1) to (4) set out in the Notice of EGM, the proposed general mandate for interested person transactions, as amended (the "**IPT Mandate**") will be effective upon Completion.

12.1 Rationale for the amendment of CIT's existing general mandate for interested person transactions

Pursuant to the Proposed Acquisition, KI and its associates will become Interested Persons of the Enlarged Trust. It is envisaged that in the ordinary course of the Enlarged Trust's business, transactions between members in the EAR Group (as defined in Appendix 6) and the Enlarged Trust's Interested Persons are likely to occur from time to time. Such transactions would include, but are not limited to, the obtaining of goods and services in the ordinary course of business of the EAR Group from the Enlarged Trust's Interested Persons. In order for the Enlarged Trust to enter into treasury transactions with Interested Persons, the existing general mandate for interested person transactions of CIT will have to be amended.

12.2 Fresh Mandate

The Enlarged Trust will obtain a fresh general mandate from the Enlarged Trust Unitholders if the methods or procedures set out in Appendix 6 to this Circular become inappropriate.

12.3 Validity Period of Interested Person Transactions

If approved by CIT Unitholders at the EGM and subject to the passing of ordinary resolutions (1) to (4) set out in the Notice of EGM, the IPT Mandate will take effect from Completion and will (unless revoked or varied by CIT or the Enlarged Trust (as the case may be) in general meeting) continue in force until the next AGM of the Enlarged Trust. Approval from the Enlarged Trust Unitholders will, if applicable, be sought for the renewal of the IPT Mandate at the next AGM and at each subsequent AGM of the Enlarged Trust, subject to satisfactory review by the Replacement Trustee-Manager's audit committee of its continued application to transactions with the Interested Persons.

12.4 Summary of opinion of PwC

Pursuant to Rule 920(1)(b) of the Listing Manual, the independent financial adviser, PwC, appointed by the Independent Directors has advised that the methods or procedures for determining transaction prices in the proposed amendment to the CIT's general mandate for interested person transactions stated in this Circular are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of CIT and minority CIT Unitholders. The AC shares a similar view with PwC's opinion. The PwC Letter is appended as Appendix 7 to this Circular.

13. DISCLOSURE OF INTERESTS

13.1 Interest of Directors and Substantial CIT Unitholders in Units

As at the Latest Practicable Date, the interests of Directors and substantial CIT Unitholders are as follows:

	Direct interest		Deemed interest	
Name	**Number of CIT Units**	**Percentage of total number of CIT Units (%)[1]**	**Number of CIT Units**	**Percentage of total number of CIT Units (%)[1]**
Directors				
Daniel Cuthbert Ee Hock Huat	–	–	–	–
Mark Andrew Yeo Kah Chong	620,000	0.04	–	–
Yeo Wico	800,000	0.05	–	–
Haresh Jaisinghani	–	–	–	–
Ong Beng Teck	46,500	0.003	–	–
Substantial CIT Unitholders				
Bartley	355,758,550	23.42	–	–
Napier	88,582,500	5.83	–	–
Nassim[2]	83,927,558	5.53	39,965,504	2.63
Tembusu[3]	–	–	568,234,112	37.41
Temasek[4]	–	–	568,234,112	37.41

Notes:

(1) As at the Latest Practicable Date, there are 1,518,893,062 CIT Units in issue.

(2) Nassim is the holding company of CSIM and is deemed to be interested in the 39,965,504 CIT Units held by CSIM.

(3) Tembusu is deemed to be interested in the CIT Units held by Bartley, Napier, Nassim and CSIM.

(4) Temasek is the holding company of Tembusu.

As at the Latest Practicable Date, none of the Directors has any interest in KIT Units and shares of Keppel Corporation, with the exception of Daniel Cuthbert Ee Hock Huat, who holds 10,000 ordinary shares in Keppel Corporation.

13.2 Interest of Directors and Substantial CIT Unitholders in the Proposed Transaction

Ong Beng Teck is the Managing Director (Enterprise Development) at Temasek International Pte. Ltd., an indirect wholly-owned subsidiary of Temasek. Ong Beng Teck has abstained from making a recommendation on resolutions (1) to (6) as set out in the Notice of EGM and will abstain from voting on these resolutions. He will also ensure that his associates will abstain from voting on resolutions (1) to (6) as set out in the Notice of EGM.

The Proposed Transaction exceeds the applicable materiality threshold for interested person transactions. Temasek and its associates as well as Keppel Corporation and its associates will have to abstain from voting pursuant to Rule 921(7) of the Listing Manual. In addition, Temasek and Keppel Corporation are deemed interested persons pursuant to the proposed amendment of CIT's existing general mandate for interested person transactions. Accordingly, Temasek, Keppel Corporation and their associates will abstain from voting on resolutions (1) to (6) as set out in the Notice of EGM and their associates shall not act as proxies in relation to such resolutions unless voting instructions have been given by the CIT Unitholders.

14. SUMMARY OF INDEPENDENT FINANCIAL ADVISERS' ADVICE

14.1 Advice by Rothschild in relation to the Proposed Transaction

In the letter dated 2 April 2015 by Rothschild (the "**Rothschild Letter**"), Rothschild is of the opinion that, subject to the terms of reference set out in Section 2 of the Rothschild Letter, (i) the

terms of the Proposed Acquisition are fair and reasonable insofar as CIT and CIT Unitholders (excluding Temasek and its associates) are concerned; therefore the Proposed Acquisition is also on normal commercial terms and is not prejudicial to the interests of CIT and the minority CIT Unitholders and (ii) the terms of the KMC Acquisition are fair and reasonable; therefore the KMC Acquisition is also on normal commercial terms and is not prejudicial to the interests of CIT and the minority CIT Unitholders. The AC shares a similar view as Rothschild's. As of the Latest Practicable Date, Rothschild is not advising KIT or KIFM on any other matters. Please refer to Appendix 5 of this Circular for the Rothschild Letter.

14.2 Advice by PwC in relation to the amendment of CIT's existing general mandate for interested person transactions

In the PwC Letter, PwC is of the opinion that the methods or procedures for determining transaction prices in relation to the amendment of CIT's general mandate for interested person transactions are sufficient to ensure that interested person transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of CIT and minority CIT Unitholders. The AC shares a similar view as PwC's.

14.3 Advice by PwC in relation to the proposed amendment to the trustee-manager fees

In the PwC Letter, PwC is of the opinion that, (a) the methods or procedures for determining the proposed revision to the fees of the Replacement Trustee-Manager are sufficient to ensure that the proposed revised fees of the Replacement Trustee-Manager are on normal commercial terms and will not be prejudicial to the interests of (i) CIT, (ii) minority CIT Unitholders, and (iii) all the CIT Unitholders as a whole, and (b) the proposed revised fees of the Replacement Trustee-Manager are on normal commercial terms and are not prejudicial to the interests of CIT and minority CIT Unitholders. The AC shares a similar view as PwC's. As of the Latest Practicable Date, PwC is not advising KIT or KIFM on any other matters. Please refer to Appendix 7 of this Circular for the PwC Letter.

15. INDEPENDENT DIRECTORS' RECOMMENDATION

The Board (with the exclusion of Ong Beng Teck), having considered, *inter alia*, the advice and opinion of Rothschild in the Rothschild Letter dated 2 April 2015 on the Proposed Transaction, and the advice and opinion of PwC in the PwC Letter dated 2 April 2015 in relation to the amendment of CIT's existing general mandate for interested person transactions and the proposed change to the fee structure of the trustee-manager of the Enlarged Trust pursuant to the Proposed Acquisition, is of the opinion that:

(i) the Proposed Acquisition (including the KMC Acquisition);

(ii) the issue of 1,326,319,374 Consideration CIT Units pursuant to the Proposed Acquisition;

(iii) the appointment of KIFM as the trustee-manager of the Enlarged Trust, in replacement of CSIM, with effect from the effective date of the Proposed Acquisition;

(iv) the issue of up to 1,132,700,000 New Units pursuant to the KMC Equity Fund Raising;

(v) the amendment of CIT's existing general mandate for interested person transactions pursuant to the Proposed Acquisition; and

(vi) the amendment of the Trust Deed to reflect the proposed fee structure of the Replacement Trustee-Manager,

are in the best interests of CIT. Accordingly, they recommend that CIT Unitholders **VOTE IN FAVOUR OF ALL THE RESOLUTIONS** set out in the Notice of EGM. CIT Unitholders are advised to read this Circular in its entirety and for those who may require advice in the context of

their specific investment, to consult their respective stockbroker, bank manager, solicitor, accountant or other professional adviser.

16. EXTRAORDINARY GENERAL MEETING

16.1 Date and Time

The EGM will be held on 30 April 2015 at Ballrooms 1 and 2, Amara Singapore, Level 3, 165 Tanjong Pagar Road, Singapore 088539 at 11.00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendment, the resolutions set out in the notice of the EGM. Notice of the EGM is set out on pages 235 to 237 of this Circular.

16.2 Resolutions Proposed

At the EGM, the following resolutions will be proposed for the approval of CIT Unitholders:

(1) to approve the Proposed Acquisition (including the KMC Acquisition);

(2) to approve the issue of 1,326,319,374 Consideration CIT Units pursuant to the Proposed Acquisition;

(3) to approve the appointment of KIFM as the trustee-manager of the Enlarged Trust, in replacement of CSIM, with effect from the effective date of the Proposed Acquisition;

(4) to approve the issue of up to 1,132,700,000 New Units pursuant to the KMC Equity Fund Raising;

(5) to approve the amendment of CIT's existing general mandate for interested person transactions pursuant to the Proposed Acquisition; and

(6) to approve the amendment of the Trust Deed to reflect the proposed fee structure of the Replacement Trustee-Manager.

16.3 Ordinary Resolution 1 – Approval of the Proposed Acquisition (including the KMC Acquisition)

As the Proposed Acquisition constitutes a "very substantial acquisition" for CIT under the Listing Manual, it is subject to the approval of CIT Unitholders. Accordingly, CIT seeks the approval of CIT Unitholders to enter into the Proposed Acquisition on the terms set out in *Ordinary Resolution 1 (Approval of the Proposed Acquisition (including the KMC Acquisition))*.

16.4 Ordinary Resolution 2 – Issue of 1,326,319,374 Consideration CIT Units pursuant to the Proposed Acquisition

Pursuant to the Proposed Acquisition, the Trustee-Manager had agreed to purchase the Assets and the Assumed Liabilities from KIT in consideration for the issue of Consideration CIT Units to KIT. As the Proposed Acquisition constitutes a "very substantial acquisition" for CIT under the Listing Manual, it is subject to the approval of CIT Unitholders. Accordingly, CIT seeks the approval of CIT Unitholders to issue 1,326,319,374 Consideration CIT Units on the terms set out in *Ordinary Resolution 2 (Proposed Issue of 1,326,319,374 Consideration CIT Units pursuant to the Proposed Acquisition)*.

16.5 Ordinary Resolution 3 – Appointment of KIFM as the trustee-manager of CIT (to be renamed "Keppel Infrastructure Trust"), in replacement of CSIM, with effect from the effective date of the Proposed Acquisition

CSIM has given notice of its resignation to CIT Unitholders on 3 February 2015 and a further notice on 1 April 2015, and has nominated KIFM as the replacement trustee-manager of CIT. Subject to the approval of the CIT Unitholders at the EGM, KIFM will be appointed as the Replacement Trustee-Manager following Completion.

Accordingly, CIT seeks the approval of CIT Unitholders for the appointment of KIFM as the Replacement Trustee-Manager on the terms set out in *Ordinary Resolution 3 (Appointment of KIFM as the trustee-manager of CIT (to be renamed "Keppel Infrastructure Trust"), in replacement of CSIM, with effect from the effective date of the Proposed Acquisition)*.

16.6 Ordinary Resolution 4 – Issue of up to 1,132,700,000 New Units pursuant to the KMC Equity Fund Raising

While the Replacement Trustee-Manager will determine the exact structure of the KMC Equity Fund Raising closer to such offering, having regard to, among other things, market conditions at such time, the number of New Units to be issued pursuant thereto may exceed the limits under the Existing Mandate described above.

Accordingly, CIT seeks the approval of CIT Unitholders for the issue of up to 1,132,700,000 New Units pursuant to the KMC Equity Fund Raising on the terms set out in *Ordinary Resolution 4 (Issue of up to 1,132,700,000 New Units pursuant to the KMC Equity Fund Raising)*.

16.7 Ordinary Resolution 5 – Amendment of CIT's Existing General Mandate for Interested Person Transactions pursuant to the Proposed Acquisition

In order to facilitate transactions in the normal course of business of the EAR Group which are transacted from time to time with the specified classes of the Interested Persons, CIT seeks the approval of CIT Unitholders for the amendment of CIT's existing general mandate for interested person transactions in relation to the Enlarged Trust on the terms set out in *Ordinary Resolution 5 (Amendment of CIT's Existing General Mandate for Interested Person Transactions pursuant to the Proposed Acquisition)*.

16.8 Extraordinary Resolution 6 – Amendment of the Trust Deed

In connection with the Proposed Acquisition and the proposed fee structure for the Replacement Trustee-Manager, CIT proposes to make amendments to the Trust Deed so as to incorporate certain housekeeping amendments (such as by referencing the proposed name of the Enlarged Trust) as well as to reflect the proposed fee structure for the Replacement Trustee-Manager.

Accordingly, CIT seeks the approval of CIT Unitholders for the amendment of the CIT Trust Deed on the terms set out in *Extraordinary Resolution 6 (Amendment of the Trust Deed)*.

Unless revoked or varied by the CIT Unitholders in a general meeting, the authority conferred by these resolutions shall continue in force until the conclusion of the next Annual General Meeting of the CIT Unitholders or the date by which the next Annual General Meeting of the CIT Unitholders is required by law to be held, whichever is earlier.

CIT Unitholders should note that the passing of Resolutions (1), (2), (3) and (4) are inter-conditional on the passing of each other. The passing of Resolutions (5) and (6) are each conditional on the passing of Resolutions (1) to (4).

17. ACTION TO BE TAKEN BY CIT UNITHOLDERS

If you are a CIT Unitholder, and wish but are unable to attend the EGM, you may appoint a proxy to attend and vote on your behalf. To appoint a proxy, please complete, sign and return the proxy form issued to CIT Unitholders ("**Proxy Form**") in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach one of the places specified in the Proxy Form not less than 48 hours before the time for holding the EGM, namely, by 11.00 a.m. on 28 April 2015. Completing and returning a Proxy Form will not prevent you from attending and voting in person at the EGM if you subsequently wish to do so.

18. RESPONSIBILITY STATEMENT

18.1 Responsibility Statement by the Directors

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular (other than, where applicable, information relating to the KIT Group, KMC, the KMC Acquisition, the KMC Equity Fund Raising and the Replacement Trustee-Manager) and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transaction, CIT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source (including, where applicable, information in relation to the KIT Group, KMC, the KMC Acquisition, the KMC Equity Fund Raising and the Replacement Trustee-Manager, which has been extracted from the KIT Circular), 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.

18.2 Responsibility Statement by the Financial Adviser

To the best of the Financial Adviser's knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transaction and the CIT Group, and the Financial Adviser is not aware of any facts the omission of which would make any statement in the document misleading**.**

19. ADDITIONAL INFORMATION

Please refer to Appendix 10 to this Circular for certain additional information relevant to the matters and proposals set out in this Circular.

The following documents may be accessed from the SGX website, www.sgx.com, or the websites of CIT at www.cityspring.com.sg or KIT at www.kepinfratrust.com (as applicable):

(i) the Announcement (including the *pro forma* financial effects of the Proposed Transaction and the KMC Equity Fund Raising for the 12-month period ended 31 March 2014);

(ii) the audited consolidated financial statements of the CIT Group for the financial years ended 31 March 2012, 2013 and 2014;

(iii) the unaudited consolidated financial statements of the CIT Group for the nine-month period ended 31 December 2014; and

(iv) the audited consolidated financial statements of the KIT Group for the financial years ended 31 December 2012, 2013 and 2014.

Yours faithfully,
for and on behalf of
the Board of Directors of
CITYSPRING INFRASTRUCTURE MANAGEMENT PTE. LTD.
as trustee-manager of
CITYSPRING INFRASTRUCTURE TRUST

Daniel Cuthbert Ee Hock Huat
Chairman and Independent Director

APPENDIX 1

INFORMATION ON THE PORTFOLIO OF THE ENLARGED TRUST

The following information has been extracted from Appendix A to the KIT Circular. All capitalised terms contained in Appendix 1 of this Circular, unless otherwise defined, shall have the same meaning as set out in the KIT Circular. While the Directors have taken reasonable action to ensure that the information in relation to the KIT Group, KMC and KMC Acquisition reproduced in this Appendix is extracted accurately and fairly and has been included in this Circular in its proper form and context, they have not independently verified the accuracy of the relevant information and do not make any representation as to its accuracy.

ABOUT KMC AND THE KMC PLANT

Overview

KMC presently owns a combined cycle gas turbine generation facility with a licenced generation capacity of approximately 1,300 MW (the "**KMC Plant**") and ancillary facilities on Jurong Island off the south-west coast of Singapore. The KMC Plant is located at the Tembusu sector of Jurong Island. It is well-positioned to support the surrounding industries with their electricity, steam supply and demineralised water requirements. The KMC Plant is connected to the electricity transmission network of Singapore.

The KMC Plant has been operating since 2007 with a good track record of efficiency and reliability. The KMC Plant was constructed in two phases. Phase I of KMC ("**KMC I**") has a generation capacity of 500 MW, and commenced commercial operation in April 2007. KMC completed an expansion of two Power Trains (as defined herein) of 400 MW each (collectively, "**KMC IIA and KMC IIB**") which commenced commercial operations in March and July 2013 respectively.

Plant Description

The first phase of KMC I comprises a combined cycle power plant in multi-shaft configuration with two (2) Alstom GT 13E2 type gas turbines, two (2) heat recovery steam generators ("**HRSGs"**) and a steam turbine. The facility operates on natural gas as primary fuel and diesel as back-up.

KMC IIA and KMC IIB are identical single shaft power trains consisting of one Alstom GT 26 gas turbine, one HRSG, one two casing steam turbine and a hydrogen-cooled generator each. Both trains operate on natural gas as their primary fuel and diesel as back-up.

The main and auxiliary cooling water systems are once-through, direct cooled type with siphon operation. Cooling water is seawater. The KMC Plant has two seawater intake structures, both with mechanical water cleaning systems installed to remove coarse debris.

Key Information

Land and Wayleave Agreements

The KMC Plant site, associated foreshore, seabed, access road and water outfall wayleaves are sub-leased from JTC. JTC is the head lessee, under the Head Lease with the Government of Singapore. The main lease for the site (including associated wayleaves for access road and water outfall) is for 30 years beginning March 2005, with an option to extend for 30 years. Foreshore and seabed leases for the seawater intake structures are for 30 years from June 2005.

*Capacity Tolling Agreement ("**CTA**")*

Once the Restructuring takes effect, under the CTA, KMC would earn regular and stable fixed fees, also known as "tolling fees", from Keppel Electric as long as it meets certain availability and capacity targets. Availability targets are time-based and change from year to year according to maintenance

plans. Capacity targets are based on the guaranteed capacity degradation profiles provided by the Major Maintenance Contractor (as defined herein), the ALSTOM Group. Capacity targets are only measured in accordance to the testing schedules in the Major Maintenance Agreements. Tested capacities have been above guaranteed levels. More details are provided in paragraph 4.4 of this Circular. In summary, the CTA is designed to ensure KMC does not take on the market risks of owning and operating a power plant as an independent power producer. Nonetheless, KMC is subject to the risks of the KMC Plant being unable to meet the availability and capacity targets set out in the CTA in order to receive the tolling fees in full. (See also "*Risk Factors – Risks relating to the KMC Acquisition – The KMC CTA may not generate regular cash flows for KMC under certain circumstances*" and "*Risk Factors – Risks relating to the KMC Acquisition – Changes to the Tolling Fee in the event of material adverse change and no right to recover change of law costs in the KMC CTA*").

Operations and Maintenance Arrangements

KMC O&M is responsible for the operation and maintenance of the KMC Plant under the 20-year Operations & Maintenance Services Agreement (the "**OMSA**"). More details are provided in paragraph 4.5 of this Circular (See also "*Risk Factors – Risks relating to the KMC Acquisition – Fees payable to KMC O&M under the OMSA are not fixed*"). KMC O&M has experienced managers and personnel, and also draws on experienced personnel from Keppel Infrastructure's current operations.

ALSTOM Group, through its affiliates, ALSTOM Power O&M Ltd and ALSTOM Power Singapore Pte Ltd (now known as Alstom Asia Pte. Ltd.), (collectively the "**Major Maintenance Contractor**"), is contracted for the maintenance of the gas turbine and steam turbine assemblies (the "**Power Trains**") of the KMC Plant under the long term Major Maintenance Agreements. In return for the fees paid under the Major Maintenance Agreements, the Major Maintenance Contractor will provide the necessary parts, equipment and personnel onsite for the routine maintenance of the Power Trains, which include the gas turbine packages, steam turbines and their immediate auxiliaries, and electrical and control equipment. The Major Maintenance Agreements have fixed and variable charges (depending on the actual operating hours) both of which are indexed to inflation. Under the KMC CTA, both fixed and variable charges under the Major Maintenance Agreements will be passed through to Keppel Electric for reimbursement.

KMC owns certain wayleave facilities which are located on the service corridor owned and operated by Pipenet Pte. Ltd. ("**Pipenet**"), a wholly-owned subsidiary of KI. KMC has entered into a long term agreement with Pipenet dated 16 September 2014 (collectively with the 2005 Pipenet Agreement (as defined herein), the "**Pipenet Agreements**") pursuant to which Pipenet provides KMC access to the service corridor and routine maintenance of the KMC wayleave facilities in return for monthly fees. The charges under the Pipenet Agreements are fixed, subject to JTC's rental indexation and inflation indexation. The costs under the Pipenet Agreements are substantially passed through to Keppel Electric via the fixed O&M fee received from Keppel Electric. (See also "*Risk Factors – Risks relating to the KMC Acquisition – Fees payable to KMC O&M under the OMSA are not fixed*").

Under the OMSA, KMC O&M will manage the Major Maintenance Contractor, Pipenet as well as other subcontractors as required for the operation and maintenance of the KMC Plant.

Electricity Licence

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

KMC is required under the KMC Electricity Licence to enter into various regulatory contracts, including among others, the Generation Facility Operating Agreement dated 23 March 2006 with the Power

System Operator of EMA to remotely direct the operation of KMC, the connection agreement dated 25 February 2005 (as amended), with SP PowerAssets to allow for connection to the transmission system, and the market support services agreement dated 13 September 2006 with SP Services Ltd ("**SP Services**") to provide meter reading services. SP PowerAssets is the sole Transmission Licensee in Singapore and SP Services is the sole market support services licensee in Singapore.

Fuel Supply

The primary fuel for KMC Plant is natural gas. Under the CTA, Keppel Electric will be responsible for supplying fuel required for production of electricity. In addition, KMC has a Gas Sales Agreement for Vested Quantities of Gas (LNG) dated 15 March 2010 with BG Singapore Gas Marketing Pte. Ltd. for delivery of regasified LNG (the "**Vesting LNG Contract**"). Arising from the Vesting LNG Contract, KMC also has a Terminal User Agreement Direct Agreement (the "**TUA Direct Agreement**") dated 15 March 2010 with Singapore LNG Ltd to pay for terminal charges arising from the use of the LNG terminal. KMC has a Gas Management Agreement dated 16 September 2014 with Keppel Gas Pte. Ltd. for the provision of services required for the management of the Vesting LNG Contract. Under the CTA, Keppel Electric will pay KMC for the charges payable under the Vesting LNG Contract, the TUA Direct Agreement and the Gas Management Agreement on a full reimbursement basis.

KMC has a backup fuel supply agreement (the "**BFSA**") for the supply of diesel oil to the KMC Plant. The BFSA satisfies the requirements under the KMC Electricity Licence to maintain sufficient fuel reserves for the KMC Plant. Keppel Electric will reimburse KMC for the costs of diesel consumed in the event that there is insufficient natural gas for power generation. The diesel oil is supplied through a dedicated pipeline from the back-up fuel supplier's site to the KMC Plant. The back-up fuel pipeline is constructed and maintained by Pipenet under a long term agreement dated 23 March 2005 (the "**2005 Pipenet Agreement**"), in return for annual fees paid by KMC which is covered by the fixed O&M fee in the Tolling Fees. (See also "*Risk Factors – Risks relating to the KMC Acquisition – Fees payable to KMC O&M under the OMSA are not fixed*").

Vesting Contract

Vesting contracts are contracts for differences imposed on the generation companies by the EMA to address the issue of market power in the wholesale electricity market of the NEMS. The parameters in the vesting price formula and vesting quantities are determined by the EMA every two years. Vesting Contracts will be terminated when the EMA determines that market power no longer exists.

KMC has entered into a vesting contract dated 23 September 2003 (as amended and supplemented), with SP Services, which is currently the sole market support services licensee in the NEMS. Under the terms of the CTA, KMC will pay the proceeds from the aforementioned vesting contract to the Toller.

Ancillary Services Agreement

KMC has an Ancillary Services Agreement contract with the EMC for its 10 x 2 MW diesel generators to provide services to energise a portion of the KMC Plant. The Ancillary Services Agreement is subject to annual renewal by the EMC. Under the CTA, the Toller will bear the costs and receive the proceeds from the Ancillary Services Agreement.

Environmental Compliance

The design of the KMC Plant and its emissions meet environmental guidelines set by the Pollution Control Department ("**PCD**") of the National Environmental Agency ("**NEA**"). KMC monitors air and water emissions and noise levels while the KMC Plant is operational.

Insurance Arrangements

KMC has procured certain insurance policies, such as Property All Risks, Business Interruption ("**BI**") and Comprehensive General Liability ("**CGL**") to cover the KMC Plant. The current combined All Risks

and Business Interruption policy provides coverage for "all risks" of physical loss or damage, including events such as fire, storm and earthquake, as well as similar coverage to insured machinery, plant and equipment as well as coverage for loss of revenue/profit in the event of damage to the property or machinery of the KMC Plant.

The CGL policy provides compensation when the insured is legally liable for causing injury or damage to third parties.

ABOUT KIT'S EXISTING PORTFOLIO

KIT's portfolio comprises the Senoko Plant, Tuas DBOO Plant and Ulu Pandan Plant in Singapore.

SENOKO PLANT

Overview

Senoko Plant is located in the northern part of Singapore, and it is also the only waste incineration plant located outside of the Tuas area (which is in the western part of Singapore) and this positions it to serve the eastern, northern and central areas of Singapore. Senoko Plant is equipped with six incinerator-boiler units with two condensing turbine-generators offering a power generation capacity of 2 x 28 MW. Waste incineration is carried out at Senoko Plant 24 hours a day throughout the year.

Key Information

*Senoko Incineration Services Agreement ("**Senoko ISA**")*

The Senoko Trustee has entered into the Senoko ISA with NEA pursuant to which the Senoko Trustee will own and operate Senoko Plant in accordance with the terms of the Senoko ISA. The term of the Senoko ISA is for 15 years commencing from 1 September 2009.

Under the Senoko ISA, the contracted incineration capacity of Senoko Plant is 2,100 tonnes per day (based on a Net Calorific Value of 9,000 kJ/kg). In September 2014, the Senoko Trustee has entered into a supplemental incineration services agreement with NEA to provide additional incineration services (the "**Senoko Supplemental ISA**"). The contracted incineration capacity of Senoko Plant will progressively increase up to 10 per cent. from 2,100 tonnes per day. Fixed and variable payments (as defined below) will correspondingly be increased.

Under the Senoko ISA, the Senoko Trustee is entitled to receive the following fixed and variable monthly payments from NEA:

(a) fixed payments ("**Fixed Capacity Payments**"), for the provision of incineration capacity; and

(b) variable payments ("**Variable Payments**"), comprising a variable O&M cost component ("**variable O&M cost component**") (for the provision of incineration services), electricity generation incentive payment (as an incentive for the efficient generation and sale of electricity) and payment for energy market charges (as reimbursement of the energy market charges which are paid by the Senoko Trustee to the NEMS).

Fixed Capacity Payments are payable for making available the contracted incineration capacity of Senoko Plant. They are payable throughout the term of the Senoko ISA, regardless of whether Senoko Plant incinerates any waste and do not vary with the volume of waste delivered to or incinerated by Senoko Plant, thus ensuring a long-term and predictable cash flow for Senoko Trust. Fixed Capacity Payments are payable in full if the available incineration capacity of Senoko Plant is greater than or equal to 2,100 tonnes per day. If the available incineration capacity is less than 2,100 tonnes per day, the Fixed Capacity Payments will be reduced accordingly. Fixed Capacity Payments comprise:

(a) a fixed capital cost component, which is not adjustable for inflation; and

(b) a fixed O&M cost component ("**fixed O&M cost component**"), which is adjustable for inflation,

both of which are computed based on the available incineration capacity of Senoko Plant (which shall not exceed the contracted incineration capacity of 2,100 tonnes per day) and subject to deductions if certain performance standards are not met.

The available incineration capacity (tonnes/day) of Senoko Plant is calculated by multiplying the tested incineration capacity ("**TIC**") by the availability factor for incineration capacity ("**availability factor**"). The Senoko Trustee is required to carry out an incineration capacity test of the plant to determine the TIC before the commencement of each contract year. Based on the incineration capacity test conducted on 3 July 2014, the tested incineration capacity of Senoko Plant is 2,851 tonnes/day.

The availability factor for incineration capacity in the billing period is the moving average of the actual time availability factor for the past 12 months. The actual time availability factor for incineration capacity in each billing period is calculated as a function of the summation of the daily available incinerator boiler unit operating hours expressed in days over the total boiler days in the billing period.

The fixed O&M cost component of the Fixed Capacity Payments covers the fixed O&M fees payable to the Keppel O&M Operator as well as property tax, trustee management fees, licensing fees and insurance costs incurred by Senoko Trust. The variable O&M cost component covers the variable O&M fees payable to the Keppel O&M Operator. This mechanism allows the O&M fees payable to Keppel O&M Operator to be passed through to NEA with the effect that the effective income of Senoko Trust is derived from the fixed capital cost components of the Fixed Capacity Payments.

Variable Payments are payable for the variable costs in incinerating waste and exporting electricity to the NEMS. Variable Payments comprise:

(a) a variable O&M cost component, which is computed based on the actual quantity of waste delivered to Senoko Plant and a variable O&M charge rate that is adjustable for inflation;

(b) a variable electricity generation incentive payment, which is computed based on a percentage of revenues from the volume of electricity exported by Senoko Plant to the NEMS; and

(c) a variable payment for energy market charges, which is a reimbursement of energy market charges payable by Senoko Trustee as a participant in the NEMS.

Senoko O&M Agreement

The Senoko Trustee has appointed Keppel Seghers, a wholly-owned subsidiary of the Sponsor, as the O&M operator of Senoko Plant pursuant to the Senoko O&M Agreement, whereby Keppel O&M Operator will operate, maintain and repair Senoko Plant in return for fixed O&M fees and variable O&M fees payable by Senoko Trust. The Senoko O&M Agreement and the Senoko ISA will run concurrently for the same 15-year term.

The fixed O&M fees payable to the Keppel O&M Operator will be covered by the fixed O&M cost component of the Fixed Capacity Payments. The variable O&M fees payable to the Keppel O&M Operator will be covered by the variable O&M cost component of the Variable Payments. Adjustments for inflation to the fixed O&M cost component of the Fixed Capacity Payments and variable O&M cost component of the Variable Payments under the Senoko ISA will lead to corresponding adjustments to the fixed and variable O&M fees payable under the Senoko O&M Agreement.

Senoko Upgrade Agreement

The Senoko Trustee has engaged Keppel Seghers, the O&M operator of Senoko Plant, to carry out the upgrading works required to increase the plant's capacity to provide the additional incineration services to NEA under the Senoko Supplemental ISA.

The upgrading works mainly involve modifications to the plant's incineration units and the steam-condensate system, and will be carried out progressively and scheduled with the planned annual maintenance of each incineration unit so as to maximise the overall operational availability of the plant during the period. The upgrading is currently planned to take place between 3Q 2015 and 3Q 2016.

EPHA Licence

The Senoko Trustee has obtained a licence from NEA under the EPHA ("**Senoko EPHA Licence**") authorising it to maintain and operate the waste disposal facility at Senoko Plant. The capacity of waste to be treated at Senoko Plant is 2,100 tonnes/day, such being the Contracted Incineration Capacity (as defined in the Senoko ISA) under the Senoko ISA. The Senoko EPHA Licence is valid until 31 August 2024, subject to the conditions set out in the Senoko EPHA Licence.

Electricity Licence

The Senoko Trustee has obtained an electricity licence ("**Senoko Electricity Licence**") from the EMA under the Electricity Act to (a) generate electricity and (b) trade in any wholesale electricity market operated by EMC, subject to the conditions set out in the Senoko Electricity Licence.

The Senoko Electricity Licence is valid for a period of 30 years from 24 August 2009 to 23 August 2039.

TUAS DBOO PLANT

Overview

Tuas DBOO Plant is located in the western part of Singapore. It is the fifth waste incineration plant built in Singapore and the newest of the four waste incineration plants currently operating in Singapore. Tuas DBOO Plant is also the first waste incineration plant in Singapore built under the public-private-partnership initiative. It was built with Keppel Seghers' in-house technologies such as the air-cooled grate and flue gas cleaning system and is the first waste incineration plant in Singapore to showcase WTE technology from a Singapore company.

Tuas DBOO Plant is equipped with two incinerator-boiler units with one condensing turbine-generator offering a power generation capacity of 22 MW. Waste incineration is carried out at Tuas DBOO Plant 24 hours a day throughout the year.

Key Information

*Tuas DBOO Incineration Services Agreement ("**Tuas DBOO ISA**")*

The Tuas DBOO Trustee has entered into the Tuas DBOO ISA with NEA pursuant to which the Tuas DBOO Trustee will own and operate Tuas DBOO Plant in accordance with the terms of the Tuas DBOO ISA. The term of the Tuas DBOO ISA is 25 years commencing from 30 October 2009.

Under the Tuas DBOO ISA, the Contracted Incineration Capacity of Tuas DBOO Plant is 800 tonnes per day (based on a Net Calorific Value of 9,000 kJ/kg).

Under the Tuas DBOO ISA, the Tuas DBOO Trustee is entitled to receive the following fixed and variable monthly payments from NEA:

(a) Fixed Capacity Payments comprising an incineration capacity payment ("**Incineration Capacity Payment**") for the provision of incineration capacity and electricity generation payment ("**Electricity Generation Payment**") for the provision of electricity generation services; and

(b) Variable Payments, comprising a variable O&M cost component (for the provision of incineration services), electricity generation incentive payment (as an incentive for the efficient generation and sale of electricity) and payment for energy market charges (as reimbursement of the energy market charges that Tuas DBOO Trustee has to pay the NEMS).

Incineration capacity payments are payable for making available the contracted incineration capacity of Tuas DBOO Plant. They are payable throughout the term of the Tuas DBOO ISA, regardless of whether Tuas DBOO Plant incinerates any waste and do not vary with the volume of waste delivered to or incinerated by Tuas DBOO Plant, thus ensuring a long-term and predictable cash flow for Tuas

DBOO Trust. Incineration Capacity Payments are payable in full if the available incineration capacity of Tuas DBOO Plant is greater than or equal to 800 tonnes per day. If the available incineration capacity is less than 800 tonnes per day, the Incineration Capacity Payments will be reduced accordingly. Incineration Capacity Payments comprise:

(a) a fixed capital cost component, which is not adjustable for inflation; and

(b) a fixed O&M cost component, which is adjustable for inflation,

both of which are computed based on the available incineration capacity of Tuas DBOO Plant (which shall not exceed the contracted incineration capacity of 800 tonnes per day) subject to deductions if certain performance standards are not met.

The available incineration capacity (tonnes/day) of Tuas DBOO Plant is calculated by multiplying the TIC by the availability factor. The Tuas DBOO Trustee is required to carry out an incineration capacity test of the plant to determine the TIC before the commencement of each contract year. Based on the test completed on 8 October 2014, the TIC of Tuas DBOO Plant is 1,054 tonnes/day.

The availability factor for incineration capacity in the billing period is the moving average of the actual time availability factor for the past 12 months. The actual time availability factor for incineration capacity in each billing period is calculated as a function of the summation of the daily available incinerator boiler unit operating hours expressed in days over the total boiler days in the billing period.

Electricity Generation Payments are payable for making available the electricity generation services of Tuas DBOO Plant. They are payable throughout the term of the Tuas DBOO ISA, regardless of whether Tuas DBOO Plant exports any electricity to the NEMS and do not vary with the volume of electricity exported by Tuas DBOO Plant or its available capacity, thus adding to a long-term and predictable cash flow for Tuas DBOO Trust. Electricity Generation Payments comprise:

(a) a fixed capital cost component, which is not adjustable for inflation; and

(b) a fixed O&M cost component, which is adjustable for inflation.

Variable Payments are payable for the variable costs in incinerating waste and exporting electricity to the NEMS. Variable Payments comprise:

(a) a variable O&M cost component, which is adjustable for inflation and which is computed based on the actual quantity of waste delivered to Tuas DBOO Plant;

(b) a variable electricity generation incentive payment, which is computed based on a percentage of revenues from the volume of electricity exported by Tuas DBOO Plant to the NEMS; and

(c) a variable payment for energy market charges, which is a reimbursement of energy market charges payable by the Tuas DBOO Trustee as a participant in the NEMS.

The fixed O&M cost components of both the Incineration Capacity Payments and Electricity Generation Payments cover the fixed O&M fees payable to the Keppel O&M Operator as well as property tax, trustee management fees, licensing fees and insurance costs incurred by Tuas DBOO Trust. The variable O&M cost component covers the variable O&M fees payable to the Keppel O&M Operator. This mechanism allows the O&M fees payable to the Keppel O&M Operator to be passed through to NEA with the effect that the effective income of the Tuas DBOO Trustee is derived from the fixed capital cost components of the Fixed Capacity Payments, and the Electricity Generation Incentive Payment.

Tuas DBOO O&M Agreement

The Tuas DBOO Trustee has appointed Keppel Seghers, a wholly-owned subsidiary of the Sponsor, as the O&M operator of Tuas DBOO Plant pursuant to the Tuas DBOO O&M Agreement, whereby the Keppel O&M Operator will operate, maintain and repair Tuas DBOO Plant in return for fixed O&M fees

and variable O&M fees payable by Tuas DBOO Trust. The Tuas DBOO O&M Agreement and the Tuas DBOO ISA will run concurrently for the same 25-year term.

The fixed O&M fees payable to the Keppel O&M Operator will be covered by the fixed O&M cost components of the Fixed Capacity Payments. The variable O&M fees payable to the Keppel O&M Operator will be covered by the variable O&M cost component of the Variable Payments. Adjustments for inflation to the fixed O&M cost components of the Fixed Capacity Payments and variable O&M cost component of the Variable Payments under the Tuas DBOO ISA will lead to corresponding adjustments to the fixed and variable O&M fees payable under the Tuas DBOO O&M Agreement.

EPHA Licence

A licence has been obtained under the Environmental Public Health Act, Chapter 95 of Singapore ("**EPHA**") from NEA authorising the construction, establishment, maintenance and operation of the disposal facility at Tuas DBOO Plant ("**Tuas DBOO EPHA Licence**"). The capacity of waste to be treated at Tuas DBOO Plant is 800 tonnes/day, such being the Contracted Incineration Capacity under the Tuas DBOO ISA. The Tuas DBOO EPHA Licence will be valid until 30 June 2034, subject to the conditions set out in the Tuas DBOO EPHA Licence.

Electricity Licence

The Tuas DBOO Trustee has obtained an electricity licence ("**Tuas DBOO Electricity Licence**") from EMA under the Electricity Act to (a) generate electricity and (b) trade in any wholesale electricity market operated by EMC, subject to the conditions set out in the Tuas DBOO Electricity Licence.

The Tuas DBOO Electricity Licence will be valid until 18 July 2036.

ULU PANDAN PLANT

Overview

Ulu Pandan Plant is located in the central part of Singapore and is one of Singapore's largest NEWater plants. Operational since 28 March 2007, it serves the demands of the industrial and commercial sectors in Singapore.

It features modular design, space saving measures and energy saving features which lowers operating costs and has the capacity to produce 148,000 m^3 of NEWater daily. It also features a 1 MWp solar photovoltaic (PV) installation, which was awarded the Solar Pioneer Award in October 2012 by the Energy Innovation Programme Office (led by Singapore Economic Development Board and the EMA). Covering about 10,000 sqm of roof space, the rooftop solar power plant is one of the largest in Singapore, completed in the first quarter of 2013, and will help mitigate the impact of electricity costs for the NEWater plant's operations.

Key Information

NEWater Agreement

The Ulu Pandan Trustee has entered into the NEWater Agreement with PUB pursuant to which the Ulu Pandan Trustee will own and operate Ulu Pandan Plant in accordance with the terms of the NEWater Agreement. The term of the NEWater Agreement is 20 years commencing from 28 March 2007. Under the NEWater Agreement, the contracted warranted capacity of Ulu Pandan Plant is 148,000 m^3/day.

Under the NEWater Agreement, the Ulu Pandan Trustee is entitled to receive the following monthly payments from PUB:

(a) fixed payment ("**Availability Payments**") for the provision of production capacity; and

(b) variable payment ("**Output Payments**") for the volume of Feedwater treated.

Availability Payments are payable for making available the warranted production capacity of Ulu Pandan Plant. They are payable throughout the term of the NEWater Agreement, regardless of whether Ulu Pandan Plant produces any NEWater and do not vary with the volume of Feedwater treated by Ulu Pandan Plant, thus ensuring a long-term, predictable and high-quality cash flow for Ulu Pandan Plant. Availability Payments are payable in full if the available production capacity of Ulu Pandan Plant is greater or equal to 148,000 m^3/day. If the available production capacity is less than 148,000 m^3/day, the Availability Payments will be reduced accordingly. Availability Payments comprise:

(a) a fixed capital cost recovery payment component, which is not adjustable for inflation and which covers amounts for debt service, return on shareholders' equity and taxes payable by the Ulu Pandan Trustee;

(b) a fixed O&M payment component, which is adjustable for inflation and which covers all fixed O&M costs of Ulu Pandan Plant; and

(c) a fixed power payment component, which is not adjustable for inflation and which covers all fixed power costs of Ulu Pandan Plant,

subject to deductions if certain performance standards are not met.

Output Payments are payable based on the net amount of NEWater delivered by Ulu Pandan Plant to PUB at delivery points. Output Payments comprise:

(a) a variable O&M payment component, which is adjustable for inflation and computed based on the quantity of NEWater delivered to PUB; and

(b) a variable power payment component, which is adjustable based on the fuel price index and computed based on the usage power charges incurred by Ulu Pandan Plant.

The Availability Payments and the Output Payments will cover the O&M fees payable by the Ulu Pandan Trustee to Keppel Seghers as the O&M operator of Ulu Pandan Plant as well as property tax, trustee management fees, licensing fees and insurance costs incurred by Ulu Pandan Trust. The effective income of Ulu Pandan Trust is derived primarily from the fixed capital cost recovery payment component of the Availability Payment and potentially from the variable power payment component of the Output Payment. However, it is possible that the variable power payment component in the Output Payments may not sufficiently cover the actual usage power charges incurred by Ulu Pandan Plant, as the actual charges incurred vary with the cost of fuel and may be higher or lower than the reference cost of fuel (which is based on the monthly average 180 Centistoke Heavy Sulphur Fuel Oil for the previous 12 months) used in calculating the variable power payment component.

Ulu Pandan O&M Agreement

The Ulu Pandan Trustee has appointed Keppel Seghers, a wholly-owned subsidiary of the Sponsor, as the O&M operator of Ulu Pandan Plant pursuant to the Ulu Pandan O&M Agreement, whereby Keppel Seghers will operate, maintain and repair Ulu Pandan Plant in return for fixed O&M fees and variable O&M fees payable by the Ulu Pandan Trustee. The Ulu Pandan O&M Agreement and the NEWater Agreement will run concurrently for the same 20-year term.

The O&M fees payable to Keppel O&M Operator will be covered by the fixed O&M cost component of the Availability Payments and the variable O&M cost component of the Output Payments. Adjustments for inflation at the end of every year to the fixed O&M cost component of the Availability Payments and variable O&M cost component of the Output Payments under the NEWater Agreement will lead to corresponding adjustments to the fixed and variable O&M fees payable under the Ulu Pandan O&M Agreement.

INSURANCE

The policies and deductibles for the Senoko, Tuas DBOO and Ulu Pandan Plants are maintained at levels that the Trustee-Manager believes are adequate and consistent with industry standards. Such policies include industrial all risks insurance, business interruption insurance and comprehensive general liability insurance.

ABOUT CIT'S EXISTING PORTFOLIO

CITY GAS

Overview

City Gas is the sole producer and retailer of town gas in Singapore and also the sole user of the low-pressure piped town gas supply network in Singapore. In addition, City Gas markets gas appliances and offers comprehensive after-sales customer service. City Gas has a production facility in Singapore, Senoko Gasworks, with a capacity of 1.6 million m^3 per day. Senoko Gasworks is the sole production facility of town gas in Singapore and as at the Latest Practicable Date, City Gas has more than 700,000 customers across the residential, commercial and industrial segments in Singapore.

Senoko Gasworks produces town gas from three continuous reforming plants and five cyclic reforming plants, each with a production capacity of 200,000 m^3 per day. The plants are capable of using both natural gas and light virgin naphtha as feedstock. The town gas produced can either be stored in two spherical gasholders or sent out through the distribution network to customers.

Gas production is monitored, controlled and directed 24 hours a day, seven days a week from a central control room. At the heart of the central control room is a fully automated distributed control system. The distributed control system, which is a computerised process control system, enables the experienced plant controllers to operate, monitor and control the gas production and ancillary plant.

Key Information

Gas Purchase Agreement

City Gas entered into a Gas Purchase Agreement with Gas Supply Pte Ltd ("**GSPL**") in September 2003 (subsequently supplemented in May 2008) to purchase a specified amount of natural gas at a price based on a formula with variable components that fluctuate from time to time. Under the Gas Purchase Agreement, City Gas is entitled to purchase up to 112 thousand billion Btu of natural gas over a period of 20 years commencing in 2003 and at least 55 per cent. of the annual contract quantity (which is 5,748 billion Btu per year) must be purchased by City Gas between the third year and 20th year of the Gas Purchase Agreement. In May 2008, City Gas entered into a supplemental agreement with GSPL to purchase an additional supply of 35.16 thousand billion Btu of natural gas from 2009 to 2023. City Gas is obliged to take and pay for, or pay for if not taken, 55 per cent. of the annual contracted quantity of natural gas. If City Gas takes delivery of gas under an alternative gas sales agreement rather than under the Gas Purchase Agreement, the amount of gas that City Gas will be required to take and pay for, or pay for if not taken, shall be increased for the duration of such alternative gas sales agreement in accordance with the formula set out in the Gas Purchase Agreement.

In 2013, City Gas has entered into another long term supply contract with SEPL ("**Senoko Gas Purchase Agreement**") to purchase a specified amount of natural gas at a price based on a formula with variable components that fluctuate from time to time. Under the Senoko Gas Purchase Agreement, City Gas is entitled to purchase up to 9,356 billion Btu of natural gas and the contract period will be ended on 30 April 2018. City Gas is obligated to take and pay for, or pay for if not taken, 95 per cent. of the annual contracted quantity of natural gas. The Senoko Gas Purchase Agreement is not an alternative gas sales agreement which triggers the take-or-pay obligation under the Gas Purchase Agreement with GSPL.

Towngas Transportation Agreement

Under a Towngas Transportation Agreement between City Gas and PowerGas, PowerGas, the sole transporter of piped gas in Singapore, makes available its gas transportation system for the delivery of piped gas from City Gas to its customers. PowerGas charges City Gas transportation tariffs (which are subject to price control by EMA) for the use of the gas transportation system.

Utility Support Service Agreement

Under a Utility Support Service Agreement between City Gas and SP Services, SP Services provides City Gas with gas-meter reading, billing and collection services. SP Services is the main provider of such services to the utilities and waste collection companies in Singapore and charges City Gas a management fee which may be reviewed by the parties once in any calendar year and the quantum of any increase is subject to a cap of 6 per cent. over the prevailing management fee.

Licences

City Gas holds the sole licence from the EMA to produce and retail town gas in Singapore and is regulated by EMA in respect of such activities.

Certification

In December 2013, City Gas attained certification of ISO/IEC 27001:2005 for The Management, Operations and Maintenance of City Gas Distributed Control System by DNV Business Assurance. The ISO/IEC 27001:2005 is an information security management system (ISMS) standard established by International Organisation for Standardization (ISO).

CITY-OG GAS ENERGY SERVICES PTE. LTD.

Overview

In August 2013, City Gas together with Osaka Gas Co., Ltd. ("**Osaka Gas**") established a new business venture, City-OG Gas Energy Services Pte. Ltd., to market and sell natural gas to industrial customers in Singapore. City Gas holds a 51 per cent. share of the business venture, with the remaining 49 per cent. share held by Osaka Gas. The business venture seeks to leverage on Osaka Gas' advanced technology and expertise in cogeneration systems and industrial furnaces to grow the natural gas retail business. City Gas, on the other hand, offers the business venture its extensive network and customer knowledge to develop and promote the business.

SINGSPRING

Overview

SingSpring owns and operates Singapore's first large-scale seawater desalination plant which commenced commercial operations in December 2005. The plant is capable of supplying up to 136,380 m^3 of desalinated potable water per day, which represents approximately 10 per cent. of Singapore's current water needs. The SingSpring desalination plant utilises advanced, cost and energy-efficient reverse osmosis technology. It was the largest membrane-based seawater desalination plant in the world at the time of its completion and at that time also had one of the largest reverse osmosis trains in the world. The SingSpring seawater desalination plant ("**SingSpring Plant**") is located in Tuas, Singapore, on land leased from the JTC for a 30-year term expiring in 2034.

Key Information

Water Purchase Agreement

SingSpring had entered into a long-term water purchase agreement with the PUB, expiring in December 2025, pursuant to which SingSpring receives a fixed monthly payment ("**Capacity**

Payment") from PUB for making available the output capacity of the plant to PUB (which is payable regardless of the actual volume of water supplied) and a variable monthly payment ("**SingSpring Output Payment**") depending on the actual volume of water supplied to PUB.

Capacity Payments are payable for the fixed costs in making available the full water capacity of the SingSpring Plant to PUB. They are payable throughout the term of the Water Purchase Agreement, regardless of whether the SingSpring Plant supplies any water to PUB, and do not vary with the volume of water supplied by the SingSpring Plant. Capacity Payments comprise a fixed capital component, a fixed O&M component and a fixed energy component, computed based on the SingSpring Plant's last-tested capacity. The fixed capital component of the Capacity Payments will total S$473 million over the 20-year term of the Water Purchase Agreement. This equates to payment of S$23.6 million per annum. The fixed O&M component of the Capacity Payments covers the fixed O&M payments payable by SingSpring to Hyflux Engineering as the O&M operator under the SingSpring O&M Agreement referred to below.

SingSpring Output Payments are payable for the variable costs in supplying water to PUB from the SingSpring Plant and they vary depending on the volume of water supplied by the SingSpring Plant to PUB. PUB does not have an "offtake" obligation under the Water Purchase Agreement, i.e. PUB is not obliged to require the SingSpring Plant to supply any water to it. SingSpring Output Payments comprise a variable O&M component and a variable energy component, computed based on the volume of water supplied by the SingSpring Plant to PUB. The variable O&M component of the SingSpring Output Payments covers the variable O&M payments payable by SingSpring to Hyflux Engineering as the O&M operator under the SingSpring O&M Agreement.

SingSpring O&M Agreement

In October 2003, SingSpring appointed Hyflux Engineering, a wholly-owned subsidiary of Hyflux Ltd, as O&M operator in respect of the SingSpring Plant under an O&M agreement ("**SingSpring O&M Agreement**"). The SingSpring O&M Agreement and the Water Purchase Agreement run concurrently for the same 20-year term. The fixed and variable O&M components of the Capacity Payments and SingSpring Output Payments under the Water Purchase Agreement cover the fixed and variable O&M payments payable by SingSpring to Hyflux Engineering as the O&M operator under the SingSpring O&M Agreement. Further, adjustments for inflation and foreign exchange fluctuations to the fixed and variable O&M components of the Capacity Payments and SingSpring Output Payments under the Water Purchase Agreement will lead to corresponding adjustments to the fixed and variable O&M payments under the SingSpring O&M Agreement.

BASSLINK

Overview

Basslink owns and operates the Basslink Interconnector, which is a 370-km high voltage, direct current monopole electricity interconnector between the electricity grids of the States of Victoria and Tasmania in Australia. Basslink derives most of its cashflow from a 25-year term Basslink Services Agreement with Hydro Tasmania, an entity owned by the State of Tasmania.

As part of the original construction of the Basslink Interconnector, a 12-core fibre optic telecommunications cable was incorporated in the electricity interconnector. On 3 July 2009, the Basslink telecoms network commenced commercial operation, carrying customers' traffic between Hobart and Melbourne in Australia. This was followed by an official launch of the Basslink telecoms network by the Premier of Tasmania, David Bartlett and Federal Minister for Broadband, Communications and the Digital Economy, Senator Stephen Conroy on 16 July 2009.

Key Information

Basslink Services Agreement

The primary revenue-generating agreement in relation to Basslink is the Basslink Services Agreement between BPL and Hydro Tasmania. Under the Basslink Services Agreement, BPL is required to make Basslink available exclusively to Hydro Tasmania and to pass through to Hydro Tasmania all revenue received by BPL from Australian Energy Market Operator for participating in the National Electricity Market of Australia ("**NEM**") in return for certain fees.

Under the Basslink Services Agreement, BPL's principal source of revenue from the operations of Basslink is a facility fee ("**Basslink Facility Fee**"), payable monthly by Hydro Tasmania. The Basslink Facility Fee is based on availability – it is payable in full if Basslink's cumulative availability is equal to or greater than 97 per cent. If Basslink's cumulative availability is less than 97 per cent., the Basslink Facility Fee is reduced with increasingly greater deductions the greater the shortfall from 97 per cent. The Basslink Facility Fee is equal to a base fee, as determined prior to the date on which Basslink commenced commercial operations based on the final construction costs of Basslink, subject to a quarterly escalator to reflect 65 per cent. of changes in the consumer price index of Australia.

The Basslink Services Agreement provides a commercial risk sharing mechanism ("**CRSM**") to share the market risk associated with participating in the NEM between Hydro Tasmania and BPL. Under the CRSM, for every month in a calendar year during the term of the Basslink Services Agreement, an adjustment ("**CRSM Adjustment**") will be applied to a portion of the unadjusted Basslink Facility Fee (as adjusted for CPI changes), subject to certain limits, to reflect the difference between the average high and low Victorian electricity pool prices. The CRSM Adjustments are calculated on a cumulative basis from the beginning of that calendar year to the end of that month, subject to reset at the beginning of the following calendar year. If the adjusted Basslink Facility Fee for any month: (a) exceeds the unadjusted Basslink Facility Fee for that month, this will result in a **positive** CRSM Adjustment from Hydro Tasmania to BPL; and (b) conversely, is less than the unadjusted Basslink Facility Fee for that month, this will result in a **negative** CRSM Adjustment from BPL to Hydro Tasmania, in each case payable on a monthly basis. Under the Basslink Services Agreement, CRSM Adjustments to the Basslink Facility Fee payments are subject to the following limits: (i) the aggregate CRSM adjusted Basslink Facility Fees cannot be more than 125 per cent. or less than 80 per cent. of the unadjusted Basslink Facility Fees; and (ii) the aggregate cumulative CRSM Adjustments in any five-year period during the term of the Basslink Services Agreement must not be less than 83 per cent. of the aggregate cumulative unadjusted Basslink Facility Fees for that five-year period. There are also provisions relating to the review of CRSM Adjustments.

BPL is entitled to revenues under the Basslink Services Agreement from 28 April 2006 for an initial period of 25 years expiring in 2031. Under the Basslink Services Agreement, Hydro Tasmania has an option, exercisable not later than two years prior to the expiry of the initial period, to extend the Basslink Services Agreement for a further period of 15 years. For this extension period, the Basslink Services Agreement will apply on the same terms as those applicable to the initial period, except that the FIRD Payments will cease to be payable and the Basslink Facility Fee will be adjusted to 90 per cent. of the fee that would otherwise be payable. The Basslink Services Agreement may also be further extended at the expiry of the first extension period subject to the mutual agreement of BPL and Hydro Tasmania.

Basslink Operations Agreement

Under the operations agreement dated 28 February 2000 made between the State of Tasmania and BPL, BPL is responsible for operating and maintaining Basslink to meet certain minimum technical specifications and requirements from the date it is commissioned for a 40-year period.

Connection Agreements and Use of System Agreements

BPL has entered into separate 40-year connection agreements with Transend Networks Pty Ltd ("**Transend**") and AusNet Services (formerly known as AusNet Services Limited) ("**AusNet Services**") in order to connect Basslink to the Tasmanian and Victorian transmission systems, respectively. BPL pays a monthly network connection charge under these connection agreements. CityLink and CIT had provided certain guarantees for the obligations of BPL under its connection agreement with AusNet Services in replacement of the guarantee previously given by the seller group.

Under its agreement with the Victorian Energy Networks Corporation, BPL acquires access for Basslink to the Victorian electricity grid. Under this agreement, BPL may be charged use of system charges in accordance with the National Electricity Rules.

Insurance

BPL is required to take out and maintain during the initial 25-year term of the Basslink Services Agreement operational insurances in respect of property damage/all-risk insurance, third party liability insurance, business interruption insurance and workers' compensation insurance.

EPC Contract

The EPC Contract dated 28 January 2000 made between BPL and the EPC contractors (the Tas-Vic consortium, comprising Siemens and Prysmian, among others) was for the construction of Basslink. The EPC Contract provides for, among others, certain construction warranties in respect of Basslink and obliges the EPC contractors to supply significant spares required for the operation, maintenance and overhaul of Basslink for up to 40 years.

CITYNET INFRASTRUCTURE MANAGEMENT

Overview

CityNet was awarded a mandate to act as the trustee-manager of NetLink Trust ("**NetLink Trust**") on 22 July 2011. Singapore Telecommunications Limited ("**SingTel**") undertook to the IDA to transfer certain telecommunications infrastructure assets to a separate wholly-owned entity, as part of the IDA's effective open access requirements. NetLink Trust was established to comply with this undertaking. The transfer was funded by the issue of new units in NetLink Trust to SingTel, which is the initial and sole unitholder of NetLink Trust, and a loan from SingTel. The transfer was completed in November 2011.

CityNet (in its capacity as trustee-manager of NetLink Trust) carries on the business of owning, installing, operating and maintaining the assets for the purpose of facilitating telecommunication activities. NetLink Trust's revenue consists primarily of fees and charges from granting access to and use of the assets and providing related operation and maintenance services. Such revenue is earned by NetLink Trust (and not CityNet).

Key Information

SingTel had appointed CityNet on 22 July 2011 to act as the trustee-manager of NetLink Trust. For acting as the trustee-manager of NetLink Trust, CityNet received an annual management fee of approximately S$2.1 million. Additionally, CityNet will receive an incentive fee if it secures new customers for access to and use of the assets. Such fees will be earned by CityNet (and not NetLink Trust).

On 28 November 2013, CityNet (in its capacity as trustee-manager of NetLink Trust) completed the acquisition of OpenNet Pte. Ltd. ("**OpenNet**") for an aggregate cash consideration of S$126 million (the "**OpenNet Acquisition**"). The principal activities of OpenNet are to design, build and operate the fibre network for Singapore's Next Generation Nationwide Broadband Network.

Following the completion of the OpenNet Acquisition, CityNet will receive an additional S$2 million to its existing annual management fee of approximately S$2.1 million. SingTel's appointment of CityNet as trustee-manager of NetLink Trust has also been extended for a three-year period starting from the completion of the OpenNet Acquisition. This appointment may be extended or terminated in accordance with the terms of the trust deed constituting NetLink Trust.

DATACENTRE ONE PTE. LTD.

Overview

In June 2014, City DC Pte. Ltd. ("**CityDC**"), a wholly-owned subsidiary of CIT, together with WDC Development Pte. Ltd. ("**WDC**"), a wholly-owned subsidiary of Shimizu Corporation, established a new joint venture company, DataCentre One Pte. Ltd. ("**DC One**"), to develop and lease a data centre. CityDC holds a 51 per cent. share of DC One, with the remaining 49 per cent. share held by WDC.

A data centre is a building which houses information technology and telecommunication systems. There is requirement for very high reliability and network availability and the building typically provides back-up power sources, redundant telecommunication connections, strict building ambience controls and stringent security configuration.

The data centre will be located at 2 Marsiling Lane on a land area of about 8,538 square metres. The building will have four floors of data centre halls and one floor of office and ancillary space. DSCO Group Pte. Ltd. is the designer of the data centre. Shimizu Corporation (Singapore branch) undertakes the construction. Construction commenced in fourth quarter of 2014 and is expected to be completed by first quarter of 2016.

Key Information

Development Agreement

DC One had, on 30 June 2014, entered into a development agreement with 1-Net Singapore Pte. Ltd. ("**1-Net**"), a wholly-owned subsidiary of MediaCorp Pte. Ltd., pursuant to which DC One 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 DC One 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 DC One 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.

Lease Agreement

DC One and 1-Net had, on 30 June 2014, signed a lease agreement ("**Lease Agreement**"), pursuant to which DC One will lease the five-storey data centre building together with the Shell, Shell M&E and the Core M&E ("**Data Centre**") to 1-Net for a period of 20 years (which may be renewed for approximately 8 years 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. The fees payable by 1-Net to DC One in relation to the Lease Agreement is between a range of S$11 million and S$21 million yearly.

APPENDIX 2

REPORTING ACCOUNTANT'S REPORT ON EXAMINATION OF UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF THE ENLARGED TRUST

The Board of Directors
CitySpring Infrastructure Management Pte. Ltd. (as Trustee-Manager of CitySpring Infrastructure Trust) ("**Trustee-Manager**")
111 Somerset Road #10-01
TripleOne Somerset, Singapore 238164

Report on the Compilation of Pro Forma Financial Information Included in the Circular (as defined below)

We have completed our assurance engagement to report on the compilation of pro forma financial information of CitySpring Infrastructure Trust (the "**Trust**") and its subsidiaries (collectively, the "**Group**") following the completion of the Proposed Acquisition and the KMC Equity Fund Raising (as defined in the circular issued by the Trust in connection thereto (the "**Circular**") by the Trustee-Manager). The pro forma consolidated financial information of the Group consists of the pro forma consolidated statement of financial position as at 31 December 2014, the pro forma consolidated income statement for the years ended 31 December 2012, 2013 and 2014, the pro forma consolidated statement of cash flow for the year ended 31 December 2014, and related notes (the "**Unaudited Pro Forma Consolidated Financial Information**") as set out in Appendix 3 of the Circular. The applicable criteria (the "**Criteria**") on the basis of which the Trustee-Manager has compiled the pro forma financial information are described in Appendix 3.

The Unaudited Pro Forma Consolidated Financial Information has been compiled by the Trustee-Manager to illustrate the impact of the Proposed Acquisition and the KMC Equity Fund Raising on the Group's financial position as at 31 December 2014 as if the Proposed Transaction had taken place on 31 December 2014, and on its financial performance for the years ended 31 December 2012, 2013 and 2014 and on its cash flows for the year ended 31 December 2014 as if the Proposed Transaction had taken place on 1 January 2012 and 1 January 2014 respectively. As part of this process, information about the Unaudited Pro Forma Consolidated Financial Information has been compiled by the Trustee-Manager based on the following:

(a) The audited consolidated financial statements of the Group for the years ended 31 March 2012, 2013 and 2014 which were prepared in accordance with the Business Trusts Act (Chapter 31A of Singapore) and Singapore Financial Reporting Standards;

(b) The audited consolidated financial statements of Keppel Infrastructure Trust and its subsidiaries for the years ended 31 December 2012, 2013 and 2014 which were prepared in accordance with the Business Trusts Act (Chapter 31A of Singapore) and Singapore Financial Reporting Standards;

(c) The audited financial statements of Keppel Merlimau Cogen Pte Ltd for the years ended 31 December 2012, 2013 and 2014 which were prepared in accordance with the Companies Act (Chapter 50 of Singapore) and Singapore Financial Reporting Standards; and

(d) The unaudited consolidated financial statements of CitySpring Infrastructure Trust as at and for the nine months ended 31 December 2014 which were prepared in accordance with the Business Trusts Act (Chapter 31A of Singapore) and Singapore Financial Reporting Standards.

Trustee-Manager's Responsibility for the Pro Forma Financial Information

The Trustee-Manager is responsible for compiling the Unaudited Pro Forma Consolidated Financial Information on the basis of the Criteria.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion about whether the Unaudited Pro Forma Consolidated Financial Information has been compiled, in all material respects, by the Trustee-Manager on the basis of the Criteria.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements ("SSAE") 3420*, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Institute of Singapore Chartered Accountants ("**ISCA**"). This standard requires that the Reporting Accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Trustee-Manager has compiled, in all material respects, the Unaudited Pro Forma Consolidated Financial Information on the basis of the Criteria.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Consolidated Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Consolidated Financial Information.

The purpose of pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Consolidated Financial Information has been compiled, in all material respects, on the basis of the Criteria involves performing procedures to assess whether the applicable criteria used by the Trustee-Manager in the compilation of the Unaudited Pro Forma Consolidated Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

i) The related pro forma adjustments give appropriate effect to those criteria; and

ii) The Unaudited Pro Forma Consolidated Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the Reporting Accountant's judgment, having regard to the Reporting Accountant's understanding of the nature of the entity, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Consolidated Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) The Unaudited Pro Forma Consolidated Financial Information has been compiled:

  (i) in a manner consistent with the accounting policies adopted by CitySpring Infrastructure Trust and its subsidiaries in its latest audited financial statements, which are in accordance with the Singapore Financial Reporting Standards; and

  (ii) on the basis of the Criteria stated in Appendix 3; and

(b) each material adjustment made to the information used in the preparation of the Unaudited Pro Forma Consolidated Financial Information is appropriate for the purpose of preparing such unaudited financial information.

This letter has been prepared for inclusion in the Circular.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

Low Yen Mei
Partner-in-charge
2 April 2015

Income Statement

Assuming the Proposed Acquisition and the KMC Acquisition had occurred on 1 January 2012

	Year ended 31 December		
	2014 S$'000	**2013 S$'000**	**2012 S$'000**
Revenue	715,954	715,572	734,220
Other income	4,110	3,789	4,463
Other (losses)/gains — net	(4,342)	1,255	(8,743)
Expenses			
Fuel and electricity costs	(220,425)	(219,386)	(215,138)
Gas transportation costs	(84,866)	(84,077)	(81,639)
Depreciation and amortisation	(116,671)	(121,812)	(123,453)
Staff costs	(26,505)	(25,384)	(23,462)
Operation and maintenance costs	(75,965)	(75,193)	(72,073)
Finance costs	(131,413)	(128,958)	(130,224)
Construction expense	–	–	(7,725)
Management fees	(8,868)	(10,019)	(14,529)
Other operating expenses	(57,605)	(52,983)	(63,771)
Total expenses	**(722,318)**	**(717,812)**	**(732,014)**
(Loss)/profit before joint venture	(6,596)	2,804	(2,074)
Share of results of joint venture	(43)	–	–
Operating (loss)/profit before tax	**(6,639)**	**2,804**	**(2,074)**
Income tax (expense)/credit	(708)	11,404	4,892
Net (loss)/profit after tax	**(7,347)**	**14,208**	**2,818**
Profit/(loss) attributable to:			
Unitholders	16,696	39,240	28,562
Non-controlling interests	(24,043)	(25,032)	(25,744)
	(7,347)	14,208	2,818

Cash Earnings*

Assuming the Proposed Acquisition and the KMC Acquisition had occurred on 1 January 2012

	Year ended 31 December		
	2014 S$'000	**2013 S$'000**	**2012 S$'000**
EBITDA	239,195	251,643	248,992
Cash Earnings:			
City Gas	43,942	45,851	65,166
SingSpring	15,765	13,991	14,175
Basslink	(11,865)	10,417	28,864
CityNet	3,724	2,000	1,888
KIT Group	58,681	56,255	49,413
KMC	44,370	44,370	43,299
Corporate Expenses	(16,224)	(16,202)	(16,620)
Cash earnings attributable to unitholders	**138,393**	**156,682**	**186,185**

* Cash earnings is defined as EBITDA adjusted for cash and non-cash items, less cash interest, cash tax, upfront financing fees, maintenance capital expenditure, non-controlling interests and before principal repayment of debt.

Financial Position of the Enlarged Trust as at 31 December 2014

Assuming the Proposed Acquisition and the KMC Acquisition had occurred on 31 December 2014

	As at 31 Dec 2014 S$'000
ASSETS	
Current assets	
Cash and bank deposits	381,465
Trade and other receivables	129,824
Service concession receivables	54,956
Derivative financial instruments	1,568
Finance lease receivables	8,638
Inventories	60,089
Other current assets	4,648
Total current assets	**641,188**
Non-current assets	
Service concession receivables	471,047
Finance lease receivables	133,137
Other assets	1,736
Investment in joint venture	10,866
Property, plant and equipment	2,086,028
Intangibles	1,159,027
Total non-current assets	**3,861,841**
Total assets	**4,503,029**
LIABILITIES	
Current liabilities	
Derivative financial instruments	16,342
Trade and other payables	182,207
Loan from a related party	3,479
Current tax liabilities	12,028
Borrowings	17,992
Total current liabilities	**232,048**
Non-current liabilities	
Derivative financial instruments	85,704
Borrowings	1,851,597
Notes payable to non-controlling interest	260,000
Deferred tax liabilities	188,328
Provisions	22,465
Other payables	289,079
Total non-current liabilities	**2,697,173**
Total liabilities	**2,929,221**
Net assets	**1,573,808**
UNITHOLDERS' FUNDS	
Units in issue	2,061,585
Hedging reserve	(205,888)
Translation reserve	(26,332)
Capital reserve	38,710
Accumulated losses	(550,911)
	1,317,164
Non-controlling interests	256,644
Total unitholders' funds	**1,573,808**

Cash Flow Statement of the Enlarged Trust for year ended 31 December 2014 ("YE2014")

Assuming the Proposed Acquisition and the KMC Acquisition had occurred on 1 January 2014

	Year ended 31 December 2014 S$'000
Operating activities	
Loss before tax	(25,638)
Adjustments for:	
Depreciation and amortisation	116,671
Finance costs	131,413
Interest income	(2,294)
Fair value loss on derivative financial instruments	3,467
Property, plant and equipment written off	33
Gain associated with purchase and cancellation of Basslink bonds	(1,852)
Gain on disposal of property, plant and equipment	(14)
Transaction costs related to acquisition of subsidiaries	19,000
Share of results of joint venture	43
Unrealised translation loss	153
Operating cash flow before working capital changes	240,982
Changes in working capital:	
Inventories	677
Service concession receivables	38,758
Trade and other receivables	11,579
Trade and other payables	20,093
Cash generated from operations	312,089
Interest received	2,245
Interest paid	(120,540)
Income tax paid	(1,466)
Net cash generated from operating activities	192,328
Investing activities	
Investment in and advance to joint venture	(10,909)
Purchase of property, plant and equipment	(17,331)
Proceeds from sale of property, plant and equipment	1,282
Acquisition of subsidiaries(1)	(255,000)
Transaction costs related to acquisition of subsidiaries	(19,000)
Net cash used in investing activities	(300,958)
Financing activities	
Increase in restricted cash	(7,318)
Proceeds from notes issued by subsidiary to non-controlling interests	245,000
Proceeds from borrowings	1,796,846
Repayment of borrowings	(1,112,405)
Repayment of related party loan	(1,200,000)
Payment of loan upfront fees	(20,526)
Issuance of units, net of costs	517,000
Distributions paid to unitholders of the Trust(2)	(174,527)
Distributions paid by subsidiaries to non-controlling interests	(3,061)
Net cash generated from financing activities	41,009
Net decrease in cash and cash equivalents	(67,621)
Cash and cash equivalents at beginning of the period	271,937
Effect of currency translation on cash and cash equivalents	(557)
Cash and cash equivalents at end of the period(3)	203,759

Notes:

(1) This does not include the acquisition of KIT's Assets for S$657.9 million which was paid for by way of issuance of the Consideration CIT Units. Please see Paragraph 3.1 of this Circular titled "*The Proposed Acquisition – Overview".*

(2) Includes the Enlarged Trust Special Distribution of S$30.0 million.

(3) Cash and cash equivalents comprise:

	As at 31 Dec 2014 S$'000
Cash and bank deposits	250,567
Less: Restricted cash	(46,808)
Cash and cash equivalents	203,759

Bases and Assumptions underlying *Pro forma* Financial Information of the Enlarged Trust

The *pro forma* financial information of the Enlarged Trust has been prepared on the following key bases and assumptions:

(a) Based on:

(i) the audited consolidated financial statements of the CIT Group for the financial years ended 31 March 2012, 2013 and 2014, adjusted for the unaudited consolidated financial statements for the nine-month periods from 1 April 2011 to 31 December 2011, 1 April 2012 to 31 December 2012, 1 April 2013 to 31 December 2013, and 1 April 2014 to 31 December 2014, to align the financial year-end of the CIT Group with that of the KIT Group;

(ii) the audited consolidated financial statements of the KIT Group for the financial years ended 31 December 2012, 2013 and 2014; and

(iii) the audited financial statements of KMC for the financial years ended 31 December 2012, 2013 and 2014;

(b) Assuming insofar as:

(i) For the purpose of the consolidated income statements and cash earnings, that each of the Proposed Acquisition and KMC Acquisition had been completed as of 1 January 2012;

(ii) For the purpose of the consolidated cash flow statement, that each of the Proposed Acquisition and KMC Acquisition had been completed as of 1 January 2014; and

(iii) For the purpose of the consolidated balance sheet, that each of the Proposed Acquisition and KMC Acquisition had been completed as of 31 December 2014;

(c) For the purposes of the consolidated balance sheet and consolidated cash flow statement, after taking into account the CIT Special Distribution and the Enlarged Trust Special Distribution;

(d) Assuming that:

(i) the revised fee structure for the Replacement Trustee-Manager had been adopted with effect from 1 January 2012;

(ii) KIFM had waived its divestment fee in respect of the disposal of KIT's assets to CIT pursuant to the Proposed Acquisition;

(iii) the once-off cash inflow from a sub-trust to CIT of S$89.2 million in 2014 was excluded for purposes of calculating the performance fees; and

(iv) there were no other fees payable for acquisitions or divestments for the financial years ended 31 December 2012, 2013 and 2014;

(e) Assuming that:

(i) Under the KMC CTA, the maximum capacity fee of S$108 million per annum is realised for 15 years, less the estimated cash balance of S$216 million in KMC on completion of the KMC Acquisition, and KMC's total debtors less total creditors, including all amounts (trade or non-trade related, prepayments and deposits) due from or to related companies, shall not be negative;

(ii) The KMC Acquisition is funded with a S$700 million senior secured loan at an "all-in" finance cost of 3.0% per annum, which includes an upfront fee of 0.3%, and S$500 million principal amount of QPDS issued by KMC at the interest rate of 16.5% per annum; and

(iii) The New Units to be issued pursuant to the KMC Equity Fund Raising are issued by way of a non-renounceable preferential offering at an illustrative price of S$0.485 per unit and a placement at an illustrative price of S$0.49 per unit;

(f) After taking into account the fees, expenses and taxes incurred by both CIT and KIT in connection with the Proposed Acquisition and the KMC Acquisition, including that for the KMC Equity Fund Raising; and

(g) Without taking into account, among other things:

(i) the allocation of the consideration for the Proposed Acquisition and the KMC Acquisition to the identifiable assets of KIT and KMC and goodwill, which exercise will be carried out upon completion of the Proposed Acquisition and of the KMC Acquisition; and

(ii) the differences in the accounting policies used in the preparation of the audited consolidated financial statements of CIT and KIT and audited financial statements of KMC.

Management's Discussions and Analysis of the Results of Operations and Financial Position of the Enlarged Trust

The following discussion of the business, financial condition and results of operations of the Enlarged Trust was jointly prepared by the management teams of CIT and KIT, with assistance from their respective advisers, and should be read in conjunction with the following which can be accessed from the SGX-ST website at www.sgx.com (save for item (d)):

(a) The audited consolidated financial statements of the CIT Group for the financial years ended 31 March 2012, 2013 and 2014;

(b) The unaudited consolidated financial statements of the CIT Group for the nine months ended 31 December 2014;

(c) The audited consolidated financial statements of the KIT Group for the financial years ended 31 December 2012, 2013 and 2014; and

(d) The "Unaudited *Pro Forma* Financial Information of the Enlarged Trust" as set out in Appendix 3 to this Circular.

1. Basis of Preparation/Significant Accounting Policy Changes

Basis of Preparation for the Enlarged Trust

(a) The unaudited *pro forma* consolidated financial information for the Enlarged Trust has been prepared for illustrative purposes only, and based on certain assumptions after making certain adjustments, to show:

(i) the unaudited *pro forma* consolidated financial position of the Enlarged Trust as at 31 December 2014 if the Proposed Acquisition and the KMC Acquisition had occurred on 31 December 2014;

(ii) the unaudited *pro forma* consolidated financial results of the Enlarged Trust for the years ended 31 December 2012, 2013 and 2014 if the Proposed Acquisition and the KMC Acquisition had occurred on 1 January 2012; and

(iii) the unaudited *pro forma* consolidated cash flows of the Enlarged Trust for the year ended 31 December 2014 if the Proposed Acquisition and the KMC Acquisition had occurred on 1 January 2014.

The unaudited *pro forma* consolidated financial information, because of its nature, may not give a true picture of the actual financial position, financial results and cash flows of the Enlarged Trust.

(b) The unaudited *pro forma* consolidated financial information of the Enlarged Trust for the years ended 31 December 2012, 2013 and 2014 have been compiled based on the following:

(i) The audited consolidated financial statements of the CIT Group for FY 2012, 2013 and 2014, which were prepared in accordance with the Business Trusts Act (Chapter 31A) ("**BTA**") and Singapore Financial Reporting Standards ("**SFRS**"), and audited by Ernst & Young LLP, a firm of Public Accountants and Chartered Accountants registered with the Accounting and Corporate Regulatory Authority in Singapore;

(ii) The unaudited consolidated financial statements of the CIT Group for the nine months ended 31 December 2014, which were prepared in accordance with the BTA and SFRS;

(iii) The audited consolidated financial statements of the KIT Group for FY 2012, 2013 and 2014, which were prepared in accordance with the BTA and SFRS, and audited by Deloitte & Touche LLP, a firm of Public Accountants and Chartered Accountants registered with the Accounting and Corporate Regulatory Authority in Singapore; and

(iv) The audited financial statements of KMC for FY 2012, 2013 and 2014, which were prepared in accordance with the Companies Act and SFRS and audited by Deloitte & Touche LLP, a firm of Public Accountants and Chartered Accountants registered with the Accounting and Corporate Regulatory Authority in Singapore.

The auditors' reports on the consolidated financial statements of the CIT Group and the KIT Group and auditor's report on the financial statements of KMC do not contain any qualification.

Basis of Preparation for the CIT Group

For comparability and for the purposes of preparation of the unaudited *pro forma* financial information of the Enlarged Trust for inclusion in this Circular, the CIT Group has prepared financial statements under SFRS on a 31 December financial year-end basis for the years ended 31 December 2012, 2013 and 2014. The analyses set out in this Appendix are based on the unaudited consolidated financial statements of the CIT Group prepared on a 31 December financial year-end basis as set out above.

2. Overview

The Enlarged Trust comprises:

(a) The CIT Group, whose principal businesses are City Gas, City-OG Gas, SingSpring, Basslink, Basslink Telecoms, CityNet and CityDC;

(b) The KIT Group, whose principal businesses are the Senoko Plant, Tuas DBOO Plant and Ulu Pandan Plant; and

(c) KMC.

3. Income Statement

Assuming the Proposed Acquisition and the KMC Acquisition had occurred on 1 January 2012

	Year ended 31 December		
	2014 S$'000	**2013 S$'000**	**2012 S$'000**
Revenue	715,954	715,572	734,220
Other income	4,110	3,789	4,463
Other (losses)/gains – net	(4,342)	1,255	(8,743)
Expenses			
Fuel and electricity costs	(220,425)	(219,386)	(215,138)
Gas transportation costs	(84,866)	(84,077)	(81,639)
Depreciation and amortisation	(116,671)	(121,812)	(123,453)
Staff costs	(26,505)	(25,384)	(23,462)
Operation and maintenance costs	(75,965)	(75,193)	(72,073)
Finance costs	(131,413)	(128,958)	(130,224)
Construction expense	–	–	(7,725)
Management fees	(8,868)	(10,019)	(14,529)
Other operating expenses	(57,605)	(52,983)	(63,771)
Total expenses	**(722,318)**	**(717,812)**	**(732,014)**
(Loss)/profit before joint venture	(6,596)	2,804	(2,074)
Share of results of joint venture	(43)	–	–
Operating (loss)/profit before tax	**(6,639)**	**2,804**	**(2,074)**
Income tax (expense)/credit	(708)	11,404	4,892
Net (loss)/profit after tax	**(7,347)**	**14,208**	**2,818**
Profit/(loss) attributable to:			
Unitholders	16,696	39,240	28,562
Non-controlling interests	(24,043)	(25,032)	(25,744)
	(7,347)	14,208	2,818

Please refer to the Annex to this Appendix for further details of the revenue and expense items.

4. Cash Earnings*

Assuming the Proposed Acquisition and the KMC Acquisition had occurred on 1 January 2012

	Year ended 31 December		
	2014 S$'000	**2013 S$'000**	**2012 S$'000**
EBITDA	239,195	251,643	248,992
Cash Earnings:			
City Gas	43,942	45,851	65,166
SingSpring	15,765	13,991	14,175
Basslink	(11,865)	10,417	28,864
CityNet	3,724	2,000	1,888
KIT Group	58,681	56,255	49,413
KMC	44,370	44,370	43,299
Corporate Expenses	(16,224)	(16,202)	(16,620)
Cash earnings attributable to unitholders	**138,393**	**156,682**	**186,185**

* Cash earnings is defined as EBITDA adjusted for cash and non-cash items, less cash interest, cash tax, upfront financing fees, maintenance capital expenditure, non-controlling interests and before principal repayment of debt.

5. Distributions

	Year ended 31 Dec 2014 S$'000
Total distributions declared	144,527(1)
Distribution per unit (cents)	3.69(2)

Notes

(1) Distributions declared for the financial year ended 31 December 2014 comprise distributions paid by CIT, KIT and KMC and after taking into account the reduction in trustee-manager fees of approximately S$5.3 million due to the adoption of the proposed Replacement Trustee-Manager fee structure, calculated on a *pro forma* basis. It does not take into account the CIT Special Distribution of S$30 million and Enlarged Trust Special Distribution of S$30 million.

(2) Based on 3,918,297,855 Enlarged Trust Units. Please also see paragraph 6.2 of the Annex to this Appendix.

6. Review of Past Operating Performance of the Enlarged Trust

6.1 Year ended 31 December 2014 ("YE2014") compared to year ended 31 December 2013 ("YE2013")

(a) Revenue

Revenue for YE2014 was S$716.0 million which was S$0.4 million higher than revenue for YE2013.

City Gas' revenue comprises mainly the sale of town gas and natural gas. At City Gas, revenue of S$389.8 million in YE2014 was S$3.4 million higher than its revenue of S$386.4 million in YE2013. This was due mainly to the higher volume of gas sold. City Gas attained 100% production availability throughout YE2014.

SingSpring's revenue comprises capacity and output payments from PUB under the Water Purchase Agreement. SingSpring's revenue of S$40.2 million in YE2014 was S$1.3 million higher than its revenue of S$38.9 million in YE2013 due to higher despatch in YE2014. SingSpring's plant achieved 99.9% availability in YE2014.

Basslink's revenue comprises facility fees from HT under the BSA. Basslink's revenue was A$71.1 million for YE2014 and YE2013 (YE2014: approximately S$81.4 million, YE2013: approximately S$86.3 million). The Commercial Risk Sharing Mechanism ("**CRSM**")[1] was negative A$10.6 million (approximately S$12.1 million) in YE2014 compared to negative A$14.5 million (approximately S$17.5 million) in YE2013. This was offset by lower contribution from Basslink Telecoms and lower non-cash unearned revenue in YE2014 due to the absence of the adjustment from the release of deferred income of A$4.0 million (approximately S$5.0 million) in YE2013. Basslink achieved cumulative availability of 98.1% and 97.5% for YE2014 and YE2013 respectively, which was above the 97% threshold required to earn 100% of the facility fee under the BSA.

CityNet receives management fees for being the trustee-manager of NetLink Trust. CityNet contributed revenue of S$4.1 million in YE2014 which was higher than its revenue of S$2.3 million in YE2013. This was due mainly to the additional management fee from an expanded role.

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1 The CRSM is a mechanism provided under the BSA between Basslink and HT for the sharing of the market risk associated with participating in the National Electricity Market of Australia. The CRSM payments are based on the differences between the high and low Victorian electricity pool prices, and are subject to a maximum of +25 per cent. increase (i.e. a payment to Basslink) and -20 per cent. decrease (i.e. a payment from Basslink) of the unadjusted facility fee under the BSA. In accordance with paragraph (b) of schedule 4 of the BSA, the rolling 5-year cumulative CRSM shall be capped at -17 per cent. if it exceeds -17 per cent.

For the KIT Group, revenue comprises operation and maintenance ("**O&M**") and finance income. O&M income was S$49.3 million for YE2014, which was S$0.7 million lower than YE2013. This was due mainly to lower production of NEWater and lower power tariff arising from changes in fuel price, partially offset by higher output from the waste-to-energy plants and higher O&M tariffs due to changes in the consumer price index of Singapore ("**CPIS**"). Finance income, representing the accretion on the service concession receivables in respect of the fixed capital cost and recovery components, decreased by S$0.9 million to S$16.2 million in YE2014, in line with lower service concession receivables.

KMC's *pro forma* revenue in YE2014 was S$135.1 million, which comprised a capacity fee and a fixed O&M fee. This was S$0.6 million higher than YE2013 due to CPIS indexation on the fixed O&M fee.

(b) Other Income and Other Losses

Other income was S$4.1 million in YE2014 compared to S$3.8 million in YE2013 due mainly to higher interest income.

Other losses – net of S$4.3 million in YE2014 compared to other gains – net of S$1.3 million in YE2013 were due mainly to fair value movements on derivative instruments, offset by the non-cash gain associated with the purchase and cancellation of Basslink bonds of S$1.8 million. Basslink had on 28 November 2014 completed the refinancing of the Basslink bonds.

(c) Expenses

Fuel and electricity costs of S$220.4 million in YE2014 were higher than S$219.4 million in YE2013. This was due to higher fuel costs incurred. See explanation on City Gas' cash earnings in paragraph 6.1(f).

Gas transportation costs of S$84.9 million in YE2014 were marginally higher than S$84.1 million in YE2013 due mainly to the higher volume of town gas sold.

Depreciation and amortisation costs were S$116.7 million in YE2014 which were lower than S$121.8 million in YE2013. Basslink changed its estimated useful life of the interconnector asset from 40 years to 65 years in October 2014. This had contributed to the lower depreciation charge during the financial period.

Staff costs amounted to S$26.5 million in YE2014 which was higher than S$25.4 million in YE2013. This was due mainly to increase in staff strength and annual increments.

Operation and maintenance costs amounted to S$76.0 million in YE2014 which was higher than S$75.2 million in YE2013. This was due mainly to higher output from the waste-to-energy plants and higher O&M tariffs due to changes in the CPIS.

Finance costs of S$131.4 million in YE2014 were marginally higher than S$129.0 million in YE2013. This was due mainly to higher finance cost in Basslink arising from the payment of early redemption guarantee fee and write-off of debt transaction costs associated with the Basslink bonds which were refinanced in November 2014. This was partially offset by lower finance cost in SingSpring.

Management fees were based on the proposed fee structure of the Replacement Trustee-Manager. Management fees of S$8.9 million in YE2014 were lower than S$10.0 million in YE2013. This was due mainly to the exclusion of one-off cash flows received from a sub-trust in YE2014 in calculating the *pro forma* management fee for the Enlarged Trust.

Other operating expenses of S$57.6 million in YE2014 were higher than S$53.0 million in YE2013. This was due mainly to the HT dispute settlement amount of A$6 million (approximately S$6.8 million) which was partially offset by the absence of legal fees incurred for the Basslink dispute with HT.

(d) Share of Results of Joint Venture

This relates to the share of the operating loss of the joint venture at DC One.

(e) Operating (Loss)/Profit before Tax and Income Tax Expense

Operating loss before tax for YE2014 was S$6.6 million, as compared to operating profit of S$2.8 million for YE2013.

Income tax expense was S$0.7 million in YE2014 compared to an income tax credit of S$11.4 million in YE2013. YE2014 income tax expense comprised mainly current income tax expense and deferred tax expense. YE2013 income tax credit comprised mainly deferred tax credit offset by current income tax expense.

(f) Cash Earnings

YE2014 cash earnings were S$138.4 million which was S$18.3 million lower than S$156.7 million in YE2013.

City Gas recorded cash earnings of S$43.9 million in YE2014 compared to S$45.9 million in YE2013. City Gas' short term profit margins can be affected by movements in fuel costs, because City Gas can only change the tariffs it charges its customers once every 3 months, whereas fuel costs fluctuate daily on the open market. On a quarterly basis, there is potentially a mismatch between City Gas' fuel costs and tariffs, although the tariff adjustment mechanism is designed to ensure that City Gas will fully recover its fuel costs over time.

SingSpring's desalination plant achieved 100% availability in YE2014, and recorded cash earnings of S$15.8 million which was higher than S$14.0 million in YE2013 due mainly to lower finance cost.

Basslink's cash earnings were negative A$10.4 million (approximately negative S$11.9 million) in YE2014 which was lower than A$8.4 million (approximately S$10.4 million) in YE2013. Basslink's cash earnings, before taking into account two non-recurring items which are the upfront costs related to the refinancing of the Basslink bonds and the HT dispute settlement amount, was A$12.0 million (approximately S$13.7 million). This was A$3.6 million higher than A$8.4 million (approximately S$10.4 million) for FY2013. The higher cash earnings were due mainly to lower negative CRSM, and lower legal and professional fees which were partially offset by lower contributions from Basslink Telecoms.

CityNet contributed cash earnings of S$3.7 million in YE2014 which was S$1.7 million higher than YE2013. This was due mainly to the additional management fee received.

The KIT Group contributed cash earnings of S$58.7 million in YE2014 compared to S$56.3 million in YE2013. The higher cash earnings were due mainly to the absence of capital expenditure incurred in YE2013 for the solar PV installation on the rooftop of the Ulu Pandan Plant.

KMC contributed cash earnings of S$44.4 million in both YE2014 and YE2013.

Corporate expenses remained stable at S$16.2 million in both YE2014 and YE2013.

6.2 Year ended 31 December 2013 compared to year ended 31 December 2012 ("YE2012")

(a) Revenue

Revenue for YE2013 was S$715.6 million which was S$18.6 million lower than revenue for YE2012 of S$734.2 million.

City Gas' revenue comprises mainly the sale of town gas and natural gas. Revenue in YE2013 of S$386.4 million was S$2.2 million lower than its revenue of S$388.6 million in YE2012. Although

the volume of town gas sold during this period was higher, revenue was lower due to the time lag in adjustment of City Gas' tariffs to reflect actual fuel costs. City Gas attained 100% production availability throughout YE2013.

Demand for town gas in Singapore continued to grow with the expansion of the food & beverage industry, the opening of shopping malls and office buildings, and the installation of gas water heaters in new Housing Development Board apartments and private condominiums. Demand for natural gas grew with the increase in economic activities, particularly in the food processing sector.

SingSpring's revenue comprises capacity and output payments from PUB under the Water Purchase Agreement. Revenue in YE2013 of S$38.9 million was S$4.5 million lower than its revenue of S$43.4 million in YE2012. This was due to lower average dispatch in YE2013 compared to YE2012. SingSpring's plant achieved 99.4% and 100% availability in YE2013 and YE2012 respectively.

Basslink's revenue comprises facility fees from HT under the BSA. Revenue for YE2013 of A$71.1 million (approximately S$86.3 million) was higher than A$70.0 million (approximately S$90.5 million) in YE2012. The increase in A$ revenue was mainly non-cash in nature as a result of the adjustment from the release of deferred income of A$4.0 million (approximately S$5.0 million) in YE2013, partially offset by higher negative CRSM payments of A$14.5 million (approximately S$17.5 million) in YE2013 compared to negative A$11.0 million (approximately S$14.2 million) in YE2012 and lower contribution from Basslink Telecoms. Due to the weakening of the Australian dollar, the average exchange rate for YE2013 was lower compared to YE2012. This contributed to lower revenue on translation. Basslink achieved cumulative availability of 97.5% and 99.9% for YE2013 and YE2012 respectively, which was above the 97% threshold required to earn 100% of the facility fee under the BSA.

CityNet receives management fees for being the trustee-manager of NetLink Trust. In YE2013, CityNet contributed revenue of S$2.3 million which was higher than its revenue of S$2.1 million in YE2012. This was due mainly to higher management fees from an expanded scope from November 2013.

For the KIT Group, revenue comprises O&M and finance income. O&M income was S$50.0 million for YE2013, which was S$0.3 million lower than YE2012, due to lower output from the Existing Plants, partly offset by annual adjustments of the O&M and power tariffs arising from changes in the CPIS and fuel price. Finance income, representing the accretion on the service concession receivables, was S$17.1 million for YE2013, S$0.8 million lower compared to YE2012. The Flue Gas Treatment Upgrade was completed in YE2012 and total construction revenue recognised in YE2012 was S$8.1 million.

KMC's *pro forma* revenue in YE2013 was S$134.5 million, which comprised a capacity fee and a fixed O&M fee. This was S$1.2 million higher than YE2012 due to the CPIS indexation on the fixed O&M fee.

(b) Other Income and Other Losses

Other income for YE2013 was S$3.8 million compared to S$4.5 million in YE2012 due mainly to lower interest income earned.

In YE2013, other gains – net was S$1.3 million compared to other losses – net of S$8.7 million in YE2012. These were due mainly to fair value movements on derivative financial instruments.

(c) Expenses

Fuel and electricity costs of S$219.4 million in YE2013 were higher than S$215.1 million in YE2012. This was due to higher fuel costs incurred. See explanation on City Gas' cash earnings in paragraph 6.2(e).

Gas transportation costs of S$84.1 million in YE2013 were higher than S$81.6 million in YE2012 due mainly to the higher volume of town gas sold.

Depreciation and amortisation costs were S$121.8 million in YE2013 which were lower than S$123.5 million in YE2012. Due to the weakening of the Australian dollar, the average exchange rate for YE2013 was lower compared to YE2012. This had contributed to lower depreciation and amortisation costs for the period.

Staff costs amounted to S$25.4 million in YE2013, higher than S$23.5 million in YE2012. This was due mainly to increase in staff strength and annual increments.

Operation and maintenance costs also increased from S$72.1 million in YE2012 to S$75.2 million in YE2013. This was due mainly to higher maintenance costs incurred at City Gas.

Finance costs of S$129.0 million in YE2013 were lower than S$130.2 million in YE2012. The reduction in finance cost was due to the effect of translation of Basslink results arising from the weakening of the Australian dollar.

Construction expense of S$7.7 million in YE2012 relates to capital expenditure incurred on the Flue Gas Treatment Upgrade for the Senoko Plant.

Management fees were based on the proposed fee structure of the Replacement Trustee-Manager. Management fees of S$10.0 million in YE2013 were lower than S$14.5 million in YE2012 due to the acquisition fee incurred for the KMC Acquisition in YE2012.

Other operating expenses of S$53.0 million in YE2013 were lower than S$63.8 million in YE2012. This was due mainly to the estimated transaction cost of S$12.0 million assumed for the Proposed Acquisition and the provision for CRSM dispute of A$2.95 million (approximately S$3.8 million) in YE2012, partly offset by higher legal and professional fees incurred by Basslink and higher property tax for City Gas in YE2013.

(d) Operating Profit before Tax and Income Tax Credit

Operating profit before tax of S$2.8 million in YE2013 was higher by S$4.9 million than the operating loss of S$2.1 million recorded in YE2012.

There was an income tax credit of S$11.4 million and S$4.9 million in YE2013 and YE2012 respectively. The income tax credit comprised mainly deferred tax credit offset by current income tax expense.

(e) Cash Earnings

YE2013 cash earnings were S$156.7 million which was S$29.5 million lower than S$186.2 million in YE2012.

City Gas recorded cash earnings of S$45.9 million in YE2013 compared to S$65.2 million in YE2012. At City Gas, fuel costs consist mainly of the cost of natural gas. This is in turn recoverable from the fuel component of the town gas tariffs determined by the EMA. On a long-term basis, changes in fuel costs are expected to have no impact on City Gas as fuel costs are passed through to the end-users. However, at any point in time, the actual tariff for town gas may not exactly match fuel costs as tariff changes are subject to a periodic regulatory process whereas fuel prices change daily. Short term impact may therefore be evident if there are changes in fuel prices.

SingSpring's desalination plant recorded cash earnings of S$14.0 million which was slightly lower than S$14.2 million in YE2012.

Basslink's cash earnings were A$8.4 million (approximately S$10.4 million) in YE2013 which was lower than A$22.4 million (approximately S$28.9 million) in YE2012. The lower cash earnings

were due mainly to higher negative CRSM payments of A$14.5 million (approximately S$17.5 million) in YE2013 compared to negative A$11.0 million (approximately S$14.2 million) in YE2012, legal costs incurred in relation to the dispute with HT and lower contribution from Basslink Telecoms. This was partially offset by the write back in the quarter ended 31 March 2013 of the provision for CRSM dispute of A$2.95 million (approximately S$3.8 million) made in the quarter ended 30 June 2012.

CityNet contributed cash earnings of S$2.0 million in YE2013 which was S$0.1 million higher than YE2012. This was due mainly to its higher management fees following NetLink Trust's acquisition of OpenNet which was completed in November 2013.

KIT Group contributed cash earnings of S$56.3 million in YE2013 compared to S$49.4 million in YE2012. The higher cash earnings were due mainly to the absence of capital expenditure incurred on the Flue Gas Treatment Upgrade for Senoko Plant.

KMC contributed cash earnings of S$44.4 million in YE2013 compared to S$43.3 million in YE2012. The higher cash earnings were due mainly to the absence of the upfront fees incurred for the financing of the term loan.

Corporate expenses decreased from S$16.6 million in YE2012 to S$16.2 million in YE2013.

7. Cash Flow, Capitalisation and Indebtedness

7.1 Cash Flow Statement of the Enlarged Trust for YE2014

Assuming the Proposed Acquisition and KMC Acquisition had occurred on 1 January 2014

	Year ended 31 December 2014 S$'000
Operating activities	
Loss before tax	(25,638)
Adjustments for:	
Depreciation and amortisation	116,671
Finance costs	131,413
Interest income	(2,294)
Fair value loss on derivative financial instruments	3,467
Property, plant and equipment written off	33
Gain associated with purchase and cancellation of Basslink bonds	(1,852)
Gain on disposal of property, plant and equipment	(14)
Transaction costs related to acquisition of subsidiaries	19,000
Share of results of joint venture	43
Unrealised translation loss	153
Operating cash flow before working capital changes	240,982
Changes in working capital:	
Inventories	677
Service concession receivables	38,758
Trade and other receivables	11,579
Trade and other payables	20,093
Cash generated from operations	312,089
Interest received	2,245
Interest paid	(120,540)
Income tax paid	(1,466)
Net cash generated from operating activities	192,328
Investing activities	
Investment in and advance to joint venture	(10,909)
Purchase of property, plant and equipment	(17,331)
Proceeds from sale of property, plant and equipment	1,282
Acquisition of subsidiaries[(1)]	(255,000)
Transaction costs related to acquisition of subsidiaries	(19,000)
Net cash used in investing activities	(300,958)
Financing activities	
Increase in restricted cash	(7,318)
Proceeds from notes issued by subsidiary to non-controlling interests	245,000
Proceeds from borrowings	1,796,846
Repayment of borrowings	(1,112,405)
Repayment of related party loan	(1,200,000)
Payment of loan upfront fees	(20,526)
Issuance of units, net of costs	517,000
Distributions paid to unitholders of the Trust[(2)]	(174,527)
Distributions paid by subsidiaries to non-controlling interests	(3,061)
Net cash generated from financing activities	41,009
Net decrease in cash and cash equivalents	(67,621)
Cash and cash equivalents at beginning of the period	271,937
Effect of currency translation on cash and cash equivalents	(557)
Cash and cash equivalents at end of the period[(3)]	203,759

Notes:

(1) This does not include the acquisition of KIT's assets for S$657.9 million which was paid for by way of issuance of the Consideration CIT Units. Please see Paragraph 3.1 of this Circular titled "*The Proposed Acquisition – Overview".*

(2) Includes the Enlarged Trust Special Distribution of S$30.0 million.

(3) Cash and cash equivalents:

	As at 31 Dec 2014 S$'000
Cash and bank deposits	250,567
Less: Restricted cash	(46,808)
Cash and cash equivalents	203,759

Cash generated from operations of S$312.1 million for YE2014 was derived from the Enlarged Trust Group's loss before tax of S$25.6 million, after adjusting for non-cash and other adjustment items of S$266.6 million and changes in working capital of S$71.1 million. Taking into consideration net interest paid of S$118.3 million and tax paid of S$1.5 million, net cash generated from operating activities was S$192.3 million.

Net cash used in investing activities of S$301.0 million comprised mainly the KMC Acquisition, investment in and advance made to the joint venture, and purchase of property, plant and equipment.

Net cash generated from financing activities of S$41.0 million comprised mainly proceeds from the issuance of notes by KMC to non-controlling interests, proceeds from the issuance of New Units from the KMC Equity Fund Raising, the refinancing of CIT's corporate loan, repayment of related party loan, the refinancing of Basslink bonds with a new bank loan and the drawdown of the KMC term loan. Distributions to unitholders amounted to S$174.5 million.

7.2 Capitalisation and Indebtedness

Assuming the Proposed Acquisition and KMC Acquisition had occurred on 31 December 2014

	As at 31 Dec 2014 S$'000
Cash and cash equivalents	(381,465)
Indebtedness	
Loan from a related party	3,479
Short term borrowings	17,992
Long term borrowings	1,851,597
Total net indebtedness	1,491,603
Equity attributable to unitholders of the Enlarged Trust	1,317,164
Total capitalisation and indebtedness	2,808,767

As at 31 December 2014, the Enlarged Trust has a short term loan from a related party of S$3.5 million due in 2015 and a 3-year term loan of S$142 million due in 2017.

City Gas has a 5-year term loan of S$178 million due in 2019.

SingSpring has a limited recourse long term project financing loan of S$92 million. The loan is amortising and will expire in 2024.

Basslink has a 5-year term loan of A$717 million due in 2019.

Pursuant to the Restructuring, KMC will have a 5-year term loan of S$700 million.

8. Financial Position of the Enlarged Trust as at 31 December 2014

Assuming the Proposed Acquisition and the KMC Acquisition had occurred on 31 December 2014

	As at 31 Dec 2014 S$'000
ASSETS	
Current assets	
Cash and bank deposits	381,465
Trade and other receivables	129,824
Service concession receivables	54,956
Derivative financial instruments	1,568
Finance lease receivables	8,638
Inventories	60,089
Other current assets	4,648
Total current assets	**641,188**
Non-current assets	
Service concession receivables	471,047
Finance lease receivables	133,137
Other assets	1,736
Investment in joint venture	10,866
Property, plant and equipment	2,086,028
Intangibles	1,159,027
Total non-current assets	**3,861,841**
Total assets	**4,503,029**
LIABILITIES	
Current liabilities	
Derivative financial instruments	16,342
Trade and other payables	182,207
Loan from a related party	3,479
Current tax liabilities	12,028
Borrowings	17,992
Total current liabilities	**232,048**
Non-current liabilities	
Derivative financial instruments	85,704
Borrowings	1,851,597
Notes payable to non-controlling interest	260,000
Deferred tax liabilities	188,328
Provisions	22,465
Other payables	289,079
Total non-current liabilities	**2,697,173**
Total liabilities	**2,929,221**
Net assets	**1,573,808**
UNITHOLDERS' FUNDS	
Units in issue	2,061,585
Hedging reserve	(205,888)
Translation reserve	(26,332)
Capital reserve	38,710
Accumulated losses	(550,911)
	1,317,164
Non-controlling interests	256,644
Total unitholders' funds	**1,573,808**

Total assets as at 31 December 2014 amounted to S$4,503.0 million. This included the acquisition of KIT assets of S$657.9 million and KMC at an EV of S$1,700 million. Current assets of S$641.2 million comprised mainly cash and bank deposits of S$381.5 million, trade and other receivables of S$129.8 million, and inventories of S$60.1 million. Service concession receivables were S$526.0 million and finance lease receivables were S$141.8 million. Other non-current assets comprised mainly property, plant and equipment of S$2,086.0 million and intangibles of S$1,159.0 million.

Total liabilities as at 31 December 2014 amounted to S$2,929.2 million. This comprised mainly trade and other payables of S$182.2 million, borrowings of S$1,869.6 million, notes payable to non-controlling interest of S$260.0 million, and other payables of S$289.1 million.

Total unitholders' funds attributable to CIT Unitholders as at 31 December 2014 amounted to S$1,317.2 million. Units in issue totalled $2,061.6 million. Hedging and translation reserves were negative S$232.2 million, while accumulated losses were S$550.9 million.

ANNEX TO APPENDIX 4

Details of various components of revenue and expense items in Income Statement

1. Revenue

The Enlarged Trust's revenue is generated mainly from:

(a) The sale of town gas by City Gas and natural gas by City-OG Gas;

(b) Facility fees from HT under the BSA in respect of Basslink;

(c) Wholesale telecoms transmission services by Basslink Telecoms between Hobart, Tasmania and Melbourne, Victoria in Australia;

(d) Management fees earned by CityNet as trustee-manager of NetLink Trust;

(e) Payments from PUB under the Water Purchase Agreement and NEWater Agreement in respect of SingSpring and Ulu Pandan Plant respectively;

(f) Payments from NEA under the Incineration Services Agreements in respect of Senoko Plant and Tuas DBOO Plant; and

(g) Tolling fee under the KMC CTA in respect of KMC.

Amounts disclosed as revenue are net of GST, rebates and discounts, and after eliminating sales within the Enlarged Trust.

2. Other Income

Other income comprises mainly interest income and other miscellaneous income.

3. Other Gains/Losses – Net

This comprises mainly fair value and realised gains or losses on derivative financial instruments.

The CIT Group uses derivative financial instruments such as interest rate swaps and interest rate options to hedge its risks associated with interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently carried at fair value.

The fair values of the interest rate swaps and options are determined by reference to market values quoted by banks at the balance sheet date. The fair value of interest rate swaps embedded in an operating contract is calculated as the present value of the estimated future cashflow discounted at actively quoted interest rates. Any gains or losses arising from changes in the fair values of interest rate swaps and options are recognised in the income statement and included in other gains/(losses) – net.

4. Expenses

a. Fuel and Electricity Costs

At City Gas, fuel costs consist mainly of the cost of natural gas. This is in turn recoverable from the fuel component of the town gas tariffs determined by the EMA. On a long term basis, changes in fuel costs are expected to have no impact on City Gas as fuel costs are passed through to the end-users. However, at any point in time, the actual tariff for town gas may not exactly match fuel costs as tariff changes are subject to a periodic regulatory process whereas fuel prices change daily. Short term impact may therefore be evident if there are changes in fuel prices.

At SingSpring, the energy cost is recovered from PUB in accordance with the principles set out in the Water Purchase Agreement.

Energy costs do not form a substantial portion of Basslink's operating expenses relative to its other operating costs.

For the KIT Group, electricity costs are incurred by Ulu Pandan Plant for the production of NEWater. This is recovered from PUB in accordance with the principles set out in the NEWater Agreement, which could fluctuate depending on changes in fuel costs. Senoko Plant and Tuas DBOO Plant are net producers of electricity.

KMC's fuel costs are mainly passed through to the Toller, Keppel Electric in accordance with the KMC CTA.

b. Gas Transportation Costs

Gas transportation costs are payable to PowerGas Ltd, a member of the Singapore Power Group, for the transmission and distribution of town gas. PowerGas Ltd is the sole licensed gas transporter and gas system operator in Singapore, delivering both natural gas and town gas.

c. Depreciation and Amortisation

Depreciation on property, plant and equipment is calculated using a straight line method to allocate their depreciable amounts over their estimated useful lives as disclosed in the audited financial statements.

Amortisation comprises mainly write down of the value of the intangible assets comprising customer contracts and customer relationships which were recognised at their fair values at acquisition over the estimated useful lives as disclosed in the audited financial statements. It also includes amortisation of the intangibles from the KMC Acquisition over the contract period.

d. Staff Costs

Staff costs comprise salaries and wages, employer's contribution to defined contribution plans including Central Provident Fund, and other short term benefits, less government grant under the Enhanced Special Employment Credit Scheme.

e. Operation and Maintenance Costs

This relates to the costs incurred for the operation and maintenance of the City Gas plant and Basslink interconnector, and also the costs of the long term outsourced operations and maintenance contracts for the SingSpring Plant, the KIT Group's businesses and KMC.

f. Finance Costs

Finance costs comprise interest expense on bank borrowings and bonds, unwinding of discounts, as well as cash flow hedges and transfer from hedging reserve.

g. Management Fees

This is based on the revised management fee for the Enlarged Trust. The management fee comprises a base fee of S$2.0 million per annum subject to increase each year by such percentage increase (if any) in the average of the monthly CPIS for the 12 calendar months immediately preceding the beginning of each financial year over the average of the monthly CPIS for 2010. The base fee for the financial year ended 31 December 2014 was approximately S$2.25 million.

Performance fee is charged at 4.5% per annum of all the cash inflow received by the Enlarged Trust from its sub-trusts and subsidiary companies.

Acquisition fee is charged at 0.5% of the EV of any investment acquired from Sponsor Group Entities and 1.0% of the EV of any investment acquired from non-Sponsor Group Entities. Divestment fee is charged at 0.5% of the EV of any investment sold by the Enlarged Trust.

h. Other Operating Expenses

This includes mainly insurance expense, property tax, marketing expenses, unitholder communication expenses, compliance expenses and other operating expenses.

i. Income Tax Expense

The major components of income tax expense are:

(i) Current income tax expense, adjusted for any over or under provision in respect of previous years; and

(ii) Deferred income tax credit or expense arising from the origination and reversal of temporary differences.

5. Cash Earnings

The CIT Group measures its performance using cash earnings, instead of accounting profits or losses. Cash earnings is a better indicator of its performance on the basis that this more accurately reflects the cash flows generated by the businesses, and removes the effect of the accounting treatment of non-cash items on the CIT Group's financial statements.

Cash earnings is defined as EBITDA adjusted for cash and non-cash items, less cash interest, cash tax, upfront financing fees, maintenance capital expenditure, non-controlling interests and before principal repayment of debt.

6. Bases and Assumptions underlying *Pro Forma* Financial Information of the Enlarged Trust and *Pro Forma* Financial Effects of Proposed Transaction (and the related transactions in connection therewith)

6.1 Bases and Assumptions underlying *Pro Forma* Financial Information of the Enlarged Trust

The *pro forma* financial information of the Enlarged Trust has been prepared on the following key bases and assumptions:

(a) Based on:

(i) the audited consolidated financial statements of the CIT Group for the financial years ended 31 March 2012, 2013 and 2014, adjusted for the unaudited consolidated financial statements for the nine-month periods from 1 April 2011 to 31 December 2011, 1 April 2012 to 31 December 2012, 1 April 2013 to 31 December 2013, and 1 April 2014 to 31 December 2014, to align the financial year-end of the CIT Group with that of the KIT Group;

(ii) the audited consolidated financial statements of the KIT Group for the financial years ended 31 December 2012, 2013 and 2014; and

(iii) the audited financial statements of KMC for the financial years ended 31 December 2012, 2013 and 2014;

(b) Assuming insofar as:

(i) For the purpose of the consolidated income statements and cash earnings, that each of the Proposed Acquisition and KMC Acquisition had been completed as of 1 January 2012;

(ii) Each of (1) the consolidated net loss/earnings after income tax and non-controlling interests of the CIT Group per CIT Unit ("**LPU/EPU**"), (2) the consolidated cash earnings of the CIT Group per CIT Unit ("**CPU**"), (3) the consolidated cash flow statement, and (4) the distribution per CIT Unit ("**DPU**"), is concerned, that each of the Proposed Acquisition and KMC Acquisition had been completed as of 1 January 2014; and

(iii) Each of (1) the total number of CIT Units in issue, (2) the consolidated balance sheet of the Proposed Acquisition and KMC Acquisition, and (3) the consolidated net asset value ("**NAV**") of the CIT Group per CIT Unit is concerned, that each of the Proposed Acquisition and KMC Acquisition had been completed as of 31 December 2014;

(c) For the purposes of the consolidated balance sheet, consolidated cash flow statement and calculating NAV, after taking into account the CIT Special Distribution and the Enlarged Trust Special Distribution;

(d) Assuming that:

(i) the revised fee structure for the Replacement Trustee-Manager had been adopted with effect from 1 January 2012;

(ii) KIFM had waived its divestment fee in respect of the disposal of KIT's assets to CIT pursuant to the Proposed Acquisition;

(iii) once-off cash inflow from a sub-trust to CIT of S$89.2 million in 2014 was excluded for purposes of calculating the performance fees; and

(iv) there were no other fees payable for acquisitions or divestments for the financial years ended 31 December 2012, 2013 and 2014;

(e) Assuming that:

(i) Under the KMC CTA, the maximum capacity fee of S$108 million per annum is realised for 15 years, less the estimated cash balance of S$216 million in KMC on completion of the KMC Acquisition, and KMC's total debtors less total creditors, including all amounts (trade or non-trade related, prepayments and deposits) due from or to related companies, shall not be negative;

(ii) The KMC Acquisition is funded with a S$700 million senior secured loan at an "all-in" finance cost of 3.0% per annum, which includes an upfront fee of 0.3%, and S$500 million principal amount of QPDS issued by KMC at the interest rate of 16.5% per annum; and

(iii) The New Units to be issued pursuant to the KMC Equity Fund Raising are issued by way of a non-renounceable preferential offering at an illustrative price of S$0.485 per unit and a placement at an illustrative price of S$0.49 per unit;

(f) After taking into account the fees, expenses and taxes incurred by both CIT and KIT in connection with the Proposed Acquisition and the KMC Acquisition, including that for the KMC Equity Fund Raising; and

(g) Without taking into account, among other things:

(i) the allocation of the consideration for the Proposed Acquisition and the KMC Acquisition to the identifiable assets of KIT and KMC and goodwill, which exercise will be carried out upon completion of the Proposed Acquisition and of the KMC Acquisition; and

(ii) the differences in the accounting policies used in the preparation of the audited consolidated financial statements of CIT and KIT and audited financial statements of KMC.

6.2 *Pro Forma* Financial Effects of Proposed Transaction (and the related transactions in connection therewith)

The following *pro forma* financial effects analysis of the Proposed Acquisition and the KMC Acquisition is prepared for illustrative purposes only, to show:

(a) What the LPU/EPU, CPU and DPU of the CIT Group for the financial year ended 31 December 2014 would have been if the Proposed Acquisition and the KMC Acquisition had been completed as at 1 January 2014; and

(b) What the total number of CIT Units in issue and NAV per CIT Unit as at 31 December 2014 would have been if the Proposed Acquisition and the KMC Acquisition had been completed as at that date.

The following *pro forma* financial effects analysis may not, because of its nature, give a true picture of what the LPU/EPU, CPU and DPU of the CIT Group for the financial year ended 31 December 2014, or of what the total number of CIT Units in issue and NAV per CIT Unit as at 31 December 2014, might have been if the Proposed Acquisition and KMC Acquisition had actually been completed as at 1 January 2014 and 31 December 2014, respectively.

***Pro Forma* Financial Effects**

On the bases and assumptions set out above, the *pro forma* financial effects of the Proposed Acquisition and KMC Acquisition are as follows:

Financial Measure	**Actual CIT Group as at 31 December 2014**	***Pro Forma* for Proposed Acquisition**	***Pro Forma* for Proposed Acquisition and KMC Acquisition**
Number of CIT Units in issue ('000)	1,518,893	2,845,212	3,918,298(1) to 3,816,099(2)
NAV per CIT Unit (S$)	0.15	0.29	0.34(1)
LPU/EPU (cents)	(0.93)	(0.26)(3)	(0.06)(1)(3)
CPU (cents)	2.51	3.37(3)	3.50(1)(3)
DPU (cents)	3.28	3.67(3)(4)	3.69(1)(3)(4) to 3.75(2)(3)(4)

Notes:

(1) On the basis that the KMC Acquisition is funded by way of a KMC Equity Fund Raising of S$525 million and S$700 million debt at an "all-in" finance cost of 3.0% per annum ("**KMC EFR of S$525 million**").

(2) On the basis that the KMC Acquisition is funded by way of a KMC Equity Fund Raising of S$475 million and S$750 million debt at an "all-in" finance cost of 3.0% per annum ("**KMC EFR of S$475 million**").

(3) After taking into account the reduction in trustee-manager fees of approximately S$5.3 million due to the adoption of the proposed Replacement Trustee-Manager fee structure, calculated on a *pro forma* basis.

The amount of S$5.3 million is the difference between the following amounts (all in respect of the 12-month period ended 31 December 2014):

(a) the actual amount of fees payable by the CIT Group to the Trustee-Manager under the fee structure in the Trust Deed, plus the amount of fees payable to the KIT Trustee-Manager by the KIT Group under the fee structure in the trust deed of KIT, and plus the amount of fees payable to the Replacement Trustee-Manager by KMC under the proposed Replacement Trustee-Manager fee structure; and

(b) the total amount of fees payable by the component entities under the Enlarged Trust, being the CIT Group, KIT Group and KMC, to the Replacement Trustee-Manager under the proposed fee structure of the Replacement Trustee-Manager.

(4) For illustrative purposes, if an additional distribution of approximately S$1.8 million is paid from cash reserves in the Enlarged Trust, the *pro forma* DPU will:

(i) in the case of the Proposed Acquisition, be increased from 3.67 Singapore cents to 3.73 Singapore cents;

(ii) in the case of the Proposed Acquisition and KMC Acquisition with a KMC EFR of S$525 million, be increased from 3.69 Singapore cents to 3.73 Singapore cents; and

(iii) in the case of the Proposed Acquisition and KMC Acquisition with a KMC EFR of S$475 million, be increased from 3.75 Singapore cents to 3.79 Singapore cents.

APPENDIX 5

LETTER BY ROTHSCHILD (SINGAPORE) LIMITED

2 April 2015

The Independent Directors
Of CitySpring Infrastructure
Management Pte. Ltd., as
trustee-manager of
CitySpring Infrastructure Trust
111 Somerset Road
#10-01 TripleOne Somerset
Singapore 238164

Dear Sirs,

PROPOSED ACQUISITION OF KEPPEL INFRASTRUCTURE TRUST ("KIT") BY CITYSPRING INFRASTRUCTURE TRUST ("CIT") AND THE PROPOSED ACQUISITION OF A 51% EQUITY INTEREST IN KEPPEL MERLIMAU COGEN PTE LTD ("KMC")

1. INTRODUCTION

On 18 November 2014 (the "**Proposed Acquisition Announcement Date**"), CitySpring Infrastructure Management Pte. Ltd. ("**CSIM**"), as trustee-manager of CIT, and Keppel Infrastructure Fund Management Pte. Ltd. ("**KIFM**"), as trustee-manager of KIT, jointly announced that CIT and KIT had entered into a conditional sale and purchase agreement (the "**CitySpring SPA**") in relation to CSIM acquiring the business undertaking and assets of KIT (the "**KIT Assets**") (the "**Proposed Acquisition**") in consideration for the allotment and issue of new units in CIT ("**CIT Units**") to KIT on the completion date of the CitySpring SPA, resulting in the combination of CIT and KIT. Pursuant to the Proposed Acquisition, each KIT unitholder will receive 2.106 CIT Units ("**Consideration CIT Units**") for every KIT Unit held. The swap ratio is fixed and is not subject to any adjustment.

Also on 18 November 2014, KIT announced that it has entered into a conditional sale and purchase agreement (the "**KMC SPA**") to acquire a 51% interest in KMC (the "**KMC Acquisition**") which owns the Keppel Merlimau Cogen Plant ("**KMC Plant**"), a combined cycle gas turbine generation facility with gross capacity of approximately 1,300 MW on Jurong Island, Singapore, for a purchase consideration of S$510 million which will be financed by an Equity Fund Raising ("**KMC Equity Fund Raising**"). The KMC Acquisition forms an integral part of the Proposed Acquisition (collectively, the "**Transaction**").

Upon completion of the Transaction, Keppel Infrastructure Holdings Pte. Ltd. ("**KI**"), the sponsor of KIT, will become the single largest unitholder of CIT, the surviving trust, which will be renamed as Keppel Infrastructure Trust ("**Enlarged Trust**") and KIT will be wound up. Temasek Holdings (Private) Limited ("**Temasek**"), through certain of its wholly-owned subsidiaries[1], will become the second largest unitholder with approximately 19.97 per cent. in the Enlarged Trust (excluding Temasek's deemed interest in KI through its holdings in Keppel Corporation and before the KMC Equity Fund Raising). KIFM has been nominated to be the trustee-manager of the Enlarged Trust.

Rothschild (Singapore) Limited ("**Rothschild**") has been appointed to act as the independent financial advisers (the "**IFA**") by the Directors of CSIM (the "**Directors**") who are considered to be independent for the purposes of making a recommendation to the CIT unitholders (the "**CIT Unitholders**") in respect of the Transaction (the "**Independent Directors**"). The Directors have

[1] Comprising Bartley, Napier, Nassim and CSIM.

confirmed to Rothschild that Mr. Daniel Cuthbert Ee Hock Huat, Mr. Mark Andrew Yeo Kah Chong, Mr. Yeo Wico and Mr. Haresh Jaisinghani are the Independent Directors for the purposes of the Transaction and that there are no special circumstances or other arrangements which may affect the independence of the foregoing Directors.

This letter sets out our opinion arising from our evaluation of the Transaction, from a financial point of view, for inclusion in the circular to CIT Unitholders dated 2 April 2015, including all appendices (the "**Circular**"), to be sent to the CIT Unitholders in connection with the Transaction.

Unless otherwise defined in this letter or where the context otherwise requires, all terms defined in the Circular shall have the same meaning when used in the letter.

2. TERMS OF REFERENCE

In the course of our evaluation of the Transaction from a financial point of view, we have:

(i) reviewed certain publicly available financial statements and other publicly available business and financial information relating to CIT, KIT and KMC, as well as certain public information provided, and representations made, to us by the Directors, senior executives, professional advisers and other authorised representatives of CIT;

(ii) discussed the financial condition of CIT and its subsidiaries (the "**Group**") with senior executives of CIT;

(iii) reviewed broker research on CIT and KIT prior to, and after, the Proposed Acquisition Announcement Date;

(iv) participated in discussions with representatives of CIT with respect to the Transaction;

(v) reviewed the Circular; and

(vi) performed such other financial analyses, reviewed such other information and considered such other matters as we deemed appropriate.

We do not evaluate and/or comment on the strategic or commercial merits of the Transaction or on the prospects of the Enlarged Trust. We do not address the relative merits of the Transaction as compared to any other alternative transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. This opinion is necessarily based on financial, economic, market and other conditions in effect on, and the information made available to us as at 18 March 2015, being the Latest Practicable Date. We have not been requested or authorised to solicit, nor have we solicited, any indications of interest from any third party with respect to the Transaction.

For the purposes of this letter, we have relied upon and assumed, *inter alia*, the accuracy and completeness of all information that was publicly available or was furnished to or discussed with us by CIT and its professional advisers or otherwise reviewed by or for us. We are not legal, regulatory or tax experts. We are the IFA only and have relied on, without independent verification, the assessments made by advisers to CIT with respect to legal regulatory or tax issues and we have not independently verified (nor have we assumed responsibility or liability for independently verifying) any such information or its accuracy or completeness or adequacy. We do not represent or warrant, expressly or impliedly, and do not accept or assume any responsibility for, the accuracy, completeness or adequacy of such information. We have not conducted any independent valuation or appraisal of any assets or liabilities of CIT, KIT, their subsidiaries, their associated companies, parties acting in concert with them or any other relevant party to the Transaction, nor have we evaluated the solvency of CIT, KIT, their subsidiaries, their associated companies, parties acting in concert with them or any other relevant party to the Transaction under any applicable laws relating to bankruptcy, insolvency or similar matters.

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular (other than, where applicable, information relating to the KIT Group, KMC, the KMC Acquisition and the Replacement Trustee-Manager) and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transaction, CIT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source (including, where applicable, information in relation to the KIT Group, KMC, the KMC Acquisition and the Replacement Trustee-Manager, which has been extracted from the KIT Circular), 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.

In addition, we have assumed that the proposed Transaction will be consummated in accordance with the terms set forth in the Circular without any waiver, amendment or delay of any terms or conditions. Rothschild has assumed that, in connection with the receipt of all necessary governmental, regulatory or other approvals and consents required for the Transaction, no delays, limitations, conditions or restrictions will be imposed that would otherwise have a material adverse effect on the contemplated benefits expected to be derived from the Transaction.

Our terms of reference do not require us to express, and we do not express, an opinion on the strategic or commercial merits of the Transaction or the future growth prospects of the Enlarged Trust. We are therefore not expressing any opinion herein as to the price at which the units of the Enlarged Trust may trade upon completion or rejection of the Transaction or on the future financial performance of the Enlarged Trust. CIT Unitholders should note that trading of the units is subject to, *inter alia*, the performance and prospects of the Enlarged Trust, prevailing economic conditions, economic outlook and stock market conditions and sentiments. Accordingly, our evaluation of the Transaction, from a financial point of view, does not and cannot take into account the future trading activities or patterns or price levels that may be established beyond the Latest Practicable Date.

The preparation of this letter, our evaluation of the Transaction, from a financial point of view, and our opinion in this letter are based solely upon financial, market, economic, industry, monetary, regulatory and other conditions in effect on, and the information made available to us as at the Latest Practicable Date. Events occurring after the date hereof may affect this opinion and the assumptions used in preparing it. 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.

In rendering our opinion, we have not had regard to any general or specific investment objectives, financial situations, risk profiles, tax positions or particular needs or constraints of any individual Unitholder or any specific group of CIT Unitholders and do not assume any responsibility for, nor hold ourselves out as advisers to, any person other than the Independent Directors. As different CIT Unitholders have different investment profiles and objectives, we advise the Independent Directors to recommend that any Unitholder who may require specific advice in relation to his or her investment portfolio to consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

CIT is separately advised by its own professional advisers in the preparation of the Circular (other than this letter). We have no role or involvement and have not and will not provide any advice (financial or otherwise) whatsoever in the preparation, review and verification of the Circular

(other than this letter). Accordingly, we take no responsibility for and express no views, whether express or implied, on the contents of the Circular (except for this letter).

We are acting as IFA to the Independent Directors for the purpose of the Transaction and we will receive a fee for our services from CIT for the delivery of this letter. In addition, CIT has agreed to indemnify us for certain liabilities arising out of our engagement. In the ordinary course of its business, Rothschild and its affiliates may also seek to provide services to CIT, KIT, KMC and the Enlarged Trust in the future and expect to receive fees for rendering such services.

The issuance of this letter has been approved by a committee of Rothschild in accordance with our customary practice. This letter is provided to the Independent Directors solely for their benefit in connection with and for the purposes of their consideration of the Transaction and for inclusion in the Circular only. This letter is not addressed to and may not be relied upon by any third party (including, without limitation, employees or creditors of CIT) save for CIT Unitholders who may rely on this letter in connection with the proposed Transaction. This letter does not constitute a recommendation to any Unitholder as to whether any such Unitholder should exercise the voting rights in their units in favour of or against the Transaction or any other matter. Whilst a copy of this letter and parts thereof may be reproduced in the Circular, no person save for CIT, its directors and CIT Unitholders may use, reproduce, disseminate, refer to, or quote this letter (or any part thereof) for any purpose whatsoever except with our prior written approval.

Our opinion in relation to the Transaction should be considered in the context of the entirety of this letter.

3. TERMS OF THE TRANSACTION

CIT Unitholders should by now have received a copy of the Circular which, amongst other things, sets out a description and the terms of the Transaction.

The principal terms of the Transaction, as extracted from the Circular, are set out in italics below.

"3. THE PROPOSED ACQUISITION

3.1 Overview

Subject to the Proposed Acquisition being approved by CIT Unitholders and KIT Unitholders, the Proposed Acquisition is proposed to be effected in the following manner:

*(a) CIT shall undertake a one-time pre-Completion distribution of S$30 million to CIT Unitholders ("**CIT Special Distribution**"). Please also refer to paragraph 5 of this Circular for more information;*

*(b) pursuant to the Proposed Acquisition, KIT will transfer the Assets (as defined herein) and Assumed Liabilities (as defined herein) to CIT in consideration for CIT issuing 1,326,319,374 new CIT Units (the "**Consideration CIT Units**") to KIT, representing approximately 46.6 per cent. of the enlarged issued unit capital of CIT. The swap ratio has been arrived at based on the market capitalisation of S$658 million of KIT and S$753 million of CIT, based on their respective VWAP for the 180-day period ended on the Announcement LPD. The swap ratio is fixed and is not subject to any adjustment;*

*(c) the KIT Trustee-Manager will then distribute in specie the Consideration CIT Units to KIT Unitholders (the "**Distribution In Specie**"). Each KIT Unitholder will receive 2.106 Consideration CIT Units for every KIT Unit held;*

(d) CIT will be the surviving trust and will be renamed "Keppel Infrastructure Trust";

*(e) KI, the sponsor of KIT, will become the sponsor of the Enlarged Trust ("**Sponsor**"). KI will execute a deed of right of first refusal in favour of the Replacement Trustee-Manager on substantially the same terms as the ROFR Deed (as defined herein);*

(f) *CSIM, an indirect wholly-owned subsidiary of Temasek, has given notice of its resignation to CIT Unitholders on 3 February 2015 and a further notice on 1 April 2015, and has nominated KIFM as the replacement trustee-manager of CIT. KIFM will be appointed as the Replacement Trustee-Manager on the completion date of the Proposed Acquisition ("**Completion**"). In support of the Proposed Transaction, KI, the sponsor of KIT, has agreed that the KIT Trustee-Manager shall only charge its acquisition fee for the KMC Acquisition and shall waive its divestment fee for the SPA. For the avoidance of doubt, the existing remuneration structure of the Trustee-Manager does not provide for an acquisition fee and accordingly, the Trustee-Manager will not be entitled to any acquisition fee arising from the Proposed Acquisition. Temasek, the sponsor of CIT and owner of CSIM, has agreed that CSIM will not receive any compensation for relinquishing its role as Trustee-Manager; and*

(g) *the constituent trust deed of CIT will be amended to, inter alia, adopt the KIT Trustee-Manager's existing fee structure for the Replacement Trustee-Manager, conditional upon the passing of resolutions (1) to (4) as set out in the Notice of EGM by CIT Unitholders and obtaining the approval of CIT Unitholders for such change to the fee structure. Based on a comparison of the KIT Trustee-Manager's fee structure for KIT and the Trustee-Manager's fee structure for CIT, had the Proposed Acquisition been completed and the KIT Trustee-Manager's fee structure for the Replacement Trustee-Manager been adopted on 1 January 2014, the Enlarged Trust would have enjoyed a reduction in trustee-manager fees of approximately S$5.3 million for the calendar year ended 31 December 2014 assuming no fees were payable for acquisitions or divestments for the calendar year ended 31 December 2014. Please also refer to paragraph 8 of this Circular titled "Proposed Fee Structure of Replacement Trustee-Manager" for more information.*

Following Completion:

(a) *the Enlarged Trust shall, before the KMC Equity Fund Raising, undertake a one-time post-Completion distribution of S$30 million to Enlarged Trust Unitholders ("**Enlarged Trust Special Distribution**") (of which approximately S$16 million will be distributed to CIT Unitholders with the balance of approximately S$14 million distributed to KIT Unitholders). KIT Unitholders who receive Consideration CIT Units as part of the Proposed Acquisition will receive their share of this post-Completion distribution if they are Enlarged Trust Unitholders on the relevant record date;*

(b) *KI will be the single largest Enlarged Trust Unitholder with approximately 22.9 per cent. of the Enlarged Trust prior to the KMC Equity Fund Raising. Temasek will, through certain of its wholly-owned subsidiaries[5], hold approximately 19.97 per cent. of the Enlarged Trust (excluding Temasek's deemed interests through Keppel Corporation) prior to the KMC Equity Fund Raising;*

(c) *the management team of the Replacement Trustee-Manager will be led by Mr Khor Un-Hun as chief executive officer. KIFM has offered employment to substantially all of CSIM's employees. The Enlarged Trust will retain all the employees of the underlying CIT assets;*

(d) *the Enlarged Trust will assume all rights and obligations of KIT in respect of the KMC Acquisition and undertake the KMC Equity Fund Raising so as to raise gross proceeds of up to approximately S$525 million to fund the KMC Acquisition and the related expenses of the KMC Equity Fund Raising and the KMC Acquisition;*

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5 Bartley, Napier, Nassim and CSIM.

(e) *each of KI and Tembusu intends to subscribe for and/or procure the subscription for, the pro rata entitlements of the Initial Units under the Preferential Offering and has undertaken not to dispose of its effective interests in (a) the Initial Units[6] and (b) the New Units to be issued arising from the subscription for the pro rata entitlements of the Initial Units under the Preferential Offering from the date of Completion until the earlier of, (i) 30 September 2016, and (ii) the date falling 12 months after the completion of the KMC Equity Fund Raising (both dates inclusive); and*

(f) *CSIM has given notice of its resignation to CIT Unitholders on 3 February 2015 and a further notice on 1 April 2015. KIFM will be appointed as the Replacement Trustee-Manager. CSIM will resign as Trustee-Manager and Temasek will cease to be the sponsor of CIT. KIT, which will have been renamed Crystal Trust immediately prior to Completion, will be wound up.*

3.2 KIT Assets and Assumed Liabilities

*On the terms and subject to the conditions set out in the SPA (as defined herein), CIT will acquire all the assets of KIT ("**Assets**") as set out below:*

(a) *100 per cent. of the issued share in Senoko Waste-to-Energy Pte. Ltd. ("**Senoko SPC**"), the trustee of Senoko Trust ("**Senoko Trust**"), 100 per cent. of the issued units in Senoko Trust, and 100 per cent. of the outstanding principal amount of notes due 31 August 2024 issued by Senoko Trust;*

(b) *100 per cent. of the issued shares in Keppel Seghers Tuas Waste-to-Energy Plant Pte. Ltd. ("**Tuas DBOO SPC**"), the trustee of Tuas DBOO Trust (the "**Tuas DBOO Trust**"), 100 per cent. of the issued units in Tuas DBOO Trust, and 100 per cent. of the outstanding principal amount of notes due 31 December 2028 issued by Tuas DBOO Trust;*

(c) *100 per cent. of the issued shares in Keppel Seghers NEWater Development Co Pte. Ltd. ("**Ulu Pandan SPC**"), the trustee of Ulu Pandan Trust (the "**Ulu Pandan Trust**"), 100 per cent. of the issued units in Ulu Pandan Trust, and 100 per cent. of the outstanding principal amount of notes due 31 December 2023 issued by Ulu Pandan Trust;*

(d) *all cash, cash equivalents and bank deposits of the KIT Trustee-Manager as at Completion; and*

(e) *all rights of the KIT Trustee-Manager under all agreements entered into by the KIT Trustee-Manager in relation to the KMC Acquisition.*

*In addition, on the terms and subject to the conditions set out in the SPA, the KIT Trustee-Manager agrees to novate and transfer, and the Trustee-Manager agrees to accept and assume, all liabilities relating to the Assets, including KIT's liabilities under all bank facilities and shareholder loans, (subject to the provisions in the SPA) all obligations and liabilities of the KIT Trustee-Manager under all agreements entered into by the KIT Trustee-Manager in relation to the KMC Acquisition, and (subject to the completion of the KMC Acquisition) the liability to pay the acquisition fee of S$4.335 million to KIFM (the "**Assumed Liabilities**").*

3.3 Consideration

*The aggregate consideration payable by the Trustee-Manager for the purchase of the Assets and the novation of the Assumed Liabilities on Completion shall be approximately S$657.9 million (the "**Consideration**"). For the avoidance of doubt, the Consideration does*

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[6] the case of Tembusu, the Initial Units are the aggregate number of 568,234,112 units that are held through its wholly-owned subsidiaries Bartley, Napier, Nassim and CSIM.

not include the consideration for the KMC Acquisition. The Consideration shall be satisfied in full by the allotment and issuance of an aggregate of 1,326,319,374 Consideration CIT Units at an issue price of S$0.496 for each Consideration CIT Unit, such Consideration CIT Units to be credited as fully paid.

The Consideration was derived by multiplying 629,781,279 KIT Units in issue by the swap ratio of 2.106 Consideration CIT Units for every 1 KIT Unit, giving a total of 1,326,319,374 Consideration CIT Units to be issued to KIT. At the issue price of S$0.496 for each Consideration CIT Unit, the 1,326,319,374 Consideration CIT Units are valued at S$657,854,409.50.

The Assets to be acquired and the Assumed Liabilities to be novated are valued in their entirety at the market capitalisation of KIT, based on the respective VWAPs of KIT Units and CIT Units for the 180-day period ended on the Announcement LPD. The 180-day VWAP averages out fluctuations in the market prices of KIT Units and CIT Units and takes into account the total volumes transacted over the period. The Trustee-Manager and the KIT Trustee-Manager have agreed to value the Assets and Assumed Liabilities based on the market capitalisation of KIT, in view that the Proposed Acquisition involves the entire business undertaking of KIT.

3.4 KMC Acquisition

As stated above, KIT has on 18 November 2014 agreed to acquire a 51.0 per cent. stake in KMC, which owns a combined cycle gas turbine generation facility with gross capacity of approximately 1,300 MW on Jurong Island, Singapore, from Keppel Energy for a cash consideration of S$510 million based on an EV of S$1,700 million.

*As part of the KMC Acquisition, Keppel Electric and KMC will enter into a 15-year capacity tolling agreement ("**KMC CTA**"), pursuant to which KMC will contract its full generation capacity exclusively to Keppel Electric. Under the KMC CTA, the maximum capacity fee payable by Keppel Electric to KMC is S$108 million per annum as long as KMC meets the availability and capacity test targets, with most of KMC's operating costs being passed through. This arrangement is designed to mitigate KMC's exposure to the volatility caused by movements in electricity price and demand in the Singapore merchant power market. In addition, substantially all of KMC's operating costs will be passed through to Keppel Electric. KI will provide further credit enhancement by guaranteeing the obligations of Keppel Electric under the KMC CTA. KMC will enter into a long-term Operation and Maintenance Services Agreement service contract ("**OMSA**") with KMC O&M Pte. Ltd. ("**KMC O&M**"), also a wholly-owned subsidiary of KI, and continue to be operated and maintained by the same team which has operated the KMC Plant since 2007.*

KIT's rights and obligations in respect of the KMC Acquisition form part of the Assets to be purchased by CIT pursuant to the SPA. Such rights and obligations of KIT in relation to the KMC Acquisition will be transferred to CIT upon and subject to Completion. The KMC Acquisition is expected to be completed no later than the third calendar quarter of 2015, and is expected to occur after Completion.

3.5 Conditions Precedent

*Completion, which is expected to take place in the second calendar quarter of 2015, is conditional upon, inter alia, the following conditions precedent ("**Conditions Precedent**") being satisfied, or waived by the party to the SPA having the benefit of such Conditions Precedent:*

(a) the approval of the CIT Unitholders at the EGM by way of ordinary resolution for the Proposed Acquisition (including the KMC Acquisition), the issue of the Consideration

CIT Units, the issue of New Units pursuant to the KMC Equity Fund Raising, and the appointment of KIFM as the Replacement Trustee-Manager. Each of these resolutions is inter-conditional on the passing of each other resolution relating to the Proposed Acquisition or the KMC Acquisition;

(b) *the approval of the KIT Unitholders at an extraordinary general meeting to be convened by way of ordinary resolution for the Proposed Acquisition, the Distribution In Specie, the KMC Acquisition and the issue of new KIT Units pursuant to an equity fund raising to be undertaken by KIT to finance the KMC Acquisition ("**KIT Equity Fund Raising**") (in the event the KMC Acquisition completes without the Proposed Acquisition completing);*

(c) *the approval of the SGX-ST for (i) the Proposed Transaction as a "very substantial acquisition" for CIT and (ii) the listing and quotation of the Consideration CIT Units and the New Units on the Main Board of the SGX-ST;*

(d) *the approval, consent or confirmation of no objection by the various regulatory authorities in Singapore and Australia for the Proposed Acquisition, including (i) the Energy Market Authority ("**EMA**") (with respect to City Gas and KMC), (ii) the Public Utilities Board ("**PUB**") (with respect to SingSpring and the Ulu Pandan Plant), (iii) the National Environment Agency ("**NEA**") (with respect to the Senoko Plant and the Tuas DBOO Plant), (iv) the Infocomm Development Authority of Singapore ("**IDA**") (with respect to CityNet, the trustee-manager of NetLink Trust) and (v) the Minister for Environment, Climate Change and Water for the State of Victoria, Australia (with respect to BPL);*

(e) *the confirmation by Hydro Electric Corporation of Tasmania ("**HT**"), if and to the extent applicable, that it has no objection to the change of control of BPL, which owns and operates the Basslink undersea electricity interconnector in Australia;*

(f) *all definitive transaction documents for the KMC Acquisition (including the equity bridge loan for the KMC Equity Fund Raising) having been entered into and all conditions precedent to their coming into full force and effect, to the extent such conditions may be satisfied before Completion, having been satisfied; and*

(g) *certain other customary conditions precedent as to the absence of breach of warranties or covenants or material adverse changes.*

If any of the conditions precedent to completion of the Proposed Acquisition has not been satisfied, or where applicable, has not been waived by 30 June 2015, the SPA will terminate.

As at the Latest Practicable Date, all the Conditions Precedent stated above have been fulfilled save for the Conditions Precedent as described in paragraphs 3.5(a), 3.5(b), 3.5(d)(ii) to 3.5(d)(iv), 3.5(f) and 3.5(g) which are pending fulfilment. The Trustee-Manager, or KIT Trustee-Manager, as the case may be, is still in discussions with the PUB, the NEA and the IDA to obtain their respective consent(s) for the Proposed Transaction to take effect.

The principal terms of the proposed fee structure of the Replacement Trustee-Manager (as defined herein), as extracted from the Circular, are set out in italics below.

"8. PROPOSED FEE STRUCTURE OF REPLACEMENT TRUSTEE-MANAGER

8.1 Proposed Fee Structure of the Replacement Trustee-Manager

As part of the Proposed Transaction, it is proposed that the fee structure of the Replacement Trustee-Manager will be revised so as to adopt that of the KIT Trustee-Manager. The key changes to the fee structure are summarised in the table below:

Type of fees	Current fee structure of the Trustee-Manager	Proposed fee structure of Replacement Trustee-Manager
Base fee	*1 per cent. per annum of CIT's market capitalisation subject to a minimum of S$3.5 million per annum.*	*S$2.0 million per annum subject to increase each year by such percentage increase (if any) in the average of the monthly CPIS for the 12 calendar months immediately preceding the beginning of each financial year over the average of the monthly CPIS for 2010. The base fee for the KIT Trustee-Manager for the financial year ended 31 December 2014 is approximately S$2.25 million.*
Performance fee	*20 per cent. of outperformance measured by comparing the total return on CIT Units against the total return on the MSCI Asia Pacific ex-Japan Utilities Index, after taking into account the under-performance in prior periods.*	*4.5 per cent. per annum of all the cash inflow received by the Enlarged Trust from its subsidiaries, associates, sub-trusts and investments.*
Mergers and acquisitions, and disposal, fees	*Nil*	*Acquisition fee of 0.5 per cent. of the EV of any investment acquired from the Sponsor Group Entities (as defined herein), and 1.0 per cent. of the EV of any investment acquired from non-Sponsor Group Entities.* *Divestment fee of 0.5 per cent. of the EV of any investment sold by the Enlarged Trust.*

KIFM has agreed to waive the divestment fee in respect of the disposal of the Assets by KIT to CIT pursuant to the Proposed Acquisition. If the revised fee structure of the Replacement Trustee-Manager is approved, the Replacement Trustee-Manager will be entitled to an acquisition fee for the KMC Acquisition, based on the formula shown in the table above. For avoidance of doubt, the existing remuneration structure of the Trustee-Manager does not provide for an acquisition fee and accordingly, the Trustee-Manager will not be entitled to any acquisition fee arising from the Proposed Acquisition.

Based on the pro forma calculation, and for illustrative purposes only, assuming that (i) the Replacement Trustee-Manager fee structure of the KIT Trustee-Manager had been adopted by the Trustee-Manager for the financial year ended 31 December 2014, (ii) KIFM had waived its divestment fee in respect of the disposal of KIT's assets to CIT pursuant to the Proposed Acquisition, (iii) once-off cash inflow from a sub-trust to CIT of S$89.2 million in 2014 was excluded for purposes of calculating the performance fees, and (iv) there were no other fees payable for acquisitions or divestments for the financial year ended 31 December

2014, the adoption of a revised trustee-manager fee structure for the Enlarged Trust would have resulted in a reduction in trustee-manager fees of approximately S$5.3 million for the year ended 31 December 2014.

The principal terms of the proposed KMC Equity Fund Raising for the KMC Acquisition, as extracted from the Circular, are set out in italics below.

"9. THE PROPOSED KMC EQUITY FUND RAISING

As the KMC Equity Fund Raising will be conducted by the Replacement Trustee-Manager after Completion, all information in this Circular relating to the KMC Equity Fund Raising has been provided by the Replacement Trustee-Manager who is solely responsible for such information.

9.1 Structure

The KMC Equity Fund Raising will comprise:

(1) the Preferential Offering; and

(2) the Placement,

in each case at an issue price to be determined by the Replacement Trustee-Manager and the KMC EFR Underwriters (as defined herein), so as to raise gross proceeds of up to approximately S$525 million in aggregate.

The Replacement Trustee-Manager will determine the exact structure of the KMC Equity Fund Raising closer to the launch of such offering, having regard to, among other things, market conditions at such time.

Prior to Completion, the KIT Trustee-Manager will enter into an equity bridge loan to fund the KMC Acquisition, such facility to be drawn down on the completion of the KMC SPA if the KMC Equity Fund Raising has not been completed on or prior to such completion. The equity bridge loan facility, if drawn down, shall be fully repaid upon the completion of the equity fund raising exercise to fund the KMC Acquisition and in any event, by the date falling 15 months from Completion or 1 August 2016 (whichever is earlier).

In the event that the Proposed Acquisition is completed, the Enlarged Trust will assume all rights and obligations of KIT in respect of the KMC Acquisition (including undertaking the KMC Equity Fund Raising and the equity bridge loan facility) to fund the KMC Acquisition and the related expenses of the KMC Equity Fund Raising and the KMC Acquisition.

9.2 Issue Price

*The issue price at which New Units will be offered and issued pursuant to the KMC Equity Fund Raising will be determined by the Replacement Trustee-Manager in consultation with the underwriters for the KMC Equity Fund Raising ("**KMC EFR Underwriters**") to be appointed, closer to the date of commencement of the KMC Equity Fund Raising.*

In particular, the issue price for the New Units to be issued pursuant to the Placement shall be at a price that represents a discount of not more than 10 per cent. to the weighted average price for trades done on the SGX-ST for the full Market Day on which the underwriting agreement is signed, and the issue price for the New Units to be issued pursuant to the Preferential Offering shall be at a price that represents a discount of not more than 10 per cent. to the weighted average price for trades done on the SGX-ST for the full Market Day on which the Preferential Offering is announced.

9.3 New Units

Approval in-principle has been granted by the SGX-ST for the issue of up to 1,132,700,000 New Units, based on an illustrative issue price of S$0.4635 (which is arrived at by assuming

*a 10 per cent. discount to the illustrative unit price of S$0.515 as at 14 November 2014). In order to raise an amount of up to approximately S$525 million from the KMC Equity Fund Raising, the Enlarged Trust will have to issue approximately 1,132,700,000 New Units based on the illustrative issue price of S$0.4635. CIT Unitholders are to note that the number of New Units to be issued will depend on the price at which such units will be offered, which may differ from what is stated in this Circular. As the issue price of the New Units cannot be determined as at the date of this Circular, it is likely that the number of New Units to be issued may exceed the mandate granted on 30 July 2014 by CIT Unitholders to the Directors to issue new units (the "**Existing Mandate**") and hence CIT Unitholders' approval is required for the issue of New Units.*

The New Units to be issued under the KMC Equity Fund Raising will rank pari passu in all respects with the other Enlarged Trust Units in issue, except that such New Units shall not be entitled to any distributions the record date for which falls prior to the date of their issue.

9.4 Underwriting

The Replacement Trustee-Manager will appoint the KMC EFR Underwriters for the KMC Equity Fund Raising and announce such appointment prior to the launch of the KMC Equity Fund Raising. The KMC Equity Fund Raising will be underwritten by the KMC EFR Underwriters subject to the execution of underwriting agreement(s) on such terms and conditions as they may agree with the Replacement Trustee-Manager.

9.5 Use of Proceeds

The Enlarged Trust will apply the gross proceeds of the KMC Equity Fund Raising of up to approximately S$525 million to fund the KMC Acquisition of S$510 million and to pay for the fees and expenses (including underwriting and selling commissions and professional and other fees and expenses) incurred by it in connection with the KMC Equity Fund Raising and the KMC Acquisition.

9.6 Preferential Offering – Non-Renounceable

If a preferential offering is included as part of the KMC Equity Fund Raising, such offering will be made on a non-renounceable basis and provisional allocations of New Units cannot be renounced in favour of a third party or traded on the SGX-ST. Singapore-registered Enlarged Trust Unitholders, including Restricted Placees (as defined herein) (such as the directors of the Replacement Trustee-Manager, their immediate family members and substantial Enlarged Trust Unitholders) who are Singapore-registered Enlarged Trust Unitholders, can accept their provisional allocations of New Units under the Preferential Offering in full or in part, or decline to accept their provisional allotments of New Units."

4. INFORMATION ON CIT

Please refer to Paragraph 2.1 of the Circular and Appendix 1 of the Circular for further information on CIT and the assets owned by CIT.

5. INFORMATION ON KIT

Please refer to Paragraph 2.2 of the Circular and Appendix 1 of the Circular for further information on KIT and the assets owned by KIT.

6. INFORMATION ON KMC

Please refer to Paragraph 4 of the Circular and Appendix 1 of the Circular for further information on KMC and the KMC Plant.

7. APPROACH TAKEN FOR THE EVALUATION OF THE TRANSACTION

Under the Transaction, CIT proposes to undertake the Proposed Acquisition. As an integral part of the Proposed Acquisition, CIT will be assuming all of KIT's rights and obligations in connection with the KMC Acquisition. It is expected that, subject to satisfaction of the conditions to completion of the Proposed Acquisition, the KMC Acquisition will be completed after completion of the Proposed Acquisition.

Accordingly, our evaluation of the Transaction is undertaken in two parts – first, an evaluation, from a financial point of view, of the Proposed Acquisition (being the acquisition of the KIT Assets other than KIT's rights and obligations in relation to the KMC Acquisition); and second, an evaluation, from a financial point of view, of the terms of the KMC Acquisition.

8. EVALUATION OF THE PROPOSED ACQUISITION

In evaluating the Proposed Acquisition from a financial point of view, we have performed the following analyses based upon publicly available information, information provided to us by CIT and its professional advisers, clarifications provided to us by CIT and its professional advisers and market, economic, industry, monetary and other conditions in effect as at the Latest Practicable Date:

- **Liquidity and broker research coverage analysis** to evaluate whether the historical unit prices of CIT and KIT provide a meaningful reference point for determining the swap ratio;
- **Historical unit price performance analysis** to evaluate how the swap ratio compares with the historical unit prices of CIT and KIT over different observation periods;
- **Trading comparable analysis** to evaluate whether the traded prices of CIT and KIT provide a meaningful reference point for determining the swap ratio based on a benchmarking of the dividend yields of CIT and KIT with comparable companies;
- **Sum-of-the-parts analysis** to evaluate whether the relative values of CIT and KIT, derived from a sum-of-the-parts analysis based on discounted cash flow analysis, is consistent with the agreed swap ratio; and
- **Financial effects of the proposed Acquisition analysis** to evaluate the *pro forma* effects of the Proposed Acquisition on selected financial ratios.

The figures and underlying financial data used in our analyses in this letter, including share prices, trading volumes, free float data, and broker research, have been extracted from, *inter alia*, Bloomberg, FactSet, Mergermarket, SGX-ST and other public filings and documents as at the Latest Practicable Date. Rothschild has not independently verified (nor assumed responsibility or liability for independently verifying) or ascertained and makes no representations or warranties, express or implied, as to the accuracy, completeness or adequacy of such information. Rothschild has made reasonable enquiries and exercised judgment on the reasonable use of such information and through this process, we have found no reason to doubt the accuracy and reliability of the information provided.

8.1. Liquidity and broker research coverage analysis

In order to evaluate whether the historical market prices of the CIT and KIT Units provide a meaningful reference point for comparison with the Proposed Acquisition and the swap ratio, we have considered the liquidity, free float and extent of research coverage of CIT and KIT relative to companies that make up the top 25 companies traded on the SGX-ST in Singapore ("**Top 25 Largest SGX Companies**") as at the Latest Practicable Date.

Table 1. Liquidity Analysis and Broker Research Coverage[1]

Rank	Company	Market cap.[2] (S$m)	Free Float[3] (%)	Avg. Daily Volume[4] / Free Float (%)	Avg. Daily Value[5] / Market Cap. (%)	Approx. # of Brokers Covering Company[6]
1	Singapore Telecommunications Ltd	65,843	48%	0.21%	0.09%	27
2	Jardine Matheson Holdings Ltd	60,385	36%	0.09%	0.02%	11
3	Jardine Strategic Holdings Ltd	54,391	17%	0.08%	0.01%	10
4	DBS Group Holdings Ltd	49,328	71%	0.22%	0.14%	27
5	Oversea-Chinese Banking Corp Ltd	40,745	81%	0.13%	0.10%	27
6	United Overseas Bank Ltd	36,220	93%	0.14%	0.14%	27
7	Hongkong Land Holdings Ltd	24,147	50%	0.14%	0.05%	17
8	Wilmar International Ltd	20,465	25%	0.35%	0.09%	20
9	Thai Beverage PCL	18,581	79%	0.10%	0.07%	11
10	Keppel Corp Ltd	15,619	78%	0.31%	0.27%	24
11	CapitaLand Ltd	14,763	61%	0.34%	0.20%	22
12	Jardine Cycle & Carriage Ltd	14,492	20%	0.33%	0.07%	7
13	Singapore Airlines Ltd	14,074	44%	0.25%	0.10%	21
14	Global Logistic Properties Ltd	12,100	60%	0.42%	0.27%	21
15	Genting Singapore PLC	10,921	47%	0.34%	0.20%	22
16	Singapore Technologies Engineering Ltd	10,645	48%	0.17%	0.09%	13
17	City Developments Ltd	9,157	65%	0.14%	0.09%	25
18	Hutchison Port Holdings Trust	8,348	31%	0.58%	0.13%	16
19	Singapore Exchange Ltd	8,215	100%	0.16%	0.15%	20
20	Sembcorp Industries Ltd	7,510	50%	0.28%	0.16%	18
21	StarHub Ltd	7,196	34%	0.30%	0.10%	26
22	CapitaMall Trust	7,168	65%	0.39%	0.25%	23
23	Singapore Press Holdings Ltd	6,556	100%	0.16%	0.16%	14
24	Sembcorp Marine Ltd	6,070	39%	0.41%	0.19%	26
25	Ascendas Real Estate Investment Trust	5,894	77%	0.39%	0.29%	25
	Mean[7]	**21,153**	**57%**	**0.26%**	**0.14%**	**20**
	Median[7]	**14,074**	**50%**	**0.25%**	**0.13%**	**21**
	Maximum[7]	**65,843**	**100%**	**0.58%**	**0.29%**	**27**
	Minimum[7]	**5,894**	**17%**	**0.08%**	**0.01%**	**7**
	CitySpring	**813**	**63%**	**0.24%**	**0.06%**	**0**
	Keppel Infrastructure Trust	**680**	**51%**	**0.08%**	**0.04%**	**1**

Source: Circular, CIT filings and Bloomberg as at the Latest Practicable Date

Notes

1 All figures are as at the Latest Practicable Date

2 Market capitalisation on a non-diluted basis. The market capitalisation of CIT and KIT is calculated by taking the unit price as at the Latest Practicable Date and multiplying by the basic number of units issued and outstanding of 1,518,893,062 and 629,781,279 for CIT and KIT respectively as at the Latest Practicable Date

3 Free float percentages are based on Bloomberg estimates and CIT filings

4 Average daily trading volume for the last 12 months prior to the Latest Practicable Date

5 Average daily trading value for the last 12 months prior to the Latest Practicable Date

6 Latest analyst coverage based on Bloomberg estimates

7 Mean, median, maximum and minimum values based on the top 25 SGX-listed companies by market capitalisation

With respect to Table 1, we note that in the 12-month period leading up to the Latest Practicable Date, CIT's and KIT's average daily trading volume represented 0.24 per cent. and 0.08 per cent. of their respective free float and 0.06 per cent. and 0.04 per cent. of their respective market capitalisation. These values are within the ranges of the Top 25 Largest SGX Companies (between 0.08 per cent. and 0.58 per cent., and between 0.01 per cent. and 0.29 per cent., respectively) for the same 12-month period leading up to the Latest Practicable Date, and below the mean and median average daily trading volume to free float of 0.26 per cent. and 0.25 per cent., respectively, and below the mean and median average daily trading value to market capitalisation of 0.14 per cent. and 0.13 per cent., respectively, of the Top 25 Largest SGX Companies for the same 12-month period leading up to the Latest Practicable Date.

According to Bloomberg, neither CIT nor KIT is widely covered by brokerage houses. In contrast, the number of brokerage houses providing research coverage on the Top 25 Largest SGX Companies according to Bloomberg ranges from 7 to 27 with a mean of 20.

The foregoing analysis suggests that there is low liquidity in the CIT and KIT units relative to the Top 25 Largest SGX Companies. However, between CIT and KIT, their liquidity metrics are broadly similar.

In the context of comparable liquidity conditions of CIT and KIT, their trading prices are useful since the swap ratio is based on their relative unit prices.

8.2. CIT's and KIT's historical unit price performance analysis

The Proposed Acquisition combines CIT and KIT at their respective market capitalisations of S$753 million and S$658 million, based on their volume-weighted average prices ("**VWAP**") for the 180-day period ended on 13 November 2014, the last full day of trading in their units ("**Last Trading Day**") before the Proposed Acquisition Announcement Date. Pursuant to the Proposed Acquisition, each KIT unitholder will receive 2.106 Consideration CIT Units for every KIT Unit held.

We set out in Table 2 the value of CIT Units implied by the agreed swap ratio and the swap ratio implied by the VWAP for the 1-week, 1-month, 3-month, 6-month and 12-month periods up to 13 November 2014, the Last Trading Day before the Proposed Acquisition Announcement Date.

Table 2. Analysis of CIT and KIT Unit Price Performance

	Price Basis	CIT Unit Price (S$)	KIT Unit Price (S$)	Implied Value of CIT Units (S$)[3]	Premium / (Discount) (%)[4]	Implied swap ratio[5]	Premium / (discount) of agreed swap ratio over implied swap ratio
Closing price on Latest Practicable date	Closing price	**0.5350**	**1.0800**	**0.5128**	**(4.15%)**		
Closing price 1 Trading Day Post Combination Announcement Date (19th November 2014)	Closing price	**0.5450**	**1.0900**	**0.5176**	**(5.03%)**		
Closing price on Last Trading Day (13th November 2014)	Closing price	**0.5050**	**1.0400**	**0.4938**	**(2.21%)**		
Period VWAP Prior to Last Trading Day							
1-week Period up to and including Last Trading Day	VWAP [2]	**0.5054**	**1.0416**	**0.4946**	**(2.14%)**	**2.0609**	**2.19%**
1-month Period up to and including Last Trading Day	VWAP [2]	**0.5037**	**1.0419**	**0.4947**	**(1.77%)**	**2.0687**	**1.81%**
3-month Period up to and including Last Trading Day	VWAP [2]	**0.5007**	**1.0423**	**0.4949**	**(1.16%)**	**2.0816**	**1.18%**
6-month Period up to and including Last Trading Day	VWAP [2]	**0.4960**	**1.0446**	**0.4960**	**-**	**2.1060**	**0.00%**
12-month Period up to and including Last Trading Day	VWAP [2]	**0.4867**	**1.0359**	**0.4919**	**1.06%**	**2.1284**	**(1.05%)**

Source: Bloomberg as at the Latest Practicable Date

Notes

1 Periods analysed are as follows: 1-week Period up to and including the Last Trading Day: 7 November 2014 to 13 November 2014, 1-month Period up to and including the Last Trading Day: 14 October 2014 to 13 November 2014, 3-month Period up to and including the Last Trading Day: 14 August 2014 to 13 November 2014, 6-month Period up to and including the Last Trading Day based on the 180-day VWAP as per the announcement made by CSIM on the proposed Transaction on 18 November 2014 and 12-month period up to and including the Last Trading Day: 14 November 2013 to 13 November 2014

2 VWAP calculated as the average daily trading value / average daily trading volume for the relevant period

3 Implied value of CIT Units calculated as the KIT Unit price for that corresponding period divided by the swap ratio of 2.106

4 Implied premium or discount calculated as the Implied Value of CIT Units over the corresponding CIT Unit Price for each respective period Implied swap ratio calculated as the KIT Unit Price over the corresponding CIT Unit Price for each respective period

Based on Table 2, we note the following:

- The implied value of CIT Units represents a discount of approximately 2.14 per cent., 1.77 per cent., 1.16 per cent. to the VWAP of the CIT Units for the 1-week Period, 1-month Period and 3-month Period respectively up to and including the Last Trading Day;
- The implied value of CIT Units represents a premium of approximately 1.06 per cent. to the VWAP of the CIT Units for the 12-month period up to and including the Last Trading Day;
- The implied value of the CIT Units represents a discount of approximately 2.21 per cent. over the closing price on the Last Trading Day of S$0.505 and a discount of 5.03 per cent. over the closing price one trading day after the Proposed Acquisition Announcement Date of S$0.545;
- The implied value of the CIT Units represents a discount of approximately 4.15 per cent. over the closing price on the Latest Practicable Date of S$0.535; and
- The implied swap ratio based on the historical unit price performance of CIT and KIT ranges from 2.0609 – 2.1284 Consideration CIT Units for every one KIT Unit.

Based on the above, the implied value for each CIT Unit ranges from S$0.4919 – 0.5176 which represents an immaterial discount to or premium over the reference CIT Unit price for the corresponding periods. Also, the implied swap ratio ranges from 2.0609 – 2.1284 which supports the agreed swap ratio of 2.106 Consideration CIT Units for every one KIT Unit.

We note there is no assurance that the price of the units will remain at current levels after the close or the lapse of the Proposed Acquisition. In addition, our analysis of the past price performance of the units is not indicative of the future price performance of the units, which will be governed by other factors such as, *inter alia*, the performance and prospects of the Enlarged Trust, prevailing economic conditions, economic outlook, market conditions and sentiments.

8.3. Trading comparables analysis

We have considered selected infrastructure business trusts and infrastructure focused companies publicly listed in Singapore, Hong Kong and Australia as trading comparables for CIT and KIT. The business trusts which we have selected as trading comparables in the list below are a representative sample of infrastructure focused business trusts and infrastructure focused companies ("**Comparable Counters**"). They are companies of scale who have a sizeable portfolio of infrastructure assets such as power generation projects, ports, gas and electricity distribution networks.

For the purpose of this analysis, we have focused solely on the following ratio:

- Net Dividend Yield

Brief descriptions of the Comparable Counters are set out below in Table 3.

Table 3. Comparable Counters Overview

Counter Name	Market Cap[1]	Description
HK Electric Investments	S$8,224 million	▪ HK Electric Investments is a fixed single investment trust in Hong Kong with a focus on the power industry ▪ The trust is a vertically integrated electric utility and its operations comprise electricity generation, transmission, distribution and supply of electricity to Hong Kong Island and Lamma Island
Hutchison Port Holdings Trust	S$8,348 million	▪ Hutchison Port Holdings Trust is a business trust holding port assets and is also a developer and operator of ports ▪ Hutchison Port Holdings Trust is also involved in other transportation related businesses including logistic operations, container storage and repair, container tracking, general and bulk cargo transfer, warehousing, provision of marine shuttle services and other related services
APA Group	A$9,650 million	▪ APA Group ("**APA**") is Australia's largest natural gas infrastructure business, owning and/or operating in excess of A$12 billion of energy assets ▪ APA has an ownership interest in, and operates the Allgas gas distribution network and also operates the Envestra network, which together have approximately 1.2 million gas consumer connections ▪ APA also owns other energy infrastructure assets such as gas storage facilities and wind farms
Spark Infrastructure Group Ltd.	A$2,933 million	▪ Spark Infrastructure is a specialist infrastructure fund investing in regulated utility and infrastructure assets, both within Australia and internationally ▪ Portfolio infrastructure assets includes electricity, gas distribution and transmission, regulated water and sewerage assets ▪ Spark Infrastructure's current portfolio comprises a 49% interest in three electricity companies, namely, SA Power Networks (South Australia), Citipower (Victoria) and Powercor (Victoria)

AusNet Services	A$4,784 million	▪ AusNet Services is Victoria's largest energy delivery service, owning and operating approximately A$11 billion of electricity and gas distribution assets with approximately 1.3 million consumer connections in Victoria ▪ AusNet Services operates in four key segments: Electricity Distribution, Gas Distribution, Electricity Transmission, and Services ▪ It is currently listed on both the Australian Securities Exchange ("**ASX**") and Singapore Exchange ("**SGX**")

Source: Counters' descriptions based on publicly available information, including annual reports and company websites. Market capitalisation based on Bloomberg as of the Latest Practicable Date

Table 4. Trading comparables analysis

	Currency	LTM Distributions in local currency per unit (in cents)	Unit price (as of Latest Practicable Date)	Net Dividend Yield %
Listed comparables				
HK Electric Investments[1]	HKD	36.42	5.2	7.00%
Hutchinson Port Holdings Trust[2]	HKD	41.00	5.35	7.66%
APA Group[3]	AUD	36.25	8.66	4.19%
Spark Infrastructure[4]	AUD	11.50	2.00	5.75%
AusNet Services[5]	AUD	8.36	1.38	6.06%
Average				**6.13%**
CIT	S$	3.28	0.54	6.13%
KIT	S$	7.82	1.08	7.24%

Source: Bloomberg and FactSet as of the Latest Practicable Date

Notes

1 HK Electric Investments paid interim distribution of 16.53 Hong Kong cents per unit on 15 August 2014 and final distribution of 19.89 Hong Kong cents per unit on 10 Mar 2015

2 Hutchison Port Holdings Trust units are publicly listed in Singapore and are denominated in US dollars. Hutchison Port Holdings Trust's unit price shown above is converted to Hong Kong dollars from US dollars assuming an foreign exchange rate of US$1:HKD7.763 as per FactSet as at 18 March 2015

3 APA Group paid FY 2013 final distribution of 18.75 Australian cents per unit on 10 September 2014 and FY 2014 interim distribution of 17.50 Australian cents per unit on 18 March 2015. The FY 2013 final distribution paid on 10 September 2014 includes Australian Pipeline Trust ("**APT**") profit distribution of 16.42 Australian cents per unit and APT Investment Trust ("**APTIT**") profit distribution of 2.33 Australian cents per unit. The FY 2015 interim distribution paid on 18 March 2015 includes APT profit distribution of 15.12 Australian cents per unit and APITT profit distribution of 2.38 Australian cents per unit

4 Spark Infrastructure paid FY 2014 interim distribution of 5.75 Australian cents per unit on 12 September 2014 and FY 2014 final distribution of 5.75 Australian cents per unit on 13 March 2015. The FY 2014 interim distribution paid on 12 September 2014 includes interest on loan notes of 3.50 Australian cents per unit and 2.25 Australian cents per unit. The FY 2014 final distribution paid on 13 March 2015 includes interest on loan notes of 3.55 Australian cents per unit and 2.20 Australian cents per unit

5 AusNet Services paid FY 2014 final distribution of 4.180 Australian cents per unit on 27 June 2014 and FY 2015 interim distribution of 4.180 Australian cents per unit on 24 December 2014. The FY 2014 final distribution paid on 14 March 2014 includes fully franked dividend of 1.393 Australian cents per unit, interest income of 2.379 Australian cents per unit and return of capital of 0.408 Australian cents per unit. The FY 2015 interim distribution paid on 24 December 2014 includes fully franked dividend of 2.200 Australian cents per unit and interest income of 1.980 Australian cents per unit

Based on Table 4, we note the following:

- The Comparable Counters have a net dividend yield range of 4.19 – 7.66% with an average net dividend yield of 6.13%; and
- CIT and KIT have a net dividend yield of 6.13% and 7.24% respectively implying that CIT and KIT Units trade within the range of their peers with reference to the average net dividend yield of 6.13%.

Based on the net dividend yield of Comparable Counters, the unit prices of CIT and KIT are relevant for the purpose of determining the swap ratio.

8.4. Sum-of-the-parts analysis for each of CIT and KIT

The assets which will be held and managed by the Enlarged Trust and the subject of the sum-of-the-parts ("**SOTP**") analysis are:

(i) City Gas Trust ("City Gas") (100% owned by CIT)

City Gas is the sole producer and retailer of town gas in Singapore with a diverse customer base of over 700,000 users across the residential, commercial and industrial segments. City Gas' tariff setting mechanism is designed to ensure that City Gas fully recovers its fuel cost. Since 2013, City Gas has established a business venture, City-OG Gas, with Osaka Gas, to market and sell natural gas to industrial customers in Singapore;

(ii) SingSpring Trust ("SingSpring") (70% owned by CIT)

With a supply capacity of 136,380 m^3 of desalinated potable water per day, the SingSpring Plant is an essential service provider capable of meeting approximately 10% of Singapore's current water needs. SingSpring and Singapore's national water agency, the Public Utilities Board ("**PUB**"), entered into a 20-year term water purchase agreement ("**Water Purchase Agreement**") which commenced in December 2005. SingSpring receives a fixed monthly payment from PUB for making available the output capacity of the plant to PUB (which is payable regardless of the actual volume of water supplied) and a variable monthly payment depending on the actual volume of water supplied to PUB;

(iii) Basslink Pty Ltd ("BPL") (100% owned by CIT)

BPL's undersea electricity interconnector ("**Basslink Interconnector**") is the only electricity interconnector between Tasmania and mainland Australia. It became fully operational in April 2006. BPL entered into a 25-year term Basslink Services Agreement ("**Basslink Services Agreement**"), which commenced in April 2006, with Hydro-Electric Corporation ("**Hydro Tasmania**"), an entity owned by the State of Tasmania. The facility fee for BPL under the Basslink Services Agreement is indexed to inflation, is largely based on availability of the Basslink Interconnector and is independent of utilisation. Since July 2009, BPL's telecoms network has provided wholesale telecommunications services between Hobart, Tasmania and Melbourne, Victoria in Australia;

(iv) CityNet Infrastructure Management ("CityNet") (100% owned by CIT)

CityNet was awarded a mandate by SingTel to act as the trustee-manager of NetLink Trust ("**NetLink Trust**") on 22 July 2011. CityNet (in its capacity as trustee-manager of NetLink Trust) carries on the business of owning, installing, operating and

maintaining the assets for the purpose of facilitating telecommunication activities. CityNet's appointment as the trustee-manager of NetLink Trust was recently extended for another three (3) years till 2016. This may be extended or terminated in accordance with the trust deed constituting NetLink Trust;

(v) CityDC Pte Ltd ("CityDC") (100% owned by CIT)

CityDC holds 51% in a joint venture, DataCentre One, with Japanese civil engineering and constructing firm, Shimizu Corporation, to develop and lease an Uptime Institute Tier 3 data centre in Marsiling, Singapore for a total estimated cost of S$130 million. The data centre is a 214,000 square foot facility that is targeted for completion in the first quarter of 2016, and will be leased to a wholly-owned subsidiary of MediaCorp Pte Ltd, 1-Net Singapore Pte Ltd, under a 20-year lease agreement with an 8-year extension at the option of 1-Net Singapore Pte Ltd;

(vi) Senoko Waste-to-Energy Plant ("Senoko Plant") (100% owned by KIT)

A 15-year contract to own and operate an incinerator plant with a requirement to carry out the Flue Gas Treatment Upgrade, which has a contracted incineration capacity of 2,100 tonnes per day with six incinerator-boiler units and two condensing turbine-generators with a power generation capacity of 2x28 MW. The Senoko Plant has a contractual right under the concession arrangement to receive fixed and determinable amounts of payment during the concession period. On 26 September 2014, KIT announced its agreement with the National Environment Agency to provide additional incineration capacity (up to 10%) to the Senoko Plant;

(vii) Keppel Seghers Tuas Waste-to-Energy Plant ("Tuas DBOO Plant") (100% owned by KIT)

A 25-year Design-Build-Own-Operate contract to build, design, own and operate a waste-to-energy plant, which has a contracted incineration capacity of 800 tonnes per day with two incinerator-boiler units and one condensing turbine-generator with a power generation capacity of 22 MW. The Tuas DBOO Plant has a contractual right under the concession arrangement to receive fixed and determinable amounts of payment during the concession period; and

(viii) Keppel Seghers Ulu Pandan NEWater Plant ("Ulu Pandan Plant") (100% owned by KIT)

A 20-year DBOO contract to build, design, own and operate a water treatment plant, which has the capacity to produce 148,000m^3 of NEWater daily. The Ulu Pandan Plant has a contractual right under the concession arrangement to receive fixed and determinable amounts of payment during the concession period.

8.4.1 Framework of the SOTP analysis

CIT and its professional advisers have provided us with confidential financial projections in relation to each of the underlying assets to be included in the Enlarged Trust which has formed the basis of the SOTP analysis. We have based our SOTP analysis on the financial projections provided and we have not independently verified (nor have we assumed responsibility or liability for independently verifying) any such information or its accuracy or completeness or adequacy. We have made reasonable enquiries and exercised judgment on the reasonable use of such information and through this process, we have found no reason to doubt the accuracy or reliability of the information provided.

We have undertaken an assessment of the financial projections, including: (a) assessing if the cash flow drivers are supported by the relevant underlying contracts; (b) basic procedures to ensure the key cash flows are accurately reflected in the financial projections, but neither a review nor an audit of the financial projections were undertaken; (c) review of the assumptions underlying the financial projects based on the information, documents and data provided to us which include historical audited financial statements and selected material commercial agreements; and (d) discussion with CIT's management team and its professional advisers.

We have applied the discounted cash flow methodology in our SOTP analysis. Under the discounted cash flow methodology, we arrive at the valuation of each of the assets on a standalone basis by discounting the visible cash flow streams to the Enlarged Trust represented by cash distributions from each of the underlying assets. The forecast cash distributions reflect the relevant asset's net debt balances. In addition, we have considered the net debt attributable to the holding company on an unconsolidated basis.

We are using the 30 September 2014 net debt value for each of CIT and KIT. Since then, for CIT, there have been or will be a number of events which require adjustments to this net debt position. These adjustments are:

(i) **Distributions adjustment:** On 3 November 2014, CIT announced distributions of S$0.0082 per unit. The units traded ex-dividends as of 11 November 2014;

(ii) **Adjustment for BPL:** As part of the refinancing of BPL (which completed on 25 November 2014), A$50 million or approximately S$54.7 million in equity was injected into BPL by CIT; and

(iii) **Adjustment for CIT Special Distribution:** A CIT Special Distribution of S$30 million in aggregate that will be made to CIT Unitholders as at a record date immediately before the completion of the Proposed Acquisition.

8.4.2 Discount rates

We have utilized the capital asset pricing model, which is a commonly used methodology, to calculate the appropriate equity discount rates to apply to each asset's visible cash flows.

8.4.3 Conclusion

Using the results of our SOTP analysis, we determined a swap ratio range of 2.032 to 2.083 Consideration CIT Units for every 1 KIT Unit. This resulting swap ratio range is not materially different from the agreed swap ratio of 2.106 Consideration CIT Units for every 1 KIT Unit.

8.5. Financial Effects of the Proposed Acquisition Analysis

8.5.1 Bases and Assumptions

The following *pro forma* financial effects analysis of the Proposed Acquisition has been prepared on the following key bases and assumptions:

(i) Based on (i) the audited consolidated financial statements of CIT for the financial year ended 31 March 2014 adjusted for the unaudited consolidated financial statements for the nine-months period from 1 April 2014 to 31 December 2014 to align the financial year-end of CIT with that of KIT, and (ii) the audited consolidated financial statements of the KIT for the financial year ended 31 December 2014;

(ii) Assuming insofar as:

a. Each of (i) the consolidated net loss/earnings after income tax and non-controlling interests of CIT per CIT Unit ("**LPU/EPU**"), and (ii) the distribution per CIT Unit ("**DPU**"), is concerned, that the Proposed Acquisition has been completed as of 1 January 2014; and

b. Each of (i) the total number of CIT Units in issue, (ii) the consolidated balance sheet of the Proposed Acquisition, and (iii) the consolidated net asset value ("**NAV**") of CIT per CIT Unit is concerned, that the Proposed Acquisition has been completed as of 31 December 2014

(iii) For the purpose of calculating the NAV per unit only, after taking into account the special distribution of S$30 million which CIT makes to its CIT Unitholders as at a record date immediately before completion of the Proposed Acquisition ("**CIT Special Distribution**") and after taking into account the special distribution of S$30 million which the Enlarged Trust makes to its unitholders after completion of the Proposed Acquisition ("**Enlarged Trust Special Distribution**");

(iv) Assuming that (i) the revised fee structure for the Replacement Trustee-Manager had been adopted with effect from 1 January 2014, (ii) KIFM had waived its divestment fee in respect of the disposal of KIT's assets to CIT pursuant to the Proposed Acquisition, (iii) one-off cash inflow from sub-trust to CIT of S$89.2 million in 2014 was excluded for purposes of calculating the performance fees; and (iv) there were no other fees payable for acquisitions or divestments for the financial year ended 31 December 2014;

(v) After taking into account the fees, expenses and taxes incurred by both CIT and KIT in connection with the Proposed Acquisition; and

(vi) Without taking into account, among other things, (i) the allocation of the consideration for the Proposed Acquisition to the identifiable assets of KIT and goodwill, which will be carried out upon completion of the Proposed Acquisition, and (ii) the differences in the accounting policies used in the preparation of the audited consolidated financial statements of CIT and KIT.

8.5.2 *Pro forma* financial effects

The following *pro forma* financial effects analysis of the Proposed Acquisition is prepared for illustrative purposes only, to show:

(i) What the LPU/EPU and DPU of CIT for the financial year ended 31 December 2014 would have been if the Proposed Acquisition had been completed as at 1 January 2014; and

(ii) What the total number of CIT Units in issue and NAV per CIT Unit as at 31 December 2014 would have been if the Proposed Acquisition had been completed as at that date.

The following *pro forma* financial effects analysis may not, because of its nature, give a true picture of what the LPU/EPU and DPU of CIT for the financial year ended 31 December 2014, or of what the total number of CIT Units in issue and NAV per CIT Unit as at 31 December 2014, might have been if the Proposed Acquisition had actually been completed as at 1 January 2014.

On the bases and assumptions discussed in Section 8.5.1, the *pro forma* financial effects of the Proposed Acquisition are as follows:

Table 5. Illustration of the *pro forma* financial effects of the Proposed Acquisition

	As at 31 December 2014 for CIT	***Pro forma* for the Proposed Acquisition (CIT + KIT)**
Number of CIT Units in issue	1,518,893,062	2,845,212,436
NAV per CIT Unit (S$)	0.15	0.29
LPU/EPU (cents)	(0.93)	(0.26)[1]
DPU (cents)	3.28	3.67[1,2]

Source: CIT

Notes

1 Takes into account the reduction in trustee-manager fees of approximately S$5.3 million due to the adoption of the revised trustee-manager fee structure calculated on a *pro forma* basis

2 For illustrative purposes, if an additional distribution of approximately S$1.8 million is paid from cash reserves in the Enlarged Trust, the *pro forma* DPU will: (i) in the case of the Proposed Acquisition, be increased from 3.67 Singapore cents to 3.73 Singapore cents

Based on Table 5, we note the following:

- As at 31 December 2014, on a *pro forma* basis, the NAV per CIT Unit increases to S$0.29 per unit after the Proposed Acquisition from S$0.15 per unit on a standalone basis;
- CIT on a standalone basis, as at 31 December 2014, incurred an LPU of (0.93) Singapore cents. This improves to an LPU of (0.26) Singapore cents following the Proposed Acquisition; and
- The DPU for CIT increases to 3.67 Singapore cents following the Proposed Acquisition from a DPU of 3.28 Singapore cents if CIT were to remain on a standalone basis.

Based on the *pro forma* illustrative financial effects, the Proposed Acquisition appears to be accretive to CIT Unitholders on each of NAV per unit, LPU/EPU and DPU. The Independent Directors should nonetheless highlight to CIT Unitholders that historical financial performance is not necessarily indicative of future financial results.

8.6. Conclusions on the evaluation of the Proposed Acquisition

Based on the foregoing analyses:

- The liquidity conditions of CIT and KIT are comparable to each other. Since the swap ratio is based on the relative unit prices of CIT and KIT, their trading prices are useful as the basis for setting the swap ratio;
- Based on VWAP analysis for additional time periods, the implied value for each CIT Unit represents an immaterial discount to or premium over the reference CIT Unit price for the corresponding periods and the implied swap ratio largely supports the agreed swap ratio;

- Based on the net dividend yield of Comparable Companies, the unit prices of CIT and KIT are relevant for the purpose of determining the swap ratio;
- The results from an SOTP analysis is supportive of the agreed swap ratio of 2.106 Consideration CIT Units for every 1 KIT Unit; and
- The Proposed Acquisition is accretive to CIT Unitholders on each of NAV per unit, LPU/EPU and DPU.

Based on the foregoing and subject to our terms of reference as set out in Section 2 above, in our view, the terms of the Proposed Acquisition are fair and reasonable insofar as CIT and its CIT Unitholders excluding Temasek and its associates (its "Minority Unitholders") are concerned; therefore the Proposed Acquisition is also on normal commercial terms and is not prejudicial to the interests of CIT and its Minority Unitholders.

9. EVALUATION OF THE KMC ACQUISITION

9.1. Overview of the KMC Acquisition

KIFM has entered into the KMC SPA with Keppel Energy to acquire 102 ordinary shares representing 51% of the issued and paid-up capital of KMC. KMC owns the KMC Plant, a combined cycle gas turbine generation facility with a gross capacity of approximately 1,300 MW on Jurong Island, off the south-west coast of Singapore.

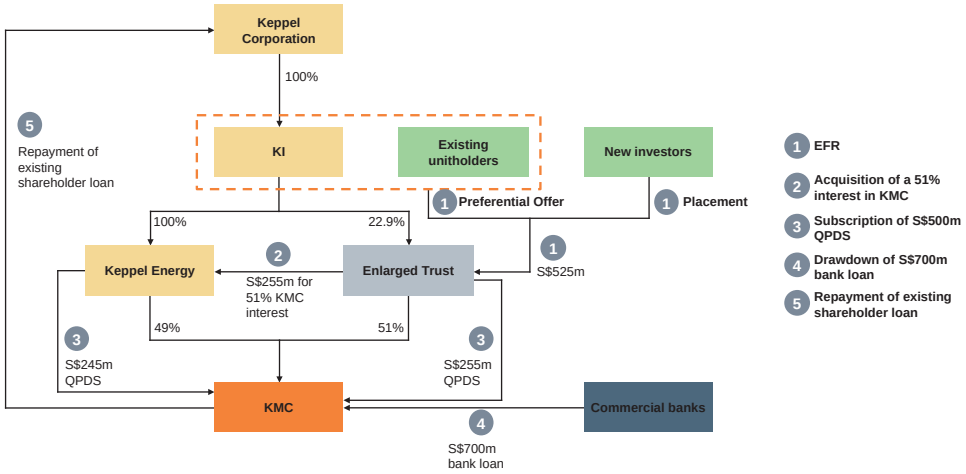
The KMC Plant has been operating since 2007. The KMC Plant was constructed in two phases. Phase I of KMC has a generation capacity of 500 MW, and commenced commercial operation in 2007. Phase II, which involved an addition of 800 MW, commenced commercial operations in 2013.

A condition precedent in the KMC SPA is that KMC shall undertake a restructuring of its business ("**Restructuring**"), the salient terms of which are described below. On the completion date of the KMC Acquisition (the "**KMC Completion Date**"), Keppel Energy and the KIFM, together with KMC, shall enter into a shareholders' agreement to govern their relationship as shareholders of KMC, as Keppel Energy will retain a significant shareholding interest of 49% in KMC.

The purchase consideration (the "**KMC Purchase Consideration**") for the 51% interest in KMC is S$510 million, comprising S$255 million for the KMC Sale Shares and S$255 million for interest-bearing notes to be issued by KMC to KIT on the KMC Completion Date.

The KMC Purchase Consideration is payable wholly in cash on the KMC Completion Date and was negotiated on a willing-buyer and willing-seller basis between Keppel Energy and the KIT Trustee-Manager, based on an enterprise value of S$1.7 billion for KMC, less a S$700 million loan, having regard to the future cash-flows to be generated by KMC after the Restructuring and the risk profile of KMC as an entity post-Restructuring.

Chart 1. KMC Acquisition structure



Source: CIT

9.2. Restructuring of KMC

Keppel Energy and KMC have put in place arrangements for a Restructuring exercise in preparation for, and which will be effected prior to or on, the KMC Completion Date. Pursuant to the Restructuring, KMC will transform its business of being an independent power producer that competes in the National Electricity Market of Singapore ("**NEMS**"), to being a power producer to Keppel Electric, a related corporation of the KIFM, by entering into the capacity tolling agreement ("**CTA**"), with Keppel Electric.

The salient steps in the Restructuring are as follows:

(i) The execution of the CTA by KMC and Keppel Electric;

(ii) The execution of the Operations and Maintenance Service Agreement ("**OMSA**") by KMC and KMC O&M Pte. Ltd. ("**KMC O&M**"), which is an indirect, wholly-owned subsidiary of KI;

(iii) The transfer by KMC to KMC O&M of its employees who are in charge of operations and maintenance of the KMC Plant;

(iv) The novation of certain agreements of KMC to Keppel Electric, such as its gas sales agreement with Keppel Gas Pte Ltd to supply piped natural gas as fuel to power the KMC Plant, and the execution of a master settlement agreement by KMC and Keppel Electric whereby Keppel Electric will assume the risks and benefits of fuel price and foreign exchange hedging arrangements that were put in place by KMC; and

(v) A capital restructuring exercise to be carried out by KMC whereby it will replace existing loans from its related corporations with (i) the notes to be issued by KMC to KIT, Keppel Energy, Keppel Electric and Keppel Infrastructure Services Pte. Ltd. and (ii) credit facilities from commercial banks by signing a facility agreement for S$700 million with financial institutions in Singapore ("**Facility Agreement**").

9.3. The CTA

The principal terms of the CTA will include, among others, the following:

(i) Keppel Electric (also known as the "**Toller**") will pay an availability-based capacity fee and a fixed O&M fee indexed to the Consumer Price Index ("**CPI**") (collectively, the "**Tolling Fees**") to KMC, in return for KMC making available the KMC Plant's electricity generation capacity. Under the CTA, the maximum capacity fee that KMC

will receive is S$108 million a year as long as KMC meets the availability and capacity test targets, with most of KMC's operating costs being passed through. The capacity fee does not have any indexation mechanisms. The availability target is set annually and will take into account provision for downtime (i.e. when the KMC Plant will not be available for generating electricity) for plant testing, and planned and unplanned maintenance works;

(ii) The terms of the CTA are designed to ensure the costs of planned maintenance of the KMC Plant, fuel costs and fuel availability risk to run the KMC Plant are 'effectively passed' through and borne by the Toller. In addition, using the fixed O&M fee received from the Toller, KMC will bear the economic costs of paying KMC O&M as the operator of the KMC Plant, insurance premiums and property taxes associated with owning the KMC Plant and costs of maintaining its property leases and regulatory licenses. The fixed O&M fee is indexed to Singapore CPI;

(iii) The duration of the CTA shall be for an initial term of 15 years from the completion date of the KMC SPA. The Toller is given certain rights to give a matching offer if KMC proposes to source for a third party to enter into a new capacity tolling agreement after the CTA expires. If KMC cannot find such a third party within a prescribed time period, the Toller is given an option (but has no obligation) to extend the duration of the CTA by a 10-year period at the same terms; and

(iv) During the contract period of the CTA, the Toller may make a proposal to KMC to incur major capital expenditure to upgrade the KMC Plant ("**Required Modification**"). If KMC elects not to participate in the Required Modification, the Toller has the right to undertake the upgrading works at the Toller's sole costs without reducing the Tolling Fees payable to KMC. If the Toller exercises such a right, in order for it to recover its costs, the Toller has the option (but has no obligation) to extend the duration of the CTA by a 20-year period at the same terms.

9.4. The OMSA

With effect from the KMC Completion Date, it is envisaged that the OMSA between KMC and KMC O&M will take effect for an initial term of 20 years with an operator extension option. KMC O&M will be responsible for maintaining the parts of the KMC Plant that are not under the purview of the ALSTOM group which is maintaining the gas turbine and steam turbine assemblies of the KMC Plant. KMC O&M is part of Keppel Infrastructure Services Pte. Ltd., which houses the technical support and Operations & Maintenance (O&M) capabilities within the KI group of companies.

KMC O&M shall be responsible for providing, among other things, day-to-day operations of the plant, management of the plant's operating budget, producing an annual operating plan, managing the various sub-contractors and overall site management, procuring backup diesel, inventory and consumables and calculating plant availability. KMC O&M will prepare an Annual Operations and Maintenance Plan ("**AOMP**") which will set out the plant's annual operating budget for KMC and Keppel Electric to approve. In consideration of the due performance by KMC O&M of the aforesaid services, KMC shall pay to KMC O&M, a fixed O&M fee which shall be indexed to the Singapore CPI. KMC will also reimburse KMC O&M for costs of unplanned maintenance and repair works not included in the AOMP.

9.5. Framework of analysis for the KMC Acquisition

Our analysis of the KMC Acquisition is based on a net present value ("**NPV**") of the forecast cash flows for KMC, discounted at an appropriate discount rate. We estimate cash flows during:

(i) The initial CTA term of 15 years (from 2015 until 2029); and

(ii) The operations of the KMC Plant after 15 years (from 2030 onwards).

For KMC's operations beyond 2029, we have considered the following factors:

(i) **Remaining land lease life**: The KMC Plant is situated on land which has a remaining lease life of around 21 years. At the end of the initial CTA term in 2029, the remaining lease life will be around 6 years but there is an option for KMC to extend the land lease by 30 years at the same terms of the current lease.

(ii) **Generation license**: KMC has a generation license for 30 years from 2003. This may be renewed upon application to the Energy Market Authority ("**EMA**").

(iii) **Remaining technical life:** The typical life of a Combined Cycle Gas Turbine ("**CCGT**") facility is around 25 years. The KMC Plant was built in two phases. Phase I was commissioned in 2007 and Phase II was commissioned in 2013. Applying a 25-year technical life, the end of the technical life for Phase I and Phase II is reached in 2032 and 2038, respectively. At the expiry of the initial CTA term in 2029, the residual technical life would be up to 8 years. However, depending on the maintenance of the facility, its technical life could be longer. For the sake of this financial analysis, we assume that the KMC Plant could operate for 10 years after the initial CTA term without the need to incur any life extension capital expenditure.

(iv) **Commercial considerations:** The commercial considerations for the operations of the KMC Plant beyond 2029 would depend on a number of factors including the fundamentals of the Singapore NEMS and KMC Plant's relative competitiveness with other generating plants in Singapore. We consider the following three scenarios:

a. **KMC enters into a third party toll**: Under the CTA, KMC has the ability to enter into a tolling agreement with a third party and the Toller is given certain rights to match a third party's offer. While it is difficult to predict today what the economics might be for a revised toll, we estimate a terminal/exit value in 2030 using selected precedent transaction multiples. We refer to this as the "**Third Party Toll Value**".

b. **The Toller's extension option**: The Toller has the option but not the obligation to extend the CTA by a further period of 10 years at the same terms. If the Toller exercises its option to extend, KMC would operate from 2030 for another 10 years under the same terms of the CTA. We estimate a present value in 2030 of a 10-year extension. We refer to this as the "**Toller's Extension Value**".

c. **Merchant option**: In the event that KMC is unable to enter into a third party toll and the Toller does not extend the CTA, then KMC would operate as a merchant facility from 2030. While it is difficult to predict today what the economics might be for KMC operating on a merchant basis, we estimate a terminal/exit value in 2030 using selected precedent transaction multiples (which are different from the multiples used in 9.5 (iv) (a)). We refer to this as the "**Merchant Value**".

(v) **Probability weights for the scenarios:** Given that the CTA has an initial term of 15 years and in the absence as at the Latest Practicable Date of any information on the

likelihood of a particular scenario coming to pass, we assign an equal probability to each of the three scenarios or 33.33% probability weighting to each scenario.

(vi) **Choice of discount rates**: For our NPV analysis of the KMC Acquisition, we have applied two discount rates: a contracted discount rate and a merchant discount rate to be applied to the relevant values being discounted.

9.6. Summary of the KMC Acquisition

Based on our analysis adopting the framework and methodology described in Section 9.5 above, the resulting NPV of the KMC Acquisition is positive.

The Independent Directors should note that our analysis and assessment of the KMC Acquisition is limited by the information made available to us.

9.7. *Pro forma* financial effects of the KMC Acquisition on the Enlarged Trust

9.7.1 Bases and Assumptions

The following *pro forma* financial effects analysis of the KMC Acquisition has been prepared with reference to Section 8.5.1 and on the following key bases and assumptions on the KMC Acquisition:

(i) Based on (i) the *pro forma* financials for KMC for the financial period from 1 January 2014 to 31 December 2014, assuming the restructuring of KMC had been implemented, and (ii) the balance sheet as at 31 December 2014;

(ii) Assuming insofar as:

a. Each of (i) the CIT LPU/EPU, and (ii) the CIT DPU, is concerned, that the Proposed Acquisition and KMC Acquisition has been completed as of 1 January 2014; and

b. Each of (i) the total number of CIT Units in issue, (ii) the consolidated balance sheet of the Proposed Acquisition and KMC Acquisition, and (iii) the consolidated NAV of CIT per CIT Unit is concerned, that the Proposed Acquisition and the KMC Acquisition has been completed as of 31 December 2014;

(iii) Assuming that:

a. Under the KMC CTA, the maximum capacity fee of S$108 million per annum as long as KMC meets the availability and capacity test targets is realised for 15 years, less estimated cash balance of S$216 million in KMC on completion of the KMC Acquisition, and KMC's total debtors less total creditors, including all amounts (trade or non-trade related, prepayments and deposits) due from or to related companies, shall not be negative;

b. The KMC Acquisition has been funded with a S$700 million senior secured loan at an "all-in" finance cost of 3.0% per annum, which includes an upfront fee of 0.3%, and S$500 million principal amount of QPDS issued by KMC at the interest rate of 16.5% per annum; and

c. The New Units to be issued pursuant to the KMC Equity Fund Raising are issued by way of a non-renounceable preferential offering at an illustrative price of S$0.485 per unit and a placement at an illustrative price of S$0.49 per unit.

(iv) After taking into account the fees, expenses and taxes incurred by both CIT and KIT in connection with the Proposed Acquisition and the KMC Acquisition including that for the KMC Equity Fund Raising; and

(v) Without taking into account, among other things, (i) the allocation of the consideration for the KMC Acquisition to the identifiable assets of KMC and goodwill, which will be carried out upon completion of the KMC Acquisition, and (ii) the differences in the accounting policies used in the preparation of the audited consolidated financial statements of CIT, KIT and KMC.

9.7.2 *Pro forma* financial effects

The following *pro forma* financial effects analysis of the KMC Acquisition on the Enlarged Trust is prepared for illustrative purposes only, to show:

(i) What the LPU/EPU and DPU of CIT for the financial year ended 31 December 2014 would have been if the Proposed Acquisition and the KMC Acquisition had been completed as at 1 January 2014; and

(ii) What the total number of CIT Units in issue and NAV per CIT Unit as at 31 December 2014 would have been if the Proposed Acquisition and the KMC Acquisition had been completed as at that date.

The following *pro forma* financial effects analysis may not, because of its nature, give a true picture of what the LPU/EPU and DPU of CIT for the financial year ended 31 December 2014, or of what the total number of CIT Units in issue and NAV per CIT Unit as at 31 December 2014, might have been if the Proposed Acquisition and the KMC Acquisition had actually been completed as at 1 January 2014 and 31 December 2014 respectively.

On the bases and assumptions discussed in Section 9.7.1, the *pro forma* financial effects of the Proposed Acquisition and the KMC Acquisition are as follows:

Table 6. Illustration of the *pro forma* financial effects of the Transaction

	As at 31 December 2014 for CIT	***Pro forma* for Proposed Acquisition (CIT + KIT)**	***Pro forma* for Proposed Acquisition and KMC Acquisition**
Number of CIT Units in issue	1,518,893,062	2,845,212,436	3,918,297,855[1] to 3,816,099,244[2]
NAV per CIT Unit (S$)	0.15	0.29	0.34[1]
LPU/EPU (cents)	(0.93)	(0.26)[3]	(0.06)[1,3]
DPU (cents)	3.28	3.67[3,4]	3.69[1,3,4] to 3.75[2,3,4]

Source: CIT

Notes

1 On the basis that the KMC Acquisition is funded by way of a KMC Equity Fund Raising of S$525 million and S$700 million debt at an "all-in" finance cost of 3.0% per annum ("**KMC EFR of S$525 million**")

2 On the basis that the KMC Acquisition is funded by way of a KMC Equity Fund Raising of S$475 million and S$750 million debt at an "all-in" finance cost of 3.0% per annum ("**KMC EFR of S$475 million**")

3 Takes into account the reduction in trustee-manager fees of approximately S$5.3 million due to the adoption of a revised trustee-manager fee structure calculated on a *pro forma* basis

4 For illustrative purposes, if an additional distribution of approximately S$1.8 million is paid from cash reserves in the Enlarged Trust, the *pro forma* DPU will: (i) in the case of the Proposed Acquisition, be increased from 3.67 Singapore cents to 3.73 Singapore cents, (ii) in the case of the Proposed Acquisition and KMC

Acquisition with a KMC EFR of S$525 million, be increased from 3.69 Singapore cents to 3.73 Singapore cents and (iii) in the case of the Proposed Acquisition and KMC Acquisition with a KMC EFR of S$475 million, be increased from 3.75 Singapore cents to 3.79 Singapore cents

Based on Table 6, we note the following:

- As at 31 December 2014, on a *pro forma* basis, the NAV per CIT Unit increases to S$0.34 per unit following the Proposed Acquisition and KMC Acquisition from (a) S$0.15 per unit on a standalone basis and (b) S$0.29 per unit assuming the Proposed Acquisition is completed without the KMC Acquisition;
- For the year ended 31 December 2014, on a *pro forma* basis, the LPU for CIT improves to (0.06) Singapore cents following the Proposed Acquisition and KMC Acquisition from (a) an LPU of (0.93) Singapore cents on a standalone basis and (b) an LPU of (0.26) Singapore cents assuming the Proposed Acquisition is completed without the KMC Acquisition; and
- For the year ended 31 December 2014, on a *pro forma* basis, the DPU for CIT increases from 3.69 to 3.75 Singapore cents (depending on the basis of funding the KMC Acquisition) following the Proposed Acquisition and the KMC Acquisition from (a) 3.28 Singapore cents on a standalone basis and (b) 3.67 Singapore cents assuming the Proposed Acquisition is completed without the KMC Acquisition.

Based on the *pro forma* illustrative financial effects, the KMC Acquisition appears to be accretive to the Enlarged Trust unitholder on each of NAV per unit, LPU/EPU and DPU. The Independent Directors should nonetheless highlight to CIT Unitholders that historical financial performance is not necessarily indicative of future financial results.

9.8 Conclusions on the evaluation of the KMC Acquisition

In evaluating the financial merits of the KMC Acquisition, we have estimated the NPV of the KMC Acquisition and considered the *pro forma* financial effects of the KMC Acquisition on the Enlarged Trust. We estimate a positive NPV for the KMC Acquisition and the KMC Acquisition is accretive to the Enlarged Trust unitholder on each of NAV per unit, LPU/EPU and DPU.

Based on the foregoing and subject to our terms of reference as set out in Section 2 above, we are of the opinion that the terms of the KMC Acquisition are fair and reasonable; therefore the KMC Acquisition is also on normal commercial terms and is not prejudicial to the interests of CIT and its Minority Unitholders.

10. OTHER CONSIDERATIONS

10.1 Change of Trustee-Manager

CSIM has given notice of its resignation to CIT Unitholders on 3 February 2015 and a further notice on 1 April 2015. At completion of the Proposed Acquisition, KIFM will be appointed as trustee-manager of the Enlarged Trust ("**Replacement Trustee-Manager**"), replacing CSIM. The Replacement Trustee-Manager will offer employment to substantially all of CSIM's employees. The management team of the Replacement Trustee-Manager will be led by Mr. Khor Un-Hun, the current chief executive officer of KIFM, who will take up the position of chief executive officer of the Replacement Trustee-Manager.

The constituent trust deed of the Enlarged Trust will be amended to, *inter alia*, adopt the KIFM existing fee structure for the Replacement Trustee-Manager. Based on a comparison of CSIM's fee structure for CIT and KIFM's fee structure for KIT, had the KIFM fee structure

for the Replacement Trustee-Manager been adopted on 1 January 2014, we note that the Enlarged Trust would have incurred S$5.3 million less in trustee-manager fees for the calendar year ended 31 December 2014, assuming no fees were payable for acquisitions or divestments. KIFM has agreed to waive the divestment fee in respect of the disposal of KIT's assets to CIT pursuant to the Proposed Acquisition. If the revised fee structure of the Replacement Trustee-Manager is approved, the Replacement Trustee-Manager will be entitled to an acquisition fee for the KMC Acquisition.

10.2 Interested party transaction ("IPT")

As at the Latest Practicable Date, Temasek holds, through certain of its wholly-owned subsidiaries[2], 100% of the shares in CSIM and 37.41% of all the CIT Units in issue and directly holds 20.44% of all the issued shares in Keppel Corporation. Keppel Corporation owns all the issued shares in KI, which in turn holds 49.17% of all KIT Units in issue. Accordingly, the Proposed Acquisition is regarded as an IPT for the purposes of Chapter 9 of the SGX-ST Listing Manual. Similarly, as Keppel Corporation owns all the issued shares in Keppel Energy, the KMC Acquisition is regarded as an IPT for the purposes of Chapter 9 of the SGX-ST Listing Manual.

Accordingly, as the Transaction exceeds the applicable IPT materiality threshold, it is required to be approved by CIT Unitholders at the CIT EGM, with Temasek and its associates (as defined under the SGX-ST Listing Manual) to abstain from voting.

10.3 Distributions

We note that CIT has made distributions of 3.28 Singapore cents per unit per annum, or 0.82 Singapore cents per unit per quarter, over the past two fiscal years. CIT Unitholders will continue to be entitled to their customary quarterly distributions of 0.82 Singapore cents per CIT Unit up to the completion of the Proposed Acquisition. Similarly, KIT Unitholders will be entitled to their customary semi-annual distributions up to completion of the Proposed Acquisition.

Furthermore, there will be a CIT Special Distribution of S$30 million in aggregate made to CIT Unitholders as at a record date immediately before the completion of the Proposed Acquisition. This represents a distribution of 1.98 Singapore cents per CIT Unit. Subject to and after completion of the Proposed Acquisition, the Enlarged Trust will declare the Enlarged Trust Special Distribution of S$30 million in aggregate to its unitholders, representing a distribution of 1.05 Singapore cents per Enlarged Trust unit. The record date for the Enlarged Trust Special Distribution will set to fall after the Consideration CIT Units have been distributed to KIT Unitholders, for them to be considered unitholders in the Enlarged Trust and to be eligible to participate in such distribution, but before the completion of the KMC Equity Fund Raising.

CIT Unitholders should note that the past distributions made by CIT should not in any way be relied upon as an indication or a promise of its future distribution payouts by the Enlarged Trust.

10.4 KMC Equity Fund Raising

To fund a portion of the consideration payable for the KMC Acquisition, the Enlarged Trust will undertake an equity fund raising on the capital markets and issue the Enlarged Trust Units by a combination of (i) a placement to institutional and other investors (the "**Placement**") and (ii) a non-renounceable preferential offering ("**Preferential Offering**") held after the distribution-in-specie of the Consideration CIT Units to all eligible KIT Unitholders. The KMC Equity Fund Raising is expected to raise gross proceeds of up to

[2] Comprising Bartley, Napier, Nassim and CSIM.

S$525 million to fund the KMC Acquisition and the related expenses of the KMC Equity Fund Raising and the KMC Acquisition. The issue price for the New Units to be issued through the Placement and Preferential Offering shall be at a price that represents a discount of not more than 10 per cent. to the weighted average price for trades done on the SGX-ST for the full Market Day on which the Placement underwriting agreement is signed and on which the Preferential Offering is announced (based on the *pro forma* financial effects analysis of the Transaction, the illustrative issue prices of New Units are S$0.485 per unit and S$0.49 per unit for the Placement and Preferential Offering respectively). This implies that the institutional and other investors may be purchasing their units in the Enlarged Trust at a value lower than the CIT Unit price before the Proposed Acquisition Announcement Date. This is notwithstanding the fact that the Enlarged Trust Unitholders may also be issued new units in the Enlarged Trust under the Preferential Offering at a similar unit price. The Independent Directors may wish to highlight this in their advice to the CIT Unitholders.

Each of KI and Tembusu intends to subscribe for and/or procure the subscription for the pro rata entitlements of the Initial Units (as defined herein) under the Preferential Offering and has undertaken not to dispose of its effective interests in (a) their Enlarged Trust Units as at the date of Completion (the "**Initial Units**")[3] and (b) the New Units to be issued arising from the subscription for the *pro rata* entitlements of the Initial Units under the Preferential Offering, from the date of Completion until the earlier of, (i) 30 September 2016, and (ii) the date falling 12 months after the completion of the KMC Equity Fund Raising (both dates inclusive).

As part of the KMC Acquisition, it is intended that a bridge loan be secured so that, in the event of volatility in equity market conditions, the bridge loan may be drawn to complete the KMC Acquisition. In such event, the KMC Equity Fund Raising will be deferred until such time when equity market conditions are suitable for an equity fund raising and the proceeds of the KMC Equity Fund Raising will be used to repay the bridge loan.

10.5 Material litigation

The Directors of CSIM have confirmed that as at the Latest Practicable Date, none of CIT or its subsidiaries is engaged in any material litigation, either as plaintiff or defendant, which might materially and adversely affect the financial position of CIT or CIT and its subsidiaries, taken as a whole, and the Directors of CSIM are not aware of any litigation, claims or proceedings pending or threatened against CIT or any of its subsidiaries or any facts likely to give rise to any litigation, claims or proceedings which might materially and adversely affect the financial position of CIT or CIT and its subsidiaries, taken as a whole.

10.6 Events subsequent to the Proposed Acquisition Announcement Date

Subsequent to the Proposed Acquisition Announcement Date, CSIM, as trustee-manager of CIT, announced that it has agreed to refinance all the outstanding bonds ("**Bonds**") issued in connection with the acquisition of BPL. The outstanding Bonds are A$486 million bonds due August 2015, A$48.8 million inflation-indexed bonds due August 2017 and A$320 million inflation-indexed bonds due August 2019. The Bonds will be refinanced with a A$717 million 5-year senior, secured loan facility, provided by a group of nine commercial banks. As part of the refinancing, CIT will contribute an equity injection of A$50 million paid out of its cash reserves into BPL. The refinancing was completed on 28 November 2014.

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[3] In the case of Tembusu, the Initial Units are the aggregate number of 568,234,112 units that are held through its wholly-owned subsidiaries Bartley, Napier, Nassim and CSIM.

On 11 December 2014, CSIM, as trustee-manager of CIT, has settled all outstanding disputes between BPL, CIT's wholly-owned subsidiary, and Hydro Electric Corporation, concerning the implementation of the "dynamic protocol" to the Basslink interconnector. BPL and Hydro Electric Corporation have agreed to settle all disputes relating to the dynamic protocol (including the injunction proceedings). Pursuant to the settlement agreement, BPL has paid Hydro Electric Corporation A$6 million, Hydro Electric Corporation will release the A$5 million bank guarantee and each of BPL and Hydro Electric Corporation agrees to release the other from any claim which it may have against the other in connection with the disputes.

Save for the announcements on the settlement of BPL disputes, the refinancing of the Basslink Bonds, its quarterly results for the 9-month period ended 31 December 2014 as well as announcements in relation to the Proposed Acquisition, there have been no significant announcements by CIT during the period between the Proposed Acquisition Announcement Date and the Latest Practicable Date.

Similarly, save for the announcements of its full year results for the financial year ended 31 December 2014 as well as announcements in relation to the Proposed Acquisition, there have been no significant announcements by KIT during the period between the Proposed Acquisition Announcement Date and the Latest Practicable Date.

10.7 Conditions to completion of the Proposed Acquisition

We note that the Completion of the Proposed Acquisition is conditional upon certain conditions precedents being satisfied. Conditions precedents include:

(i) the approval of the CIT Unitholders at the EGM by way of ordinary resolution for the Proposed Acquisition (including the KMC Acquisition), the issue of the Consideration CIT Units, the issue of New Units pursuant to the KMC Equity Fund Raising, and the appointment of KIFM as the Replacement Trustee-Manager. Each of these resolutions are inter-conditional on the passing of each other resolution relating to the Proposed Acquisition or the KMC Acquisition;

(ii) the approval of the KIT Unitholders at an extraordinary general meeting to be convened by way of ordinary resolution for the Proposed Acquisition, the Distribution In Specie, the KMC Acquisition and the issue of new KIT Units pursuant to the KIT Equity Fund Raising (in the event the KMC Acquisition completes without the Proposed Acquisition completing);

(iii) the approval of the SGX-ST for (i) the Transaction as a "very substantial acquisition" for CIT and (ii) the listing and quotation of the Consideration CIT Units and the New Units to be issued by the Enlarged Trust pursuant to the KMC Equity Fund Raising on the Main Board of the SGX-ST;

(iv) the approval, consent or confirmation of no objection by the various regulatory authorities in Singapore for the Proposed Acquisition, including (i) the EMA (with respect to City Gas and KMC), (ii) the PUB (with respect to CIT's SingSpring seawater desalination plant and the Ulu Pandan Plant), (iii) the NEA (with respect to the Senoko Plant and the Tuas DBOO Plant), (iv) the IDA (with respect to CIT's subsidiary, CityNet Infrastructure Management Pte Ltd, the trustee-manager of NetLink Trust) and (v) the Minister for Environment, Climate Change and Water for the State of Victoria, Australia (with respect to BPL);

(v) the confirmation by Hydro Electric Corporation of Tasmania, if and to the extent applicable, that it has no objection to the change of control of BPL, a subsidiary of CIT which owns and operates the Basslink undersea electricity interconnector in Australia;

(vi) all definitive transaction documents for the KMC Acquisition (including the equity bridge loan or the KMC Equity Fund Raising) having been entered into and all conditions precedent to their coming into full force and effect, to the extent such conditions may be satisfied before Completion, having been satisfied; and

(vii) certain other customary conditions precedent as to the absence of breach of warranties or covenants or material adverse changes.

11. CONCLUSION

In arriving at our opinion to the Independent Directors, we have taken into consideration and relied upon, *inter alia*, the following key factors which should be read in conjunction with, and interpreted, in the full context of this letter.

Based on the foregoing and subject to our terms of reference as set out in Section 2 above, we are of the opinion that, as at the Latest Practicable Date, the terms of the Proposed Acquisition and the KMC Acquisition are fair and reasonable; therefore the Transaction is also on normal commercial terms and is not prejudicial to the interests of CIT and its Minority Unitholders.

In rendering our opinion, we have not had regard to any general or specific investment objectives, financial situations, risk profiles, tax positions, or particular needs or constraints of any specific Unitholder and we neither assume any responsibility for, nor hold ourselves out as advisers to any person other than the Independent Directors.

Our opinion is only based on a financial analysis and does not incorporate any assessment of commercial, legal, tax, regulatory or other matters. Our opinion also does not incorporate an assessment of the price the CIT Units may trade following the success or failure of the Transaction. Such factors are beyond the ambit of our review and do not fall within our terms of reference in connection with the Transaction.

If the Independent Directors make a recommendation to the CIT Unitholders to vote in favour of the Transaction, the Independent Directors may also wish to consider highlighting that the Transaction will only become effective if all conditions precedent set out in the Circular are satisfied and all the requisite approvals set out in the Circular are obtained.

We wish to emphasise that we have been appointed to render our opinion as of the Latest Practicable Date. Our terms of reference do not require us to express, and we do not express, an opinion on the future growth prospects of the Enlarged Trust. This letter is addressed to the Independent Directors solely for their benefit in connection with and for the purposes of their consideration for the Transaction and should not be relied upon for any other purpose. This opinion does not constitute and should not be relied on, as advice or a recommendation to any individual Unitholder, specific group of CIT Unitholders or Unitholder, their related corporations and their respective nominees. The recommendations made by the Independent Directors to the CIT Unitholders in relation to the Transaction remain the sole responsibility of the Independent Directors.

This letter is governed by, and construed in accordance with the laws and courts of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter. Save for CIT, its directors and the CIT Unitholders, no other person may use, reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner except with Rothschild's prior written consent in each specific case.

Yours faithfully,

For and on behalf of
ROTHSCHILD (SINGAPORE) LIMITED

K. Chandramouli
Managing Director

APPENDIX 6

PROPOSED IPT MANDATE

This Appendix sets out the IPT Mandate, which (if approved by CIT Unitholders) will be effective upon Completion. The strikethroughs and underlines in this Appendix are intentionally included to reflect the proposed amendments to the IPT Mandate. Following Completion, references to "CitySpring Infrastructure Trust" or "CitySpring" shall be construed as references to the Enlarged Trust, where applicable, references to the "CitySpring Group" or "Group" shall be construed as references to the Enlarged Trust and its subsidiaries, where applicable.

In this Appendix, the following definitions apply throughout unless otherwise stated. Capitalised terms not defined in this Appendix shall have the same meaning as defined in this Circular.

*"**AGM**"*	:	Annual general meeting.
"***Approved Exchange***"	:	A stock exchange that has rules which safeguard the interests of shareholders/unitholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual.
*"**Approving Authority**"*	:	The approving authority as described in paragraph 7.3.3 of this Appendix.
*"**Associate**"*	:	In the case of a business trust: (a) in relation to any director, chief executive officer, or controlling shareholder of the Trustee-Manager, substantial unitholder or controlling unitholder of the business trust (being an individual) means: (i) his immediate family member (that is, the person's spouse, child, adopted child, step-child, sibling and parent); (ii) the trustee of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and (b) in relation to a substantial shareholder or controlling shareholder of the Trustee-Manager or substantial unitholder or controlling unitholder of the business trust (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
"***Audit Committee***"	:	Audit committee of the Trustee-Manager.
*"**CEO**"*	:	The chief executive officer of the Trustee-Manager.
*"**CFO**"*	:	The chief financial officer of the Trustee-Manager.
*"**CitySpring**"*	:	CitySpring Infrastructure Trust.
"***CitySpring Group***" *or* "***Group***"	:	CitySpring, its subsidiaries and associated companies which are considered "entities at risk" within the meaning of Rule 904(2) of the Listing Manual.
"***Control***"	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company.
"***Controlling Unitholder***"	:	A person who: (a) holds directly or indirectly 15% or more of the total number of issued Units (unless the SGX-ST has determined such a person not to be a Controlling Unitholder of CitySpring); or (b) in fact exercises Control over CitySpring.
"***EAR***"	:	Shall have the meaning ascribed to it in paragraph 2.2 of this Appendix.

"***EAR Group***"	:	Shall have the meaning ascribed to it in paragraph 2.2 of this Appendix.
"***EGM***"	:	Extraordinary General Meeting.
"***Interested Persons***"	:	Shall have the meaning ascribed to it in paragraph 5 of this Appendix.
"***Interested Person Transactions***"	:	The categories of transactions with the Interested Persons which fall within the IPT Mandate, as set out in paragraph 6 of this Appendix.
"***Relevant Benchmark***"	:	Shall have the meaning ascribed to it in paragraph 7.3.3 of this Appendix.
"***Review Committee***"	:	Shall have the meaning ascribed to it in paragraph 7.2.5(b)(i)(A) of this Appendix.
"***Trustee-Manager***"	:	The trustee-manager acting for or on behalf of CitySpring.
"***Unitholders***"	:	Persons (other than CDP) 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.
"***Unit***"	:	An undivided interest in CitySpring, as provided for in the Trust Deed.

THE IPT MANDATE

1. CHAPTER 9 OF THE LISTING MANUAL

1.1 Chapter 9 of the Listing Manual governs transactions by a listed business trust as well as transactions by its subsidiaries and associated companies that are considered to be at risk, with the listed business trust's interested persons. When this Chapter applies to a transaction and the value of that transaction alone or in aggregation with other transactions conducted with the interested person during the financial year reaches, or exceeds, certain materiality thresholds, the listed business trust is required to make an immediate announcement, or to make an immediate announcement and seek its unitholders' approval for that transaction.

1.2 Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed business trust at risk and hence are excluded from the ambit of Chapter 9 of the Listing Manual, immediate announcement and unitholders' approval would be required in respect of transactions with interested persons if certain financial thresholds, which are based on the value of the transaction as compared with the listed business trust's latest audited consolidated NTA, are reached or exceeded.

In particular, an immediate announcement is required where:

(a) the transaction is of a value equal to, or more than, 3% of the listed business trust's latest audited consolidated NTA; or

(b) the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the listed business trust's latest audited consolidated NTA; and

unitholders' approval (in addition to an immediate announcement) is required where:

(a) the transaction is of a value equal to, or more than, 5% of the listed business trust's latest audited consolidated NTA; or

(b) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, 5% of the listed business trust's latest consolidated NTA.

In interpreting the term "same interested person" for the purpose of aggregation, the following applies:

(i) transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person; and

(ii) if an interested person (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested persons and their associates and have audit committees whose members are completely different.

1.3 Pursuant to a ruling issued by the SGX-ST on 25 August 2009, CitySpring is permitted to calculate the materiality of its interested person transactions based on its market capitalisation as at the last day of the preceding financial year (instead of its latest audited consolidated NTA) for so long as the NTA of CitySpring remains negative. The NTA of CitySpring for the financial year ended 31 March 2012 was positive. Pursuant to a further ruling issued by the SGX-ST on 23 May 2012, CitySpring may continue to calculate the materiality of its interested person transactions

based on its market capitalisation as at the last day of the preceding financial year (instead of its latest audited consolidated NTA). In the event that CitySpring records sustained positive consolidated NTA for at least two consecutive financial years (including the financial year ended 31 March 2012), it will consult the SGX-ST on the appropriate measure to be used for the computation of materiality thresholds for its interested person transactions. The 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 interested person transactions based on its market capitalisation as at the last day of the preceding financial year (instead of its latest audited consolidated NTA).

Accordingly, save for any transaction below S$100,000 and for so long as CitySpring does not record sustained positive consolidated NTA for at least two consecutive financial years:

(1) an immediate announcement is required where:

(i) the interested person transaction is of a value equal to, or more than, 3% of CitySpring's market capitalisation as at the last day of the preceding financial year; or

(ii) the aggregate value of all interested person transactions entered into with the same interested person during the same financial year amounts to 3% or more of CitySpring's market capitalisation as at the last day of the preceding financial year; and

(2) Unitholders' approval (in addition to an immediate announcement) is required where:

(i) the interested person transaction is of a value equal to, or more than, 5% of CitySpring's market capitalisation as at the last day of the preceding financial year; or

(ii) the interested person transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, 5% of CitySpring's market capitalisation as at the last day of the preceding financial year.

1.4 Chapter 9 of the Listing Manual permits a listed business trust to seek a general mandate from its unitholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses), which may be carried out with the listed business trust's interested persons. A general mandate is subject to annual renewal.

1.5 In general, for the purposes of Chapter 9 of the Listing Manual, transaction(s) between:

(a) an entity at risk (namely CitySpring, a subsidiary of CitySpring that is not listed on the SGX-ST or an Approved Exchange, or an associated company of CitySpring that is not listed on the SGX-ST or an Approved Exchange, provided that the Group, or the Group and its interested person(s), has control over the associated company~~in this case, the Trustee-Manager (acting in its capacity as the Trustee-Manager of CitySpring), CitySpring, City Gas Pte Ltd (in its personal capacity or as trustee of the City Gas Trust), the City Gas Trust, SingSpring Pte. Ltd. (in its personal capacity or as trustee of the SingSpring Trust), the SingSpring Trust, CityLink Investments Pte. Ltd. and members of the Basslink Group, CityNet Infrastructure Management Pte. Ltd. (acting in its personal capacity), CitySpring Capital Pte. Ltd. and City-OG Gas Energy Services Pte. Ltd.~~); and

(b) any of its interested persons (namely the Trustee-Manager (acting in its personal capacity), a related corporation or related entity of the Trustee-Manager (other than a subsidiary or subsidiary entity of CitySpring), a Director, CEO or controlling shareholder of the Trustee-Manager(1), a Controlling Unitholder(2) or an Associate of any such Director, CEO, controlling shareholder or Controlling Unitholder),

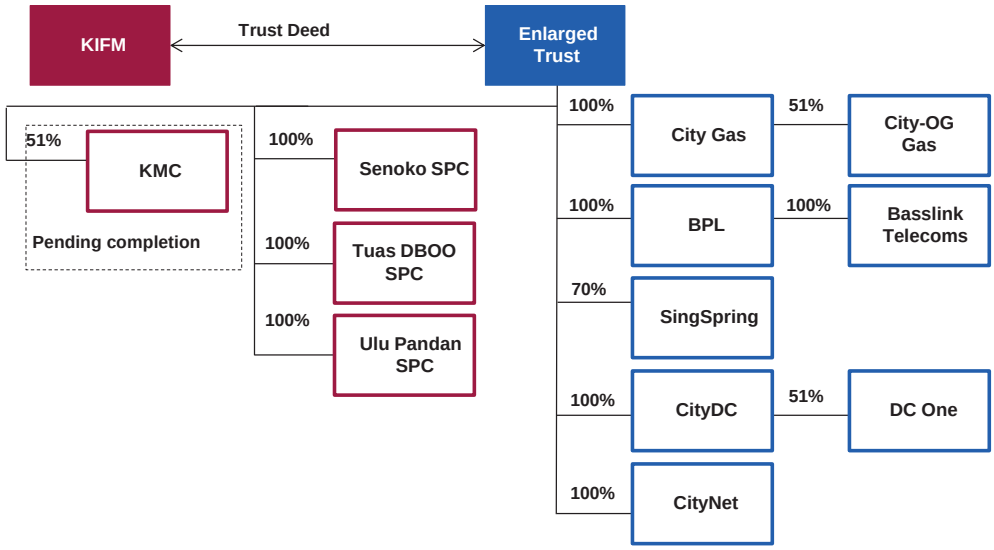
would constitute an interested person transaction.

Notes:

(1) Such controlling shareholder of the Trustee-Manager would refer to Keppel Infrastructure Holdings Pte. Ltd. upon completion of the proposed acquisition by CitySpring of all assets and liabilities of Keppel Infrastructure Trust.

(2) Immediately after the proposed acquisition by CitySpring of all assets and liabilities of Keppel Infrastructure Trust, but before the KMC Equity Fund Raising, Keppel Infrastructure Holdings Pte. Ltd. will have an interest in approximately 22.9 per cent. of CitySpring, and Temasek Holdings (Private) Limited through certain of its wholly-owned subsidiaries[1], will have an interest in approximately 19.97 per cent. (excluding Temasek's deemed interests through Keppel Corporation Limited) of CitySpring. Accordingly, "Controlling Unitholder" would include Temasek Holdings (Private) Limited and Keppel Infrastructure Holdings Pte. Ltd.

Group Structure of the Entities At Risk



2. RATIONALE FOR THE IPT MANDATE

2.1 It is envisaged that in the ordinary course of their business, transactions between members in the EAR Group (as defined below) and CitySpring's interested persons are likely to occur from time to time. Such transactions would include, but are not limited to, the obtaining of goods and services in the ordinary course of business of the EAR Group from CitySpring's interested persons.

2.2 In view of the time-sensitive nature of commercial transactions and the frequency of commercial transactions between members in the EAR Group and CitySpring's interested persons, obtaining the IPT Mandate pursuant to Chapter 9 of the Listing Manual will enable:

(a) CitySpring;

(b) subsidiaries of CitySpring (excluding subsidiaries listed on the SGX-ST or an Approved Exchange); and

(c) associated companies of CitySpring (other than an associated company that is listed on the SGX-ST or an Approved Exchange) over which CitySpring and its subsidiaries (the "**CitySpring Group**"), or the CitySpring Group and its interested person(s), has or have control,

(together, the "**EAR Group**", each an "**EAR**"), or any of them, in the ordinary course of their businesses, to enter into the categories of transactions set out in paragraph 6 below with the specified classes of CitySpring's interested persons set out in paragraph 5 below which are necessary for the day-to-day operations of CitySpring, provided such Interested Person Transactions are made on normal commercial terms.

[1] Comprising Bartley Investments Pte. Ltd., Napier Investments Pte. Ltd., Nassim Investments Pte. Ltd. and CitySpring Infrastructure Management Pte. Ltd.

3. BENEFIT TO UNITHOLDERS

The IPT Mandate would eliminate the need for CitySpring to announce, or to announce and convene separate general meetings from time to time to seek Unitholders' prior approval for any potential interested person transaction that may arise from time to time, thereby substantially reducing administrative time, inconvenience and expenses associated with the convening of such meetings (including the engagement of external advisers and preparation of documents) on an ad-hoc basis, without compromising the corporate objectives of CitySpring and/or adversely affecting the business opportunities available to the Group.

4. SCOPE OF THE IPT MANDATE

4.1 The IPT Mandate will cover the transactions arising in the ordinary course of business as set out in paragraph 6 below.

4.2 The IPT Mandate will not cover any interested person transaction which has a value below S$100,000 as the threshold and aggregate requirements of Chapter 9 of the Listing Manual do not apply to such transactions.

4.3 Transactions with interested person which do not come within the ambit of the IPT Mandate will be subject to applicable provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

5. CLASSES OF INTERESTED PERSONS

The IPT Mandate will apply to the Interested Person Transactions which are carried out with the following classes of Interested Persons:

(a) the sponsor of CitySpring(1) ~~Temasek~~, which is a Controlling Unitholder and also the controlling shareholder of the Trustee-Manager ~~as at the Latest Practicable Date~~, and its Associates;

(b) a director, chief executive officer or controlling shareholder of the Trustee-Manager (other than the controlling shareholder of the Trustee-Manager described in sub-paragraph (a) above);

(c) Trustee-Manager or Controlling Unitholder (other than the Controlling Unitholder described in sub-paragraph (a) above)(2); and

(d) an Associate of any of the persons or entities in (b) and (c) above (each, an "**Interested Person**").

Transactions with Interested Persons which do not fall within the ambit of the IPT Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

Notes:

(1) The sponsor would be Keppel Infrastructure Holdings Pte. Ltd. upon completion of the proposed acquisition by CitySpring of all assets and liabilities of Keppel Infrastructure Trust.

(2) Immediately after the proposed acquisition by CitySpring of all assets and liabilities of Keppel Infrastructure Trust, but before the KMC Equity Fund Raising, Temasek Holdings (Private) Limited through certain of its wholly-owned subsidiaries[2], will have an interest in approximately 19.97 per cent. (excluding Temasek's deemed interests through Keppel Corporation Limited) of CitySpring. Accordingly, "Controlling Unitholder" would include Temasek Holdings (Private) Limited.

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[2] Comprising Bartley Investments Pte. Ltd., Napier Investments Pte. Ltd., Nassim Investments Pte. Ltd. and CitySpring Infrastructure Management Pte. Ltd.

6. CATEGORIES OF INTERESTED PERSON TRANSACTIONS

The Interested Person Transactions with the Interested Persons which will be covered by the IPT Mandate are set out below:

(i) the provision of production and retailing of town gas, retailing of natural gas, and supply of liquefied petroleum gas;

(ii) the provision and obtaining of natural gas;

(iii) the provision of gas-supply related services (such as call centre services, service crew services, meter services, gas connection, maintenance, inspection of gas installations and servicing of burners and gas stoves);

(iv) the sale of gas-related appliances, such as, but not limited to, gas cooker hobs and hoods, gas water heaters, gas stove and grills, gas ovens, commercial burners, and gas operated clothes dryers. The sale of gas-related appliances is in the ordinary course of business of the EAR Group and does not fall under the ambit of Chapter 10 of the Listing Manual;

(v) the provision and obtaining of utilities services such as electricity, gas and water;

(vi) the provision and obtaining of management services;

(vii) treasury transactions ("**Treasury Transactions**") between any member within the EAR Group and any Interested Person, for example:

(a) the placement of funds with any Interested Person;

(b) the borrowing of funds from any Interested Person;

(c) the entry into foreign exchange, swap and option transactions with any Interested Person; and

(d) the subscription of debt securities issued by any Interested Person, the issue of debt securities to any Interested Person, the purchase from any Interested Person, or the sale to any Interested Person of debt securities previously issued by any member within the EAR Group.

The EAR Group can benefit from the more competitive rates and quotes offered by the Interested Persons by leveraging on the financial strength and credit standing of the Interested Persons for placement of funds with, borrowings from, foreign exchange, swap and option transactions with, and the subscription and purchase of debt securities to the Interested Persons. In respect of the issue or sale of debt securities to the Interested Persons, the EAR Group can benefit from the financial support of the Interested Persons arising from such issuance or sale, which will be on terms no less favourable to the EAR Group than those issued or sold to other third parties;

(~~vii~~viii) the provision and obtaining of transmission and transportation network services;

(~~viii~~ix) the obtaining of services such as telecommunications services and security services for its facilities and lease arrangements for office space;

(~~ix~~x) the provision and obtaining of professional and consultancy services;

(~~x~~xi) the provision of arrangements which involves cost sharing or reimbursement of expenses (such as security services, utilities, telephone, printing, overseas travelling and related expenses, transport, entertainment and insurance etc); and

(xii) the provision or the obtaining of such other products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services in sub-paragraphs (i) to (xi) above.

7. REVIEW PROCEDURES FOR INTERESTED PERSON TRANSACTIONS

7.1 The EAR Group has established the following procedures to ensure that Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms.

7.2 In general, there are procedures established by the EAR Group to ensure that the Interested Person Transactions with Interested Persons are undertaken on an arm's length basis and on normal commercial terms consistent with the EAR Group's usual business practices and policies, which are generally no more favourable to the Interested Persons than those extended to unrelated third parties, and will not be prejudicial to the interests of CitySpring and its minority Unitholders.

In particular, the following review procedures have been put in place:

7.2.1 Sales of products and/or services to an Interested Person

The review procedures are:

(a) current market prices from a reliable source are to be used as the basis for pricing. Prices for sale of products and/or services to an Interested Person are to be:

(i) based on comparable prices to at least two unrelated third party customers for similar products;

(ii) competitive with comparable alternate products available to customers; and

(iii) consistent with the usual margin sold by the company/trust for similar type of product,

to ensure that the price and terms extended to Interested Persons are no more favourable than those extended to unrelated third parties for the same or substantially similar types of products and/or services;

(b) where the prevailing market rates or prices are not available due to the nature of the service to be provided or the product to be sold, the EAR Group's pricing for such services to be provided or products to be sold to Interested Persons is determined in accordance with the EAR Group's usual business practices and pricing policies, consistent with the usual margin to be obtained by the EAR Group for the same or substantially similar type of contract or transaction with unrelated third parties. In determining the transaction price payable by Interested Persons for such services or products, the Approving Authority will take into consideration factors such as, but not limited to, quantity, volume, consumption, customer requirements, customer's available alternate product/service, specifications, payment terms, contractual compliance, duration of contract and strategic purposes of the transaction will be taken into account; and

(c) all sales transactions which are Interested Person Transactions with contract value above S$100,000 are to be documented and approved using prescribed evaluation form.

7.2.2 Purchase of products and/or services from an Interested Person (including cost sharing arrangements)

The review procedures are:

(a) quotations are to be obtained from at least two unrelated third parties supplying the similar type of products and/or services. The tender process, if applicable, shall be conducted with transparency and in an equitable manner to all parties, with proper tendering procedures and evaluations;

(b) the quotations will be used as a basis for comparison to ensure that the price and terms:

(i) extended by the Interested Persons are no less favourable than the price and terms offered by such Interested Persons to unrelated third parties; and

(ii) are comparable to those offered by unrelated third parties for the same or substantially similar type of products and/ or services.

In determining whether the price and terms offered by the Interested Person are fair and reasonable, the capacity, reliability, suitability, quality of the product or services and the experience and expertise of the supplier Interested Person shall be taken into consideration. The prices are to be in accordance with the existing agreement if there is a contractual agreement signed with an Interested Person;

(c) in the event that quotations from unrelated third party vendors cannot be obtained (for instance, if there are no unrelated third party vendors of similar products or services, or if the product is a proprietary item), the Approving Authority (as long as they have no interest, direct or indirect in that transaction) will determine whether the price and terms offered by the Interested Persons are fair and reasonable. If the Approving Authority has an interest in the transaction, whether direct or indirect, the reasonableness of the price shall be determined by the Audit Committee; and

(d) all purchase transactions which are Interested Person Transactions with contract value above S$100,000 have to be documented and approved using prescribed evaluation form.

7.2.3 Rental Agreements with an Interested Person

The review procedures are:

(a) in determining whether the rental rates offered by the Interested Person are fair and reasonable, factors such as, but not limited to, current prevailing rental rates that are charged to third parties with comparable size and location of the unit, actual area occupied (where it is a sub-lease) and duration of the lease are taken into consideration;

(b) when entering into a rental agreement with an Interested Person and before the renewal of such a rental agreement for subsequent terms, similar rental rate comparisons shall be obtained from two independent and established property consultants for comparison; and

(c) all rental transactions which are Interested Person Transactions with contract values above S$100,000 have to be documented and approved using a prescribed evaluation form.

7.2.4 Reimbursement of expenses to an Interested Person

The review procedure requires that expenses incurred shall be in the ordinary course of business and reasonable in the circumstances.

7.2.5 Treasury Transactions with an Interested Person

(a) The review procedures are:

(i) *Placements*

In relation to any placement with any Interested Person by any member within the EAR Group of its funds, quotations shall be obtained from such Interested

Person and at least one of the principal bankers of CitySpring for interest rates for deposits with such bankers. Such member within the EAR Group will place its funds with such Interested Person only if the interest rate quoted is not less favourable than that quoted by such principal banker(s). In addition, such member shall comply with the procedures set out in sub-paragraph (b)(ii) below.

(ii) *Borrowings*

In relation to the borrowings of funds from any Interested Person by any member within the EAR Group, quotations shall be obtained from such Interested Person and at least one of the principal bankers of CitySpring for interest rates and conditions of loans from such bankers. Such member within the EAR Group will borrow funds from such Interested Person only if the interest rate and conditions quoted are not less favourable than those quoted by such principal banker(s). In cases where such principal banker(s) is/are unable to quote a rate for the loan for any reason whatsoever (for example, where the banks have reached their exposure, credit or lending limits in respect of their lending activities, or in respect of their lending limits to the EAR Group), the member within the EAR Group shall be able to borrow the funds from the Interested Person. In addition, such member shall comply with the procedures set out in sub-paragraph (b)(i) below.

(iii) *Foreign exchange, swap and option transactions*

In relation to foreign exchange, swap and option transactions with any Interested Person by any member within the EAR Group, quotations shall be obtained from such Interested Person and at least one of the principal bankers of CitySpring. Such member within the EAR Group will enter into such foreign exchange, swap or option transactions with such Interested Person only if the rates quoted are not less favourable than the rates quoted by such principal banker(s). In addition, such member shall comply with the procedures in sub-paragraph (b)(iii) below.

(iv) *Debt securities*

In relation to the subscription of debt securities issued by any Interested Person, or the purchase from any Interested Person of debt securities previously issued by such Interested Person, such transactions will be entered into by members within the EAR Group only if the consideration for such debt securities is not more than that at which such debt securities are subscribed or purchased by any other third parties. Conversely, members within the EAR Group will only issue new debt securities or sell debt securities (previously issued by any member within the EAR Group) to Interested Persons at prices not lower than the prices at which such debt securities are issued or sold to third parties.

In addition, in relation to debt securities issued or sold by a member within the EAR Group to any Interested Person, and to debt securities subscribed or purchased from any Interested Person, such member shall comply with the procedures in sub-paragraph (b)(i) and b(ii) respectively below.

(b) The monitoring procedures are:

(i) *Borrowings and debt securities issued or sold to Interested Persons*

In relation to borrowings by a member within the EAR Group from the same Interested Person during the same financial year, or debt securities issued or

sold by any member within the EAR Group to the same Interested Person during the same financial year:

(A) where the aggregate value of the interest expense incurred by the EAR Group on borrowings from, and debt securities issued and/or sold to, that Interested Person equals to or exceeds S$500,000 but is less than S$5,000,000, subsequent borrowings from that Interested Person, or issue or sale of debt securities to that Interested Person, by any member within the EAR Group, will be reviewed and approved by any two members of a committee comprising the executive Directors and the CFO of the Trustee-Manager for the time being and such other person as the Directors may from time to time appoint ("**Review Committee**"). In view of the capital intensive nature of CitySpring's business and in the interest of operational efficiency, the Review Committee shall have power in its discretion to pre-approve any such further interest expense up to pre-determined interim sub-limits, such pre-determined interim sub-limits to be reviewed quarterly having regard to the foreseeable requirements of CitySpring from the time of review until the next review, but subject to such aggregate interest expense being less than S$5,000,000;

(B) where the aggregate value of the interest expense incurred by the EAR Group on borrowings from, and debt securities issued and/or sold to, that Interested Person equals to or exceeds S$5,000,000 but is less than S$10,000,000, subsequent borrowings from that Interested Person, or issue or sale of debt securities to that Interested Person, by any member within the EAR Group, will be reviewed and approved by any two members of the Review Committee, and the Chairman of the Board or, if he has an interest in the Interested Person Transaction, another member of the Audit Committee. In view of the capital intensive nature of CitySpring's business and in the interest of operational efficiency, (i) the Review Committee and (ii) the Chairman or Audit Committee member (as the case may be), shall have power in their discretion to pre-approve any such further interest expense up to pre-determined interim sub-limits, such pre-determined interim sub-limits to be reviewed quarterly having regard to the foreseeable requirements of CitySpring from the time of review until the next review, but subject to such aggregate interest expense being less than S$10,000,000; and

(C) where the aggregate value of the interest expense incurred by the EAR Group on borrowings from, and debt securities issued and/or sold to, that Interested Person equals to or exceeds S$10,000,000, subsequent borrowings from that Interested Person, or issue or sale of debt securities to that Interested Person, by any member within the EAR Group, will be reviewed and approved by the Audit Committee.

(ii) *Placements with and subscription and purchase of debt securities from Interested Persons*

(A) Where the aggregate of the principal amount of funds placed with and all debt securities subscribed and/or purchased from, the same Interested Person shall at any one time exceed S$100,000,000, additional placements of funds with, subscription of debt securities issued by, or purchase of debt securities from, that Interested Person by any member within the EAR Group shall require the prior approval of the Audit

Committee. The Audit Committee shall have power in its discretion to pre-approve any such further placements of funds with, subscription of debt securities issued by, or purchase of debt securities, up to pre-determined interim sub-limits, such pre-determined interim sub-limits to be reviewed quarterly having regard to the foreseeable requirements of CitySpring from the time of review until the next review.

(B) Placement of funds with, subscription of debt securities issued by, and/or purchase of debt securities from, the same Interested Person where the aggregate of the principal amounts thereof does not at any one time exceed the limit or interim sub-limits set out above or from time to time, will not require the prior approval of the Audit Committee but will be reviewed on a quarterly basis by the Audit Committee. The Audit Committee shall have power to implement further measures to enhance the review and reporting processes if, in its opinion, it would be beneficial to CitySpring.

(iii) *Foreign exchange, swap and option transactions*

Where the aggregate of the principal amount of all foreign exchange, swap and option transactions entered into with the same Interested Person shall at any one time exceed S$100,000,000, each additional foreign exchange, swap and option transaction entered into with the same Interested Person by any member within the EAR Group will require the prior approval of the Audit Committee.

Entry into foreign exchange, swap and option transactions with the same Interested Person where the aggregate of the principal amounts thereof do not at any one time exceed the limit set out above will not require the prior approval of the Audit Committee but will be reviewed on a quarterly basis. The Audit Committee shall have power to implement further measures to enhance the review and reporting processes if, in its opinion, it would be beneficial to CitySpring.

7.3 Apart from the specific review procedures described above, the following general review procedures will apply to all Interested Person Transactions under the IPT Mandate:

7.3.1 The Trustee-Manager will maintain a register of Interested Persons listing and a register of transactions carried out with Interested Persons pursuant to the IPT Mandate (recording the basis, including the quotations obtained to support such basis, on which they were entered into). A copy of the register of Interested Persons will be circulated to the Audit Committee, CEO, CFO and the company secretary of the Trustee-Manager on an annual basis or whenever there is any change. The register of Interested Persons will be sent to the EAR Group on a quarterly basis for their necessary monitoring.

Interested Persons in the EAR Group will submit an annual declaration of their interests in the EAR Group at the end of each financial year.

7.3.2 In order to ensure that the Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms, and will not be prejudicial to the interests of CitySpring and its Minority Unitholders, the Trustee-Manager has internal control procedures which detail matters such as the constitution of internal Approving Authorities and their monetary jurisdictions.

In the event that a member of the Approving Authority (where applicable) has an interest in relation to any Interested Person Transaction, whether direct or indirect, he will abstain from reviewing that particular transaction. In such instances, an alternate Approving Authority will be responsible for reviewing that transaction.

7.3.3 All Interested Person Transactions cannot be executed until the approval of the relevant Approving Authority has been obtained. Approval limits (not applicable to any transaction below S$100,000) for Interested Person Transactions under the IPT Mandate are as follows:

Transactions size (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) of: **(a) where the latest audited consolidated NTA of CitySpring is negative, CitySpring's market capitalisation ~~as at the last day of the preceding financial year~~ upon completion of the proposed acquisition of all the assets and liabilities of Keppel Infrastructure Trust by CitySpring; or** **(b) where the latest audited consolidated NTA of CitySpring is positive, CitySpring's latest audited consolidated NTA,** **(each, the "Relevant Benchmark")**	**Approval required from relevant Approving Authority**
All transactions below 3% of the Relevant Benchmark	The board of directors, chief executive officer, chief financial officer or heads of departments of the respective EARs, provided that such transaction is within the authorised monetary limits of such Approving Authority.
Equal to or exceeding 3% but below 5% of the Relevant Benchmark	Review and prior approval by Audit Committee
Equal to or exceeding 5% of the Relevant Benchmark	Review and prior approval by the Board

The EAR Group shall inform the Trustee-Manager of any Interested Person Transactions that they intend to enter into with values equal to or exceeding 1% of the Relevant Benchmark prior to obtaining approval of the transaction at their respective entities. This is to enable the Trustee-Manager to review if the transaction aggregated with other transactions with the same Interested Person during the financial year triggers the levels that requires the Audit Committee's prior approval of the transaction.

7.4 Recording of Interested Person Transactions

Details of all Interested Person Transactions will be fully disclosed to the internal auditors and the Audit Committee in a timely manner or immediately upon their request.

7.5 Review of Interested Person Transactions

7.5.1 Independent internal auditors will review all Interested Person Transactions of the EAR Group on a quarterly basis and submit report for Audit Committee's review. The Board and the Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures to monitor Interested Person Transactions have been complied with.

7.5.2 All the transactions reported in EAR's Interested Person Transactions reports will be aggregated according to the aggregation and disclosure requirements. All present and on-going Interested Person Transactions will be included in the transactions report. This will be reviewed by the CFO and in his absence, the Senior Vice President – Finance & Corporate Services.

7.5.3 Audit Committee's review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary by the Audit Committee.

8. VALIDITY PERIOD OF THE IPT MANDATE

~~If approved by Unitholders at the AGM scheduled to be held on 30 July 2014, the IPT Mandate will take effect from the date of passing of the ordinary resolution relating thereto, and will (unless revoked or varied by CitySpring in general meeting) continue in force until the next AGM of CitySpring. Approval from Unitholders will be sought for the renewal of the IPT Mandate at the next AGM and at each subsequent AGM of CitySpring, subject to satisfactory review by the Audit Committee of its continued application to transactions with the Interested Persons.~~ If approved by Unitholders at the EGM scheduled to be held on 30 April 2015 and subject to the passing of ordinary resolutions (1) to (4) set out in the Notice of EGM dated 5 April 2015, the IPT Mandate will take effect from the completion of the proposed acquisition of all the assets and liabilities of Keppel Infrastructure Trust by CitySpring, and will (unless revoked or varied by CitySpring or the Enlarged Trust (as defined in the Notice of EGM) (as the case may be) in general meeting) continue in force until the next AGM of the Enlarged Trust. Approval from the Enlarged Trust Unitholders will, if applicable, be sought for the renewal of the IPT Mandate at the next AGM and at each subsequent AGM of the Enlarged Trust, subject to satisfactory review by the Replacement Trustee-Manager's audit committee of its continued application to transactions with the Interested Persons.

9. DISCLOSURE IN ANNUAL REPORT

Disclosure will be made in CitySpring's annual report of the aggregate value of all Interested Person Transactions conducted with the Interested Persons pursuant to the IPT Mandate during the current financial year, and in the annual reports for subsequent financial years that the IPT Mandate continues in force, in accordance with the requirements of Chapter 9 of the Listing Manual.

APPENDIX 7

LETTER BY PRICEWATERHOUSECOOPERS CORPORATE FINANCE PTE LTD

2 April 2015
The Independent Directors
CitySpring Infrastructure Management Pte Ltd
(As trustee-manager of CitySpring Infrastructure Trust)
111 Somerset Road #10-01
TripleOne Somerset
Singapore 238164

Dear Sirs,

1. **THE PROPOSED AMENDMENT TO THE CITYSPRING INFRASTRUCTURE TRUST IPT MANDATE (THE "PROPOSED AMENDMENT TO THE IPT MANDATE") AND**

2. **THE PROPOSED AMENDMENT OF THE TRUST DEED OF CITYSPRING INFRASTRUCTURE TRUST TO REFLECT THE PROPOSED FEE STRUCTURE OF THE TRUSTEE-MANAGER OF THE ENLARGED TRUST (THE "REPLACEMENT TRUSTEE-MANAGER") (THE "PROPOSED CHANGE IN FEE STRUCTURE" OR THE "AMENDED TRUST DEED")(TOGETHER, THE "PROPOSED ACTIONS").**

For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the Circular.

1. INTRODUCTION

This letter ("Letter") has been prepared for inclusion in the Circular dated 2 April 2015 to be issued by CitySpring Infrastructure Management Pte. Ltd. (the "Current Trustee-Manager"), in its capacity as trustee-manager of CitySpring Infrastructure Trust ("CIT") in relation to, among others, the Proposed Amendment to the IPT Mandate and the Proposed Change in Fee Structure which will take place as a result of the Proposed Acquisition.

This Letter sets out our view on the Proposed Actions and our recommendations to the Independent Directors. This Letter sets forth factors considered by PricewaterhouseCoopers Corporate Finance Pte Ltd ("PwCCF") in arriving at its view. The Circular and Letter included therein will provide, inter alia, details of the Proposed Actions, and the recommendation(s) of the Independent Directors of the Current Trustee-Manager in relation to the Proposed Actions, having considered PwCCF's advice in this Letter.

Pursuant to Chapter 9 of the Listing Manual, PwCCF has been appointed as the Independent Financial Adviser (the "IFA") to the directors of the Current Trustee-Manager for the purpose of providing an opinion on whether the methods or procedures for determining transaction prices in the Proposed Amendment to the IPT Mandate are sufficient to ensure that transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of CIT, and subsequently, its minority unitholders (the "Minority Unitholders").

Pursuant to Section 31(5) of the Business Trusts Act, Chapter 31A of Singapore and Chapter 9 of the Listing Manual, PwCCF has also been appointed for the purpose of making a recommendation to unitholders of CIT (the "Unitholders") on whether (a) the methods or procedures for determining the proposed revision to the fees of the Replacement Trustee-Manager are sufficient to ensure that the proposed revised fees of the Replacement Trustee-Manager are on normal commercial terms and will not be prejudicial to the interests of (i) CIT, (ii) Minority Unitholders, and (iii) all the Unitholders as a whole, and (b) the proposed revised fees of the Replacement Trustee-Manager are on normal commercial terms and are not prejudicial to the interests of CIT and Minority Unitholders.

1.1. Background

On 18 November 2014, the Current Trustee-Manager of CIT announced that CIT had agreed to acquire all the assets and liabilities of KIT to form the Enlarged Trust. When completed, the Proposed Transaction will create the largest SGX-ST listed infrastructure-focused business trust with a pro forma market capitalisation of over S$1.9 billion[1] and pro forma total assets of over S$4 billion.

Detailed information concerning CIT and the Enlarged Trust can be found in Paragraph 2 and Appendix 1 of the Circular, and Unitholders are advised to read these sections carefully.

Pursuant to the Proposed Acquisition, KI and its associates will become interested persons ("Interested Persons") of the Enlarged Trust. It is envisaged that in the ordinary course of the Enlarged Trust's business, transactions between members in the EAR Group and the Enlarged Trust's Interested Persons are likely to occur from time to time. Such transactions would include, but are not limited to, the obtaining of goods and services in the ordinary course of business of the EAR Group from the Enlarged Trust's Interested Persons. In addition, in order for the Enlarged Trust to enter into treasury transactions with Interested Persons, CIT's existing general mandate for interested person transactions will need to be amended.

Further, the Current Trustee-Manager gave notice of its resignation to CIT Unitholders on 3 February 2015 and a further notice on 1 April 2015 and has nominated Keppel Infrastructure Fund Management Pte Ltd ("KIFM") as the replacement trustee-manager of CIT.

Pursuant to the Proposed Transaction, it is proposed that KIFM will be appointed as the Replacement Trustee-Manager to be effective on Completion. Therefore the rationale for the amendments to the provisions of the Trust Deed is to adopt the fee structure that KIFM currently adopts as trustee-manager of KIT, so as to ensure that the proposed fee structure for the Enlarged Trust will be on the same basis as that of the KIT Trustee-Manager once KIFM is appointed as the Replacement Trustee-Manager.

2. TERMS OF REFERENCE

PwCCF has been appointed as the Independent Financial Adviser to the Independent Directors of the Current Trustee-Manager to advise, as to:

(i) Whether the methods or procedures for determining transaction prices in the Proposed Amendment to the IPT Mandate are sufficient to ensure that transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of CIT and Minority Unitholders; and

(ii) Whether (a) the methods or procedures for determining the proposed revision to the fees of the Replacement Trustee-Manager are sufficient to ensure that the proposed revised fees of the Replacement Trustee-Manager are on normal commercial terms and will not be prejudicial to the interests of (i) CIT, (ii) Minority Unitholders, and (iii) all the Unitholders as a whole, and (b) the proposed revised fees of the Replacement Trustee-Manager are on normal commercial terms and are not prejudicial to the interests of CIT and Minority Unitholders.

Our terms of reference do not require us to evaluate or comment on the strategic or commercial risks or merits of the Proposed Actions, or on the prospects of CIT, or subsequently the Enlarged Trust, or any of their respective related companies (as defined in the Companies Act, Chapter 50 of Singapore). However, we may draw upon the views of the Directors and management of the

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[1] Market capitalisation calculated based on the volume-weighted average prices ("**VWAP**") of KIT and CIT, respectively, for the 180-day period ended on the Announcement LPD and assuming a KMC Equity Fund Raising to raise gross proceeds of S$525 million. This statement should not be interpreted to mean that the Enlarged Trust will trade at such market capitalisation at the Completion of the Proposed Transaction.

Current Trustee-Manager and their other professional advisers in coming to our opinion. Any comments or evaluations in relation to the relative merits of the Proposed Actions remain the responsibility of the Directors and management of the Current Trustee-Manager. The statements and/or recommendations made by the Independent Directors remain the responsibility of the Independent Directors.

During the course of our evaluation, we have held discussions with the Directors and management of the Current Trustee-Manager and have relied on the information and representations, whether written or verbal, provided to us by the Current Trustee-Manager and other publicly available information collated by us. We have not independently verified the information provided by the Current Trustee-Manager, whether written or verbally, and accordingly do not make any representation or warranty in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information. We have made reasonable enquiries and exercised our judgement on the reasonable use of such information and found no reason to doubt the accuracy or reliability of such information or representations.

We have relied on the assurance that the Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular (other than, where applicable, information relating to the KIT Group, KMC, the KMC Acquisition, the KMC Equity Fund Raising and the Replacement Trustee-Manager) and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, the Circular constitutes full and true disclosure of all material facts about the Proposed Transaction and CIT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source (including, where applicable, information in relation to the KIT Group, KMC, the KMC Acquisition, the KMC Equity Fund Raising and the Replacement Trustee-Manager, which has been extracted from the KIT Circular), 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. The foregoing is set out in the "Responsibility Statement by the Directors" in paragraph 18.1 of the Circular.

Accordingly, no representation or warranty, expressed or implied, is made by us, and no responsibility is accepted by us, concerning the accuracy, completeness or adequacy of all such information, provided or otherwise made available to us or relied upon by us as described above, or the merits of the Proposed Actions.

Furthermore, our terms of reference do not require us to express, and we do not express, an opinion on the future prospects of CIT, or, subsequently, the Enlarged Trust. We have, therefore, not expressed any opinion herein as to the future financial or other performance of CIT and subsequently, the Enlarged Trust.

Conditions may change significantly over a short period of time and accordingly we assume no responsibility to update, revise or reaffirm our view in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Unitholders should take note of any announcements relevant to their consideration of the Proposed Actions which may be released by the Current Trustee-Manager and other sources after the Latest Practicable Date.

In preparing this Letter we have not had regard to the specific investment objectives, financial situation, tax position and/or unique needs and constraints of any Unitholder. As different Unitholders will have different investment objectives, we advise the Independent Directors to recommend that any individual Unitholders who may require specific advice in relation to his or her Units should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.

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

3. EVALUATION OF THE PROPOSED AMENDMENT TO THE IPT MANDATE

3.1. The Proposed Amendment to the IPT Mandate

Detailed information in relation to the existing IPT Mandate and the Proposed Amendment to the IPT Mandate is set out in Appendix 6 of the Circular, and Unitholders are advised to read this section carefully.

We have set out a summary of the Proposed Amendment to the IPT Mandate below:

3.1.1. The change in method for determining the Relevant Benchmark

It is proposed that the IPT Mandate be amended as per Section 7.3.3. of the Proposed Amendment to the IPT Mandate such that where the latest audited consolidated NTA of CIT is negative, CIT's market capitalisation upon Completion of the Proposed Acquisition will be used to determine the Relevant Benchmark as opposed to the market capitalisation as at the last day of the preceding financial year.

The proposed change is to take into account the increase in market capitalisation upon Completion, as seen in the table below.

Trust	Market capitalisation
CIT[2]	S$753 million
Enlarged Trust[3]	S$1,411 million

3.1.2. The inclusion of Treasury Transactions

It is also proposed that the IPT Mandate be amended such that the Enlarged Trust can enter into Treasury Transactions with an Interested Person such as:

(i) The placement of funds with any Interested Person;

(ii) The borrowing of funds from any Interested Person;

(iii) The entry into foreign exchange, swap and option transactions with any Interested Person; and

(iv) The subscription of debt securities issued by any Interested Person, the issue of debt securities to any Interested Person, the purchase from any Interested Person, or the sale to any Interested Person of debt securities previously issued by any member within the EAR Group.

The Treasury Transactions will also be subject to the threshold and approval policies as per Section 7.3.3 of the IPT Mandate.

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2 Based on the VWAP for the 180-day period ended on the Announcement LPD.

3 The Proposed Transaction combines CIT and KIT at their respective market capitalisations of S$753 million and S$658 million, based on their VWAP for the 180-day period ended on 13 November 2014. 180-day VWAP for KIT = S$1.0446; 180-day VWAP for CIT = S$0.4960.

Additionally, controls, authorisation, review and monitoring procedures have been introduced in the IPT Mandate. A summary of the monitoring procedures is set out in the table below. All capitalised terms in the table below have the same meanings as those defined in the IPT Mandate. The full amendment is set out in Appendix 6 of the Circular, **and Unitholders are advised to read this section carefully**.

Aggregate value of the interest expense incurred by the EAR Group on borrowings and debt securities issued or sold to any Interested Person	**Monitoring procedures**
Less than S$500,000	- No prior approval required
Equals to or exceeds S$500,000 but less than S$5,000,000	- Subsequent borrowings from, or issue or sale of debt securities to, that Interested Person is subject to review and approval by the Review Committee - Pre-determined interim sub-limits (if any) to be reviewed on a quarterly basis
Equals to or exceeds S$5,000,000 but less than S$10,000,000	- Subsequent borrowings from, or issue or sale of debt securities to, that Interested Person is subjected to review and approval by two members of the Review Committee, and the Chairman of the Board or another member of Audit Committee if the Chairman has an interest in the transaction - Pre-determined interim sub-limits (if any) to be reviewed on a quarterly basis
Equals to or exceeds S$10,000,000	- Subsequent borrowings from, or issue or sale of debt securities to, that Interested Person is subject to review and approval by the Audit Committee

Aggregate of the principal amount of, funds placed with and all debt securities subscribed and/or purchased from, foreign exchange, swap and option transactions with, any Interested Person	**Monitoring procedures**
Equal or less than S$100,000,000	- No prior approval required - Reviewed on quarterly basis by the Audit Committee
Exceeds S$100,000,000	- Additional placements of funds with, or debt securities subscribed and/or purchased from, and each additional foreign exchange, swap and option transactions entered into with, the same Interested Person shall require the prior approval of the Audit Committee

3.2. Rationale for the Proposed Amendment to the IPT Mandate

Pursuant to the Proposed Acquisition, KI and its associates will become Interested Persons of the Enlarged Trust. It is envisaged that in the ordinary course of the Enlarged Trust's business, transactions between members in the EAR Group (as defined in Appendix 6) and the Enlarged Trust's Interested Persons are likely to occur from time to time. Such transactions would include, but are not limited to, the obtaining of goods and services in the ordinary course of business of the EAR Group from the Enlarged Trust's Interested Persons. In order for the Enlarged Trust to enter into treasury transactions with Interested Persons, CIT's existing general mandate for interested person transactions of CIT will need to be amended.

The rationale for the Proposed Amendment to the IPT Mandate is set out in paragraph 12.1 of the Circular, **and Unitholders are advised to read this section carefully**.

3.3. Conclusion

We have reviewed the methods and procedures in relation to the Proposed Amendment to the IPT Mandate and found that:

(i) Corresponding control systems have been put in place;

(ii) In approving Treasury Transactions, a review and monitoring system has been put in place which involves pre-determined thresholds and stricter authorisation requirements as transaction size increases;

(iii) Treasury Transactions will be subject to threshold and approval policies as per Section 7.3.3 of the Proposed Amendment to the IPT Mandate, and this threshold is based on CIT's market capitalisation on Completion of the Proposed Acquisition. We have held discussions with management in order to understand the mechanics of such controls and policies; and

(iv) The Proposed Amendment to the IPT Mandate is to incorporate elements of KIT's existing general mandate for interested person transactions ("KIT IPT Mandate") into the IPT Mandate. The KIT IPT Mandate has been approved by the Unitholders of KIT, and was deemed to be on normal commercial terms by an independent financial adviser. This is set out in the letter from the independent financial adviser dated 31 May 2010 in the K-Green Trust prospectus.

Having given due consideration to the rationale for the methods and procedures used in determining transaction prices for the Proposed Amendment to the IPT Mandate and having taken into consideration our evaluation of the Proposed Amendment to the IPT Mandate and subject to the qualifications set out in this Letter, we are of the opinion that as of the date of this Letter, the methods or procedures for determining transaction prices in the Proposed Amendment to the IPT Mandate are sufficient to ensure that transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of CIT and its Minority Unitholders.

4. EVALUATION OF METHODS OR PROCEDURES FOR DETERMINING THE PROPOSED CHANGE IN FEE STRUCTURE

4.1. The Proposed Change in Fee Structure

Detailed information in relation to the Proposed Change in Fee Structure and the methods and procedures used to determine the change is set out in paragraph 8 of the Circular, **and Unitholders are advised to read this section carefully**.

4.2. Evaluation of the methods or procedures for determining the Proposed Change in Fee Structure

In our evaluation of whether the methods or procedures for determining the Proposed Change in Fee Structure are sufficient to ensure that the proposed revision is on normal commercial terms and will not be prejudicial to the interests of (i) CIT, (ii) Minority Unitholders, and (iii) all the Unitholders as a whole, we have taken into consideration the following key factors:

(i) Rationale for the Proposed Change in Fee Structure;

(ii) Structure and terms of the revised fees as a result of the Proposed Change in Fee Structure; and

(iii) The prevailing market, economic, industry, monetary and other relevant conditions together with any information made available to us as at the Latest Practicable Date.

4.3. Rationale for the Proposed Change in Fee Structure

Pursuant to the Proposed Transaction, it is proposed that KIFM will be appointed as the Replacement Trustee-Manager. Therefore the rationale for the amendments to the provisions of the Trust Deed is to adopt the fee structure that KIFM currently adopts as trustee-manager of KIT, so as to ensure that the proposed fee structure for the Enlarged Trust will be on the same basis as that of the KIT Trustee-Manager once KIFM is appointed as the Replacement Trustee-Manager.

The rationale for the Proposed Change in Fee Structure is set out in the Explanatory Notes to Extraordinary Resolution 6 of the Notice of EGM dated 5 April 2015, **and Unitholders are advised to read this section carefully.**

4.4. Structure and terms of the revised fees as a result of the Proposed Change in Fee Structure

4.4.1. Specific to the base and performance fee:

(i) The fee structure of the Amended Trust Deed as compared to the current Trust Deed; and

(ii) The Proposed Change in Fee Structure as compared to the fee structures of other SGX-ST listed business trusts (“Comparable Trusts”).

4.4.1.1. The fee structure of the Amended Trust Deed as compared to the current Trust Deed

	Base Fee		Performance Fee
	Fixed Fee	**Variable Fee**	
Fee structure in existing Trust Deed	Nil	1 per cent. per annum of market capitalisation of the units of CIT subject to a minimum of S$3.5 million per annum	20 per cent. of outperformance of total return on CIT Units against the total return on the MSCI Asia Pacific ex-Japan Utilities Index, after taking into account the under-performance in prior periods
Proposed Fee Structure	S$2.0 million per annum subject to increase each year by such percentage increase (if any) in the average of the monthly CPIS for the 12 calendar months immediately preceding the beginning of each financial year over the average of the monthly CPIS for 2010. The base fee for the KIT Trustee-Manager for the financial year ended 31 December 2014 was approximately S$2.25 million	Nil	4.5 per cent. per annum of all the cash inflow received by the Enlarged Trust from its subsidiaries, associates, sub-trusts and investments

We note that the base fee proposed in the Amended Trust Deed is determined on a fixed rather than a variable scale. Also, the base fee of the Amended Trust Deed for the year ended 31 December 2014 is a flat fee of approximately $2.25 million, which is lower than the variable fee of 1.0% of market capitalisation with a minimum fee payable of $3.5 million. The performance fee proposed in the Amended Trust Deed uses a different basis to determine the aggregate fee and hence is not directly comparable with the performance fee in the current Trust Deed.

4.4.1.2. The Proposed Change in Fee Structure as compared to the fee structures of Comparable Trusts

We have taken into consideration the different underlying assets of the Comparable Trusts and looked at the fee structure for each of the Comparable Trusts and we are of the view that the base and performance fee structure is not comparable to that of other Comparable Trusts. Hence any comparison will not be meaningful given the different asset base and basis of computation.

4.4.2. Specific to the Proposed Change in Fee Structure as a whole taking into account the acquisition and divestment fee:

(i) The acquisition and divestment fee structure of the Amended Trust Deed as compared to the current Trust Deed;

(ii) Applying the Proposed Change in Fee Structure to each of the component entities under the Enlarged Trust, being the CIT Group, KIT Group and KMC, to arrive at the total amount of Replacement Trustee-Manager fees for the year ended 31 December 2014, and comparing this amount to the total amount of fees applicable to the CIT Group, KIT Group and KMC for the year ended 31 December 2014 under the fee structure in the current Trust Deed; and

(iii) The acquisition and divestment fee structure of the Amended Trust Deed as compared to Comparable Trusts.

4.4.2.1. The acquisition and divestment fee structure of the Amended Trust Deed as compared to the current Trust Deed

Acquisition and Divestment Fee	
Fee structure in existing Trust Deed	Nil
Proposed Fee Structure	Acquisition fee of 0.5% of the EV of any investment acquired from the Sponsor Group Entities, and 1.0% of the EV of any investment acquired from non-Sponsor Group Entities. Divestment fee of 0.5% of the EV of any investment sold by the Enlarged Trust.

There are currently no acquisition or divestment fees in the Current Trust Deed as compared with the Amended Trust Deed where such fees are included.

4.4.2.2. Applying the Proposed Change in Fee Structure to each of the component entities under the Enlarged Trust, being the CIT Group, KIT Group and KMC, to arrive at the total amount of Replacement Trustee-Manager fees for the year ended 31 December 2014, and comparing this amount to the total amount of fees applicable to the CIT Group, KIT Group and KMC for the year ended 31 December 2014 under the fee structure in the current Trust Deed.

Calculation inputs		Note
Purchase Consideration for KMC	$510.0	*Circular section 3.4*
Market Capitalisation of:		
CIT	$753.0	*based on VWAP for 180-day period ended 13-Nov-14 (VWAP for CIT = S$0.4960)*
KIT (excluding KMC)	$658.0	*based on VWAP for 180-day period ended 13-Nov-14 (VWAP for KIT = S$1.0446)*
Enlarged Trust excluding KMC	**$1,411.0**	
KMC	$510.0	*based on purchase consideration*
Enlarged Trust including KMC	**$1,921.0**	
CIT Revenue (cash inflows from CIT subsidiaries)		
2014 Cash inflow to CIT	$49.0	*excludes one-off inflow of S$89.2 from City Gas to CIT*
KIT Fee Structure		
Base	$2.3	*fixed p.a.*
Performance	4.5%	*total cash inflow*
CIT Fee Structure		
Base	1.0%	*of market capitalisation*
Performance	$0.0	*20.0% outperformance of CIT units on MSCI APAC ex. JP. Utilities Index. 0 for Dec-14*
KMC Acquisition		
KMC EV	$1,700.0	*Circular section 3.4*
% of KMC acquired	51.0%	
Acquisition fee under Enlarged Trust	0.5%	
Acquisition fee payable	**$4.3**	
KIT Trustee-Manager's fees for Dec-14	$4.8	*from FY14 unaudited earnings release - kepinfratrust.com/news_item.aspx?sid=4954*
Performance fee on KMC	$1.9	*Based on KIT pro forma financials*

Note: Figures in the table are shown to 1 decimal place and are denominated in SGD 'millions

Fee structure analysis		Note
Trustee-Manager's Fee from the Enlarged Trust using KIT's fee structure		
Base fee of KIT	$2.3	*from fee structure*
Performance fee of KIT	$2.5	*Cash inflows from KIT subsidiaries*
KIT's portion of fees paid by Enlarged Trust	**$4.8**	
Applying KIT's fee structure to CIT:		
Base fee of CIT	$0.0	*the Enlarged Trust will only pay $2.25 once, which is included above*
Performance fee of CIT	$2.2	*4.5% of cash inflow to CIT*
CIT's portion of fees paid by Enlarged Trust	**$2.2**	*using KIT's fee structure for CIT:*
Total fees paid by the Enlarged Trust (excluding KMC)	**$7.0**	
Performance fee for KMC	$1.9	
Total fees paid by the Enlarged Trust (including KMC)	**$8.9**	
Trustee-Manager's Fee from Enlarged Trust using CIT's fee structure		
Market capitalisation of Enlarged Trust excluding KMC	$1,411.0	
Base fee	$14.1	*1.0% of market capitalisation*
Performance fee	$0.0	*No performance fee under CIT fee structure*
Total paid by the Enlarged Trust (excluding KMC)	**$14.1**	
KMC implied market capitalisation	$510.0	
Base fee for KMC	$5.1	
Total fees paid by the Enlarged Trust (including KMC fees)	**$19.2**	

Total savings from adopting KIT fees for the Enlarged Trust			
	Using fee structure of:		
Fees paid by Enlarged Trust on combination and after acquisition of KMC	**KIT**	**CIT**	**Savings**
Base fee	$2.3	$19.2	($16.9)
Performance fee	$6.6	$0.0	$6.6
Acquisition fees	$4.3	$0.0	$4.3
Total Trustee-Manager Fees	**$13.2**	**$19.2**	**($6.0)**

Note: Figures in the table are shown to 1 decimal place and are denominated in SGD 'millions

As illustrated in the table, under the fee structure of the Current Trustee-Manager, the base fee payable increases as the market capitalisation increases, implying an implicit acquisition fee, as an acquisition should increase market capitalisation and hence the fee payable. This is, however, dependent on the funding structure of such an acquisition.

In comparison, the fee structure proposed in the Amended Trust Deed contains a base fee of a fixed amount, and a performance fee based on cash inflow. This does not factor in an implicit acquisition fee. Therefore, the acquisition and divestment fees have to be considered in tandem with the base and performance fees in the fee structure proposed in the Amended Trust Deed.

Having considered the above, as set out in the tables, applying the Proposed Change in Fee Structure to each of the component entities under the Enlarged

Trust, being the CIT Group, KIT Group and KMC, it is noted that the total trustee-manager fees decreased by S$6.0 million from S$19.2 million to S$13.2 million for FY 2014.

4.4.2.3. The acquisition and divestment fee structure of the Amended Trust Deed as compared to Comparable Trusts

We have further analysed the acquisition and divestment fee by benchmarking them against Comparable Trusts on a standalone basis to determine whether the range proposed is in line with market practice. Comparable Trusts may differ from CIT and subsequently the Enlarged Trust, in terms of size, asset composition, market risks, future prospects, operating history and other relevant criteria. There are no Comparable Trusts which may be considered identical to CIT and subsequently the Enlarged Trust.

The Independent Directors should note that any comparison made with respect to the Comparable Trusts serves as an illustrative guide only.

Acquisition Fee		Divestment Fee	Business Trust
1.00%		0.50%	- Viva Industrial Trust - Indiabulls Properties Investment Trust - Forterra Trust (*FKA "Treasury China Trust") - First Ship Lease Trust - Ascendas India Trust - CDL Hospitality Business Trust - Croesus Retail Trust
1.35%		0.50%	- Perennial China Trust
1.35%		0.15%	- Accordia Golf Trust
N/A		N/A	- CitySpring Infrastructure Trust - Rickmers Maritime
0.75% for acquisition from related parties	1.00% for all other investments	0.50%	- Far East Hospitality Business Trust - OUE Hospitality Trust
0.50% if Sponsor has direct or indirect interests exceeding 50.0%	1.00% for all other investments	0.50%	- Hutchison Port Holdings Trust - Asian Pay Television Trust - Religare Health Trust - Keppel Infrastructure Trust - Frasers Hospitality Business Trust - Proposed fee structure

It is noted that the acquisition and divestment fees proposed are in line with those of the Comparable Trusts.

4.5. Conclusion

We set out below the summary of our evaluation of the Proposed Change in Fee Structure:

(i) There is a rationale for the Proposed Change in Fee Structure;

(ii) Applying the revised fees to each of the component entities under the Enlarged Trust, being the CIT Group, KIT Group and KMC, would have resulted in a reduction in the total trustee-manager fees payable of S$6.0 million for FY2014; and

(iii) Where appropriate comparisons can be made, the structure and terms of the revised fees as a result of the Proposed Change in Fee Structure are in line with the fee structures of Comparable Trusts.

Having taken into account our evaluation of the Proposed Change in Fee Structure and having given due consideration to the methods or procedures for determining the Proposed Change in Fee Structure and subject to the qualifications set out in this Letter, we are of the opinion that as of the date of this Letter, (a) the methods or procedures for determining the proposed revision to the fees of the Replacement Trustee-Manager are sufficient to ensure that the proposed revised fees of the Replacement Trustee-Manager are on normal commercial terms and will not be prejudicial to the interests of (i) CIT, (ii) Minority Unitholders and (iii) all the Unitholders as a whole, and (b) the proposed revised fees of the Replacement Trustee-Manager are on normal commercial terms and are not prejudicial to the interests of CIT and its Minority Unitholders.

5. OPINION

Having regard to our terms of reference, in arriving at our opinion, we have considered various factors deemed pertinent and to have significant bearing on our assessment of the Proposed Actions. We have carefully considered the factors as deemed essential, and balanced them before reaching our opinion. Accordingly it is important that this Letter, in particular the considerations and information that we have taken into account is read in its entirety.

Our opinion is based solely on information made available to us as at the date of this Letter.

We advise the Independent Directors to recommend that Unitholders **VOTE IN FAVOUR** of the Proposed Actions to be proposed at the EGM, the notice of which is set out in the Circular. However, we wish to highlight that each Unitholder may have different investment objectives and considerations and hence should seek their own professional advice.

The foregoing recommendation is addressed to the Independent Directors for the purpose of their consideration of the Proposed Actions. The recommendation made by the Independent Directors to the Unitholders shall remain the responsibility of the Independent Directors. This Letter may only be reproduced, disseminated and quoted in the form and context in which it appears in the Circular or with the prior written consent of PwCCF. This Letter and its entire contents is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours Truly
For and on behalf of
PricewaterhouseCoopers Corporate Finance Pte Ltd

Ling Tok Hong
Managing Director

APPENDIX 8

PROPOSED AMENDED TRUST DEED

This Appendix sets out the Trust Deed, which (if approved by CIT Unitholders) will be effective upon Completion. The strikethroughs and underlines in this Appendix are intentionally included to reflect the proposed amendments to the Trust Deed.

Allen&Gledhill
ADVOCATES & SOLICITORS

Dated ~~5 January 2007~~[●] 2015

~~CITYSPRING~~KEPPEL INFRASTRUCTURE FUND MANAGEMENT PTE. LTD.

(as Trustee-Manager)

AMENDED AND RESTATED DEED OF TRUST CONSTITUTING
KEPPEL INFRASTRUCTURE TRUST
(formerly known as "CITYSPRING INFRASTRUCTURE TRUST")

ALLEN & GLEDHILL
ONE MARINA BOULEVARD
#28-00 SINGAPORE 018989

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This DECLARATION OF TRUST is made on 5 January 2007 by CitySpring Infrastructure Management Pte. Ltd. (Company Registration Number 200614377M) (~~the "**Trustee-Manager**"~~"**CSIM**"), whose registered office is situated at 111 Somerset Road ~~.#07-02, Singapore Power Building~~10-01, TripleOne Somerset, Singapore 238164, as amended and restated pursuant to an amendment and restatement deed dated [●] and executed by Keppel Infrastructure Fund Management Pte. Ltd. (Company Registration Number: 200803959H) (the "**Trustee-Manager**"), as replacement trustee-manager of this Trust (as defined herein), whose registered office is at 1 Harbourfront Avenue #18-01, Keppel Bay Tower, Singapore 098632.

Whereby it is declared as follows:

1. INTERPRETATION

1.1 Definitions

Unless the context otherwise requires, the following words or expressions shall have the meanings respectively assigned to them, namely:

"**Acquisition Fee**" means the acquisition fee payable to the Trustee-Manager as set out in Clause 11.2.1;

"**Applicable Taxes**" means the taxes as set out in Clause 11.1.1(iii);

~~"~~"**Authorised Businesses**"~~"~~means:

(i) Infrastructure Businesses;

(ii) investing, directly or indirectly, in Infrastructure Businesses (including without limitation investments or participation in units, securities, partnership interests or any other form of economic participation in any trust, entity or unincorporated association that carries on or invests, directly or indirectly, in Infrastructure Businesses), selling, leasing or otherwise disposing of Infrastructure Businesses or exploring any opportunities for any of the foregoing purposes; and

(iii) any business, undertaking or activity associated with, incidental and/or ancillary to the operation of the businesses referred to in paragraphs (i) and (ii) of this definition;

~~"**Base Fee**" means the base fee payable to the Trustee-Manager as set out in Clause 11.1;~~

"**Business Day**" means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading;

~~"~~"**Business Trusts Act**" means the Business Trusts Act, Chapter 31A of Singapore;

"**Class**" means any class of Units which may be designated as a class distinct from another class of Units;

~~"~~"**Companies Act**"~~"~~ means the Companies Act, Chapter 50 of Singapore;

"**Current Year CPI**" means the average of the monthly Consumer Price Index published by the Singapore Department of Statistics for the 12 calendar months immediately preceding the beginning of each financial year;

"**Deed**" means this deed as from time to time altered, modified or added to in accordance with the provisions herein contained and shall include any deed supplemental hereto executed in accordance with the provisions herein contained;

"**Depositor**" means:

(i) a direct account holder with the Depository; or

(ii) a Depository Agent, but, for the avoidance of doubt, does not include a Sub-Account Holder,

whose name is entered in the Depository Register in respect of Units held by him;

"**Depository**" means The Central Depository (Pte) Limited or any successor and assign thereof established by Singapore Exchange Limited as a depository company which operates a central depository system for the holding and transfer of book-entry securities;

"**Depository Agent**" means a member company of the SGX-ST, a trust company (licensed under the Trust Companies Act, Chapter 336 of Singapore), a banking corporation or merchant bank (approved by the MAS under the Monetary Authority of Singapore Act, Chapter 186 of Singapore) or any other person or body approved by the Depository who or which:

(i) performs services as a depository agent for Sub-Account Holders in accordance with the terms of a depository agent agreement entered into between the Depository and the depository agent;

(ii) deposits book-entry securities with the Depository on behalf of Sub-Account Holders; and

(iii) establishes an account in its name with the Depository;

"**Depository Services Agreement**" means the depository services agreement to be entered into between the Depository and the Trustee-Manager (as trustee-manager of the Trust) containing their agreement on the arrangements relating to the Units being deposited with the Depository in connection with the listing of the Trust on the SGX-ST, as the same may be amended from time to time;

"**Depository Register**" means the electronic register of book-entry securities of the Trust maintained by the Depository;

"**Depository Requirements**" means the requirements imposed by the Depository in relation to the trading of units in business trusts on the SGX-ST which are applicable to the Trust;

"**Divestment Fee**" means the divestment fee payable to the Trustee-Manager as set out in Clause 11.3.1;

""**Due Care**"" means the degree of care and diligence required of a trustee-manager of a business trust registered under the Business Trusts Act;

"**Effective Date**" means the date on which the Deed is amended and restated pursuant to the amendment and restatement deed dated [●] and executed by the Trustee-Manager;

""**engage in**"" shall, in relation to the Authorised Business, have the meaning ascribed to it in Clause 2.1.2(i) and ""**engaging in**"" shall have the corresponding meaning;

"**Extraordinary Resolution**" means a resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Holders or, to the extent permitted by law, a resolution in writing signed by or on behalf of 75.0% or more of the Holders for the time being entitled to receive notice of any meeting of Holders;

"**Enterprise Value**", in relation to an Investment, means the sum of Equity and Net Debt, where:

(i) "**Equity**" means the consideration paid or received for assets, investments or participation in units, securities, partnership interests or any other form of economic

participation in any trust, entity or unincorporated association, including the consideration paid or offered under any proposals relating to any options over such units, securities, partnership interests or other form of economic participation; and

(ii) "**Net Debt**" means the value of any debt including finance lease obligations, unfunded superannuation and minority interests, and net of cash held on the balance sheet of the Investment as at the time of acquisition or divestment.

In the case of an acquisition or divestment of an equity share or interest of less than 100%, the definition of Enterprise Value shall apply proportionately to both Equity and Net Debt;

"**GST**" means any goods and services tax, value added tax or other similar tax, whether imposed in Singapore or elsewhere;

"**Holder**" in relation to unlisted Units, means the registered holder for the time being of Units including persons so registered as Joint Holders, and, in relation to listed Units, means the Depository and/or where applicable, the registered holder (other than the Depository), and the term "**Holder**" shall, in relation to Units which are listed on the SGX-ST and registered in the name of the Depository, mean, where the context requires, a Depositor provided that for the purposes of meetings of Holders held in accordance with the Schedule, such Holder shall mean a Depositor as shown in the records of the Depository as at a time not later than 48 hours prior to the time of such a meeting of Holders, supplied by the Depository to the Trustee-Manager;

""**Infrastructure Businesses**"" includes the following businesses, whether carried on in Singapore or elsewhere:

(i) regulated utilities (including but not limited to recycling, treatment, distribution and supply of water, generation, transmission, distribution and supply of electricity and gas, and sewerage);

(ii) communications (including but not limited to broadcast transmission infrastructure, mobile telephony towers, satellite systems, terrestrial wireline and wireless networks, and submarine cable networks);

(iii) toll roads (including but not limited to toll roads, bridges, tunnels and associated infrastructure);

(iv) airports and seaports (including but not limited to major international airports, smaller regional airports and other commercial airports and related businesses such as car parking, refuelling, hangarage and other associated services);

(v) rail (including but not limited to heavy rail, high-speed rail, airport links, and light rail);

(vi) district energy (i.e. the provision of water (hot or cold) or steam from a centralised plant through underground piping for cooling and heating purposes);

(vii) renewable energy assets (i.e. generation facilities that use renewable sources such as wind, solar, landfill gas, biomass and hydro, to produce electricity and other forms of energy);

(viii) public private partnerships (in sectors including but not limited to education, healthcare, defence, transport and government accommodation or in the areas described or referred to in (i) through (vii) above);

(ix) any business falling within the description of ""qualifying infrastructure projects/ assets"", as used in the MAS Circular (FDD Cir 15/2006) on Tax Incentives for Project Finance dated 1 November 2006 (as it may be modified, amended, supplemented, revised or replaced from time to time); and

(x) any other business which the Trustee-Manager determines, in its opinion, to be an infrastructure business;

"**Investment**" means any one of the assets forming for the time being a part of the Trust Property or, where appropriate, being considered for acquisition to form part of the Trust Property or being considered for divestment to be excluded from the Trust Property;

"**IRAS**" means the Inland Revenue Authority of Singapore;

"**Joint Depositors**" means such persons for the time being entered in the Depository Register as joint Depositors in respect of a Unit;

"**Joint Holders**" means such persons for the time being entered in the Register as joint Holders in respect of a Unit and, where the context requires, the term "**Joint Holders**" shall mean Joint Depositors;

""**Licences**"" means the licences required for the conduct of the Authorised Businesses;

"**Listing Date**" means the date on which the Trust is first listed on the SGX-ST;

"**Listing Rules**" means the listing rules for the time being applicable to the listing of the Trust on the SGX-ST as the same may be modified, amended, supplemented, revised or replaced from time to time;

"**Minor**" means any individual under the age of 21 years;

"**MAS**"" means the Monetary Authority of Singapore;

"**Management Fee**" means the management fee payable to the Trustee-Manager as set out in Clause 11.1.1(i)(a);

"**Market Day**" means a day on which the SGX-ST is open for trading in securities;

""**Official Receiver**"" has the meaning ascribed to it in the Business Trusts Act;

""**Ordinary Resolution**"" means a resolution proposed and passed as such by a majority being more than 50.0% of the total number of votes cast for and against such resolution at a meeting of Holders or, to the extent permitted by law, a resolution in writing signed by or on behalf of more than 50.0% of the Holders for the time being entitled to receive notice of any meeting of Holders;

""**Performance Fee**"" means the performance fee payable to the Trustee-Manager as set out in Clause ~~11.2~~11.1.1(i)(b);

~~"**Quarter**" means calendar quarter;~~

"**Quarter**" means each three-month period from 1 January to 31 March, 1 April to 30 June, 1 July to 30 September and 1 October to 31 December in every year;

"**Record Date**" means the date or dates determined by the Trustee-Manager for the purpose of identifying the Holders who are entitled to receive any distribution;

"**Reference Year CPI**" means the average of the monthly Consumer Price Index published by the Singapore Department of Statistics for the 12 calendar months immediately preceding 31 December 2010;

"**Register**" means the Register of Holders referred to in Clause 4.1;

"**Registrar**" means such person as may from time to time be appointed by the Trustee-Manager to, *inter alia*, keep and maintain the Register;

~~"~~"**Relevant Laws, Regulations and Guidelines**"~~"~~ means, as applicable in the context, any or all laws, regulations and guidelines that apply to the Trust, including the Business Trusts Act, the Securities and Futures Act, the Listing Rules, the Licences, and all directions, guidelines or requirements imposed by any competent authority to apply to the Trust, as the same may be modified, amended, supplemented, revised or replaced from time to time;

"**Securities Account**" means a securities account maintained by a Depositor with the Depository;

"**Securities Account Conditions**" means the terms and conditions established by the Depository for the holding and operation of Securities Accounts;

"**Securities and Futures Act**" means the Securities and Futures Act, Chapter 289 of Singapore;

"**SGX-ST**" means Singapore Exchange Securities Trading Limited or any successor thereto;

"**Special Purpose Vehicle**" means an entity (whether incorporated or unincorporated, in the form of a trust or otherwise constituted, in Singapore or elsewhere) whose primary purpose is to beneficially hold or own, either directly or indirectly, anyone or more Investments of the Trust, including having a lease or option over such Investments or a right for such Investments to be transferred to it;

"**Sponsor Group Entity**" means Keppel Infrastructure Holdings Pte. Ltd. or any of its subsidiary entities, trusts or undertakings (excluding each of the Trustee-Manager and its subsidiary entities, trusts and undertakings);

"**Sub-Account Holder**" means a holder of an account maintained with a Depository Agent;

"**Tax**" means any income tax, GST, duty and any other taxes, duties, levies, imposts, deductions and charges and any interest, penalties or fines imposed in connection with any of them;

"**Trading Day**" means a day when the Units are traded on the SGX-ST for a full Market Day;

~~"~~"**Trust**"~~"~~ means the business trust constituted by this Deed and known as ~~the "CitySpring~~Keppel Infrastructure Trust~~"~~ (or its short form ~~"CIT"~~"**KIT**") or by such other name as the Trustee-Manager may from time to time determine;

"**Trust Income**", in relation to the Trust, means the sum of all cash inflow received by the Trust from subsidiaries, associates, sub-trusts and Investments (including but not limited to dividends, distributions, interest earned, revenues earned, principal repayment of debt securities and all other receipts) in respect of a given period;

"**Trust Property**" has the meaning ascribed to it in the Business Trusts Act;

"**Trustee-Manager**" means ~~CitySpring~~Keppel Infrastructure Fund Management Pte. Ltd. and its successors, replacements and assigns (as trustee-manager of the Trust under the Business Trusts Act);

"**Unclaimed Moneys Account**" means the Unclaimed Moneys Account referred to in Clause 10.3;

"**Unit**" means one undivided interest in the Trust. Where the context so requires, the definition includes a Unit of a Class of Units;

"**unit issue mandate**" means the valid approval of the Holders for the issuance of Units as set out in Clause 11.1.2(iv)(b); and

"**year**" means calendar year.

1.2 Currencies

Unless expressly provided to the contrary, references herein to "**Singapore Dollar**" or "**S$**" are to the lawful currency of Singapore.

1.3 Statutes

Any reference herein to any enactment shall include any subsidiary legislation issued thereunder and shall be deemed also to refer to any statutory modification, codification or re-enactment thereof.

1.4 Application of Provisions

Unless otherwise expressly provided in this Deed, the provisions of this Deed apply to the Trust, whether it is listed or unlisted.

1.5 Miscellaneous Construction

Words importing the singular number only shall include the plural and *vice versa*; words importing the masculine gender only shall include the feminine and neuter genders and *vice versa*; words importing persons include corporations; the words "**written**" or "**in writing**" include printing, engraving, lithography, or other means of visible reproduction or partly one and partly the other. References to "**Clauses**", "**Appendices**" and the "**Schedule**" are to be construed as references to the clauses of, and the appendices and the schedule to, this Deed.

1.6 Headings

The headings in this Deed are for convenience only and shall not affect the construction hereof.

1.7 Relevant Laws, Regulations and Guidelines to Prevail

For avoidance of doubt, in the event of a conflict between any provision of this Deed and the Relevant Laws, Regulations and Guidelines, the Relevant Laws, Regulations and Guidelines shall prevail.

2. AUTHORISATION TO ACT AS TRUSTEE-MANAGER AND POWER TO ENGAGE IN AUTHORISED BUSINESS

2.1 Authority to Act as Trustee-Manager and Power to Engage in Authorised Business

The Trustee-Manager shall:

2.1.1 be authorised to act as trustee-manager for the Trust; and

2.1.2 (without in any way affecting the generality of Clause 12) have the power, acting in its capacity as trustee-manager for the Trust, to:

(i) acquire, hold, carry on, manage and dispose of (together, "**engage in**") any Authorised Business and to hold the Licences;

(ii) exercise all powers, authorities, discretions and rights under this Deed or in connection with engaging in any Authorised Business and perform all duties and obligations under this Deed, any Relevant Laws, Regulations and Guidelines or in connection with engaging in any Authorised Business, including the power to give such representations, warranties, indemnities, guarantees or undertakings in connection therewith;

(iii) acquire, hold and dispose property, both movable and immovable, institute or defend any legal proceedings, enter into contracts, deeds or other agreements, borrow or raise money, issue securities, encumber or otherwise create security interests over the Trust Property or enter into swap or derivative transactions; and

(iv) generally do all such matters and things as may be incidental and/or ancillary to any or all of the foregoing.

2.2 Restriction

Subject to the restrictions and requirements in the Relevant Laws, Regulations and Guidelines (including any waivers or exemptions therefrom permitted by the relevant authorities), the Trust may not carry on any other principal activities other than engaging in Authorised Businesses.

2.3 No Personal Liability and Indemnity Against any Personal Liability

2.3.1 In engaging in any Authorised Business in its capacity as trustee-manager of the Trust, the Trustee-Manager shall, save in the case of fraud, wilful default or breach of trust where the Trustee-Manager failed to exercise Due Care, be entitled to have recourse to the Trust Property and shall incur no personal liability in respect of any liabilities, costs, claims or demands which may arise directly or indirectly from such engaging in any Authorised Business.

2.3.2 Unless the Trustee-Manager is indemnified to its satisfaction against all liability which it may incur on that account or the Trustee-Manager does not require in any particular case to be so indemnified, the Trust shall not be bound to engage in any Authorised Business which may expose the Trustee-Manager to any personal liability, actual, contingent, prospective or of some other kind, and the Trustee-Manager shall not be bound to enter into any contract or other transaction under which it may be exposed to any such personal liability.

3. PROVISIONS AS TO UNITS AND HOLDERS

3.1 No Certificates

No certificate shall be issued to Holders by the Trustee-Manager in respect of Units (whether listed or unlisted) issued to Holders. A Unit issued by the Trustee-Manager may either be represented by an entry in the Register or an entry in the Depository Register.

For so long as the Trust is listed, (a) the Trustee-Manager shall, pursuant to the Depository Services Agreement, appoint the Depository as the Unit depository for the Trust, and ~~all Units issued will be deposited with the Depository and~~(b) a Unit represented by ~~entries~~an entry in the Register in the name of the ~~Depository as the registered Holder thereof~~Holder (other than the Depository) shall, if requested by the Depository, or may, if requested by the Holder, be converted to a Unit represented by an entry in the Depository Register on such terms and subject to such conditions as may be prescribed by the Depository or the Trustee-Manager.

~~For so long as the Trust is listed~~In the case of Units which are represented by entries in the Register in the name of the Depository, the Trustee-Manager or the Registrar shall issue to the Depository not more than 10 Business Days after the issue of Units a confirmation note confirming the date of issue and the number of Units so issued and, if applicable, stating that the Units are issued under a moratorium and the expiry date of such moratorium. For the purposes of this Deed, such a confirmation note shall be deemed to be a certificate evidencing title to the Units issued.

3.2 Form of Confirmation Notes

3.2.1 In the event the Trust is or becomes unlisted, the Trustee-Manager or the Registrar shall issue to each Holder not more than one month after the allotment of Units to such Holder a confirmation note confirming such allotment.

3.2.2 For so long as the Trust is listed and Units are registered in the name of the Depository, the Depository shall within the relevant periods issue to each Depositor the relevant contract statements, confirmation notes and monthly statements in respect of transactions in or, as the case may be, holdings of Units in such Depositor's Securities Account.

3.3 Sub-division and Consolidation of Units

The Trustee-Manager may at any time and on prior written notice (such notice period to be determined by the Trustee-Manager in its absolute discretion) to each Holder or (as the case may be) to each Depositor by the Trustee-Manager delivering such notice in writing to the Depository for onward delivery to the Depositors, determine that each Unit shall be sub-divided into two or more Units or consolidated with one or more other Units and the Holders shall be bound accordingly.

The Register shall be altered accordingly to reflect the new number of Units held by each Holder as a result of such sub-division or consolidation and the Trustee-Manager shall cause the Depository to alter the Depository Register accordingly in respect of each relevant Depositor's Securities Account to reflect the new number of Units held by such Depositor as a result of such sub-division or consolidation.

3.4 Terms and Conditions of Trust Deed and Supplemental Deeds to Bind Holders

The terms and conditions of this Deed and all supplemental deeds shall be binding on each Holder and all persons claiming through him as if he had been party thereto and as if this Deed and such supplemental deeds contained covenants on the part of each Holder to observe and be bound by all the provisions hereof and an authorisation by each Holder to do all such acts and things as this Deed and such supplemental deeds may require the Trustee-Manager to do.

3.5 Rights attached to Units

3.5.1 Without prejudice to any special right previously conferred on the Holders of any existing Units or Class of Units but subject to the Relevant Laws, Regulations and Guidelines and this Deed, any Units may be issued by the Trustee-Manager with such preferred rights (""**Preferred Rights**"") in the payment of distributions or in a winding up, or deferred or other special rights, as the Trustee-Manager may determine.

3.5.2 The Trustee-Manager shall not allot or issue any units conferring upon its Holder any Preferred Rights in priority to the Units in issue on the date of the constitution of the Trust unless the rights attached to Units with such Preferred Rights with respect to the following matters are set out in this Trust Deed or have been otherwise approved by the Holders by an Extraordinary Resolution:

(i) repayment of capital;

(ii) participation in surplus assets and profits;

(iii) cumulative or non-cumulative distributions;

(iv) voting; and

(v) priority of payment of capital and distributions in relation to other Units or other Classes of Units.

For the avoidance of doubt, the detailed terms of such units are not required to set out in this Deed and may be set out in a resolution duly passed by the board of directors of the Trustee-Manager.

3.6 Variation of Rights

3.6.1 If at any time different Classes of Units are issued, the rights attached to any Class (unless otherwise provided by the terms of issue of the Units of that Class) may, subject to the provisions of the Relevant Laws, Regulations and Guidelines, whether or not the Trust is being wound up, be varied or abrogated with the sanction of an Extraordinary Resolution of the Holders in respect of Units of that Class and to every such Extraordinary Resolution the provisions of this Deed relating to meetings of Holders shall apply *mutatis mutandis*; provided that the necessary quorum shall be two persons at least holding or representing by proxy or by attorney one-third of the issued Units of the Class and that any Holder in respect of Units of that Class present in person or by proxy or by attorney may demand a poll.

3.6.2 The rights conferred upon the Holders of the Units of any Class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Units of that Class or by this Deed as are in force at the time of such issue, be deemed to be varied by the creation or issue of further Units ranking equally therewith.

3.7 Units to be Held Free from Equities

A Holder entered in the Register as the registered holder of Units or (as the case may be) a Depositor whose name is entered in the Depository Register in respect of Units registered to him, shall be the only person entitled to be recognised by the Trustee-Manager as having any right, title or interest in or to the Units registered in his name and the Trustee-Manager may recognise such Holder as absolute owner thereof and shall not be bound by any notice to the contrary and shall also not be bound to take notice of or to see to the execution of any trust, express, implied or constructive, save as herein expressly provided or save as required by any court of competent jurisdiction to recognise any trust or equity or other interest affecting the title to any Units. Save as provided in this Deed, no notice of any trust, express, implied or constructive, shall be entered on the Register or the Depository Register.

4. REGISTRATION OF HOLDERS

4.1 Register of Holders

The Trustee-Manager shall exercise Due Care in procuring an up-to-date Register to be kept in Singapore in such manner as may be required by the Relevant Laws, Regulations and Guidelines. The Register shall be maintained at all times whether the Trust is listed or unlisted. For so long as the Trust is listed, the Trustee-Manager shall record the Depository as the registered Holder of all Units in issue which are deposited with the Depository and shall record a Holder (other than a Depository) as the registered Holder of Unit(s) which are held by such Holder and not deposited with the Depository. In the event the Trust is unlisted, the Trustee-Manager shall record each Holder as the registered Holder of Units held by such Holder.

The Trustee-Manager shall be entitled to appoint the Registrar to keep and maintain the Register.

There shall be entered in the Register the following information as soon as practicable after the Trustee-Manager or the Registrar receives the relevant information:

4.1.1 the names and addresses of the Holders (and, in the case where the registered Holder is the Depository, the name and address of the Depository);

4.1.2 the number of Units held by each Holder;

4.1.3 the date on which every such person entered in respect of the Units standing in his name became a Holder and, where practicable, a sufficient reference to enable the name and address of the transferor to be identified; and

4.1.4 the date on which any transfer is registered and the name and address of the transferee.

Units may be issued to Joint Holders provided that not more than 5 persons may be registered as Joint Holders, unless such Joint Holders are executors or trustees of a deceased Holder.

4.2 Unlisted Units

Title to the Units passes only by transfer and registration of the Holders as described in Clause 4.7. For so long as the Trust is unlisted, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by each Holder and the title of that Holder to those Units.

4.3 Listed Units

For so long as the Trust is listed, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by the Depository and, in the event of any discrepancy between the entries in the Register and the confirmation notes issued by the Trustee-Manager to the Depository under Clause 3.1, the entries in the Register shall prevail unless the Trustee-Manager and the Depository mutually agree that the Register is incorrect.

For so long as the Trust is listed, the Trustee-Manager shall have entered into the Depository Services Agreement for the Depository to maintain a record in the Depository Register of the Depositors having Units credited into their respective Securities Accounts and to record in the Depository Register the information referred to in Clauses 4.1.1 to 4.1.4 in relation to each Depositor. Each Depositor named in the Depository Register shall for such period as the Units are entered against his name in the Depository Register, be deemed to be the owner in respect of the number of Units entered against such Depositor's name in the Depository Register and the Trustee-Manager shall be entitled to rely on any and all such information in the Depository Register.

The entries in the Depository Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by each Depositor and, in the event of any discrepancy between the entries in the Depository Register and the details appearing in any confirmation note or monthly statement issued by the Depository, the entries in the Depository Register shall prevail unless the Depositor proves to the satisfaction of the Trustee-Manager and the Depository that the Depository Register is incorrect.

4.4 Change of Name or Address

For so long as the Trust is unlisted, any change of name or address on the part of any Holder shall forthwith be notified to the Trustee-Manager in writing or in such other manner as the Trustee-Manager may approve, who, on being satisfied thereof and on compliance with such formalities as it may require, shall alter or cause to be altered the Register accordingly.

4.5 Inspection of Register

Except when the Register is closed in accordance with Clause 4.6, the Register shall during business hours (subject to such reasonable restrictions as the Trustee-Manager may impose) be open for the inspection of any person, without charge.

4.6 Closure of Register

Subject to the Relevant Laws, Regulations and Guidelines, the Register may be closed at such times and for such periods as the Trustee-Manager may from time to time determine provided that it shall not be closed for more than 30 days in any one year.

4.7 Transfer of Units

4.7.1 For so long as the Trust is listed, transfers of Units between Depositors shall be effected electronically through the Depository making an appropriate entry in the Depository Register in respect of the Units that have been transferred in accordance with the Depository Requirements and the provisions of Clauses 4.7.2 to 4.7.7 shall not apply. The Trustee-Manager shall be entitled to appoint the Depository to facilitate transactions of Units within the Depository and maintain records of Units of Holders credited into Securities Accounts. Any transfer or dealing in Units on the SGX-ST between a Depositor and another person shall be transacted at a price agreed between the parties and settled in accordance with the Depository Requirements. The broker or other financial intermediary effecting any transfer or dealing in Units on the SGX-ST shall be deemed to be the agent duly authorised by any such Depositor or person on whose behalf the broker or intermediary is acting. In any case of transfer, all charges in relation to such transfer as may be imposed by the Trustee-Manager and/or the Depository shall be borne by the Holder who is the transferor. There are no restrictions as to the number of Units (whether listed or unlisted) which may be transferred by a transferor to a transferee. For so long as the Trust is listed, in the case of a transfer of Units credited from a Securities Account into another Securities Account, the instrument of transfer shall be in such form as provided by the Depository (if applicable) and the transferor shall be deemed to remain the Depositor of the Units transferred until the relevant Units have been credited into the Securities Account of the transferee or transferred out of a Securities Account and registered on the Depository Register.

4.7.2 For so long as the Trust is unlisted, there are no restrictions as to the number of Units which may be transferred and every Holder shall be entitled to transfer any of the Units held by him or, in the case of Joint Holders, by any one of the Joint Holders as follows:

(i) a transfer of Units shall be effected by an instrument of transfer in writing in common form (or in such other form as the Trustee-Manager may from time to time approve); and

(ii) every instrument of transfer relating to Units must be signed by the transferor and the transferee and, subject to the provisions of Clause 4.7, the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof. The instrument of transfer need not be a deed.

4.7.3 Every instrument of transfer referred to in Clause 4.7.2 must be duly stamped (if required by law) and left with the Trustee-Manager for registration accompanied by any necessary declarations or other documents that may be required in consequence of any Relevant Laws, Regulations and Guidelines and by such evidence as the Trustee-Manager may require to prove the title of the transferor or his right to transfer the Units.

4.7.4 For so long as the Trust is unlisted, the Trustee-Manager may, in its absolute discretion, decline to register any transfer of Units to a person of whom it does not approve but shall in such event, within one month after the date on which the instrument of transfer was lodged with the Trustee-Manager, send to the transferor and transferee notice of the refusal.

4.7.5 For so long as the Trust is unlisted, the Trustee-Manager shall alter or cause to be altered the Register to record the date of each transfer of Units and the name and address of the transferee.

4.7.6 For so long as the Trust is unlisted, all instruments of transfer which are registered in respect of Units shall be retained by the Trustee-Manager.

4.7.7 The Trustee-Manager shall have the power to rectify the Register if it appears to the Trustee-Manager that any of the particulars recorded in the Register (including those particulars set out in Clause 4.1) is wrongly entered or omitted.

4.7.8 No transfer or purported transfer of a Unit other than a transfer made in accordance with this Clause 4 shall entitle the transferee to be registered in respect thereof and neither shall any notice of such transfer or purported transfer (other than as aforesaid) be entered upon the Register or the Depository Register.

4.7.9 The provisions in Clause 4.7.2 to 4.7.8 shall apply equally where the Trust is listed in respect of Units which are not deposited with the Depository and are registered in the name of a Holder other than the Depository.

4.8 Death of Holders

The executors or administrators of a deceased Holder (not being a Joint Holder) shall be the only persons recognised by the Trustee-Manager as having title to the Units. In case of the death of any one of the Joint Holders of Units and subject to applicable law the survivor(s), upon producing such evidence of death as the Trustee-Manager may require, shall be the only person or persons recognised by the Trustee-Manager as having any title to or interest in the Units provided that where the sole survivor is a Minor, the Trustee-Manager shall act only on the requests, applications or instructions of the surviving Minor after he attains the age of 21 years and shall not be obliged to act on the requests, applications or instructions of the heirs, executors or administrators of the deceased Joint Holder, and shall not be liable for any claims or demands whatsoever by the heirs, executors or administrators of the deceased Joint Holder, or for any claims or demands whatsoever by the Minor Joint Holder or the Minor Joint Holder's legal guardian in omitting to act on any request, application or instruction given by the Minor before he attains such age.

4.9 Body Corporate

A body corporate may be registered as a Holder or as one or more of the Joint Holders. The successor in title of any corporate Holder which loses its legal entity status by reason of a merger or amalgamation shall be the only person recognised by the Trustee-Manager as having title to the Units of such corporate Holder. The registration of a body corporate as a Depositor or a Joint Depositor shall be in accordance with the Securities Account Conditions. The successor in title of any corporate Depositor resulting from a merger or amalgamation shall, upon producing such evidence as may be required by the Trustee-Manager of such succession, be the only person recognised by the Trustee-Manager as having title to the Units.

4.10 Minors

A Minor shall not be registered as a sole Holder but may be registered as a Joint Holder provided that each of the other Joint Holders is a person who has attained the age of 21 years.

In the event that one of the Joint Holders is a Minor, the Trustee-Manager need only act on the instructions given by the adult Joint Holder.

4.11 Transmission

4.11.1 Any person becoming entitled to a Unit in consequence of the death or bankruptcy of any Holder or of being the survivor of Joint Holders may (subject as hereinafter provided), upon producing such evidence as to his title as the Trustee-Manager shall think sufficient, either be registered himself as Holder of such Unit upon giving to the Trustee-Manager notice in writing of his desire or transfer such Unit to some other person. The Trustee-Manager shall upon the receipt by it of any such notice alter or cause to be altered the Register accordingly. All the limitations, restrictions and provisions of this Deed relating to transfers shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer were a transfer executed by the Holder.

4.11.2 Any person becoming entitled to a Unit in consequence of death or bankruptcy as aforesaid may give a discharge for all moneys payable in respect of the Unit but he shall not be entitled in respect thereof to receive notices of or to attend or vote at any meeting of Holders until he shall have been registered as the Holder of such Unit in the Register or (as the case may be) the Depositor of such Unit in the Depository Register.

4.11.3 The Trustee-Manager may retain any moneys payable in respect of any Unit which any person is, under the provisions as to the transmission of Units hereinbefore contained, entitled to be registered as the Holder of or which any person under those provisions is entitled to the transfer of until such person shall be registered as the Holder of such Units or shall duly transfer the same.

4.12 Payment of Fee

The Trustee-Manager may require from the person applying for the registration of any transfer a fee not exceeding S$2 (or such other amount as the Trustee-Manager may from time to time determine) together with a sum sufficient in the opinion of the Trustee-Manager to cover any stamp duty or other governmental taxes or charges that may be payable in connection with such registration. Such fee must, if required by the Trustee-Manager, be paid before the registration of any transfer.

4.13 Registrar

The Trustee-Manager may, at any time or from time to time, appoint an agent on its behalf to, *inter alia*, keep and maintain the Register. The fees and expenses of the Registrar (as may be agreed from time to time between the Trustee-Manager and the Registrar) may be paid out of the Trust Property.

5. CONSTITUTION OF THE TRUST

5.1 Trust Property, Declaration of Trust

5.1.1 The Trust Property shall be initially constituted out of the proceeds of the issue of Units and all rights arising out of agreements entered into by the Trustee-Manager acting in its capacity as trustee-manager of the Trust on the date of the constitution of the Trust.

5.1.2 The Trustee-Manager shall hold the Trust Property for the time being on trust for the benefit of the Holders.

5.2 Undivided Interest

5.2.1 Each Holder has an undivided interest in the Trust Property as a whole subject to the liabilities of the Trust and subject to the provisions of this Deed. No Unit shall confer on any Holder or any person claiming under or through him any interest or share in any particular part of the Trust Property. Subject to this Deed:

(i) a Holder is not entitled to the transfer to it of the Trust Property or any part of the Trust Property or of any estate or interest in the Trust Property or in any part of the Trust Property; and

(ii) the right of a Holder in the Trust Property and under this Deed is limited to the right to require the due administration of the Trust in accordance with this Deed including, without limitation, by suit against the Trustee-Manager.

5.2.2 Without limiting the generality of the foregoing, each Holder acknowledges and agrees that:

(i) he will not commence or pursue any action against the Trustee-Manager seeking an order for specific performance or for injunctive relief in respect of the Trust Property or any part of the Trust Property and hereby waives any rights he may otherwise have to such relief;

(ii) if the Trustee-Manager breaches or threatens to breach its duties or obligations to a Holder under this Deed, that Holder's recourse against the Trustee-Manager is limited to a right to recover damages or compensation from the Trustee-Manager in a court of competent jurisdiction; and

(iii) damages or compensation is an adequate remedy for such breach or threatened breach.

5.2.3 The Holders (whether at a meeting of Holders convened pursuant to Clause 24 or otherwise) may not:

(i) interfere or seek to interfere with the rights, powers, authority or discretion of the Trustee-Manager;

(ii) exercise any right in respect of the Trust Property or any part of the Trust Property or lodge any caveat or other notice affecting the Trust Property or any part of the Trust Property; and

(iii) require that any part of the Trust Property (including any Authorised Business or any part thereof) be transferred to the Holders.

5.3 Charges and Fees

There may be paid out of the Trust Property in addition to any other charges or fees expressly authorised by this Deed, by way of direct payment or reimbursement of the Trustee-Manager, all fees, costs, charges, expenses and Taxes properly and reasonably incurred in carrying out the duties and complying with the obligations of the Trustee-Manager (whether imposed by the Relevant Laws, Regulations and Guidelines or this Deed), exercising all powers, authorities, discretions and rights under this Deed or in connection with engaging in any Authorised Business, managing and administering the Trust and engaging in any Authorised Business.

6. ISSUE OF UNITS

6.1 Issue of Units

Notwithstanding anything to the contrary in this Deed, no Units may be issued without prior approval of the Holders in general meeting by passing an Ordinary Resolution in accordance with the Business Trusts Act but subject thereto and to other requirements of the Relevant Laws, Requirements and Guidelines, the Trustee-Manager may issue new Units or grant an offer, agreement or option which would or might require Units to be issued or otherwise dispose of the same to such persons and on such terms and conditions as the Trustee-Manager may deem fit.

6.2 Units Issued to Persons Resident Outside Singapore

If a Unit is to be issued to a person resident outside Singapore, the Trustee-Manager shall be entitled to charge such additional fees as it may determine. In relation to any rights issue, the Trustee-Manager may in its absolute discretion elect not to extend an offer of Units under the rights issue to those Holders whose addresses are outside Singapore. In such event, the rights or entitlements to the Units of such Holders will be offered for sale by the Trustee-Manager as the nominee and authorised agent of each such relevant Holder in such manner and at such price as the Trustee-Manager may determine. Where necessary, the Trustee-Manager shall have the discretion to impose such other terms and conditions in connection with the sale. The proceeds of any such sale, if successful, will be paid to the relevant Holders whose rights and entitlements have been thus sold, provided that where such proceeds payable to the relevant Holders are less than S$10.00, the Trustee-Manager shall be entitled to retain such proceeds as part of the Trust Property.

6.3 Updating of Securities Account

For so long as the Trust is listed, the Trustee-Manager shall cause the Depository to effect the book entry of Units issued to a Depositor into such Depositor's Securities Account no later than the 10th Business Day after the date on which those Units are agreed to be issued by the Trustee-Manager.

7. LISTING OF TRUST

The Trustee-Manager may cause the Trust to be listed on the SGX-ST and to be secondarily listed on any other recognised stock exchanges, at the cost and expense of the Trust which may be paid out of the Trust Property. The Trustee-Manager is entitled to take such actions, including making modifications, alterations or additions to the provisions of this Deed in accordance with the provisions of Clause 23, as may be required of the Trust to comply with all applicable rules of the SGX-ST and any other recognised stock exchanges and the conditions of any applicable exemptions and waivers granted by the SGX-ST and any other relevant recognised stock exchanges in this connection. The Trust, if listed on the SGX-ST, shall be subject to the Listing Rules and any trading or dealing of Units on the SGX-ST shall be settled in accordance with the Depository Requirements.

8. BORROWING POWERS

8.1 Trustee-Manager May Borrow or Raise Money

8.1.1 Subject to the Relevant Laws, Regulations and Guidelines, the Trustee-Manager may, whenever it considers it necessary or desirable in order to enable it to meet any liabilities under or in connection with the trusts of this Deed or whenever the Trustee-Manager

considers it desirable that moneys be borrowed or raised in connection with engaging in any Authorised Business or for the purpose of financing or facilitating any distributions to Holders or whenever it thinks it desirable in the interests of Holders, borrow or raise moneys (upon such terms and conditions as it thinks fit and, in particular, by creating a lien, charge, pledge, mortgage, hypothecation or security over all or any of the assets or rights of the Trust or by issuing debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Trustee-Manager, as trustee-manager of the Trust, or by providing such priority, subordination or sharing of any liabilities owing to the Trust), or enter into swap or derivative transactions, provided that the Trustee-Manager shall not be required to execute any instrument, lien, charge, pledge, mortgage, hypothecation or agreement in respect of the borrowing or raising of moneys or the swap or derivative transactions which (in its opinion) would render its liability to extend beyond it being limited to the Trust Property.

8.1.2 Save in the case of fraud, wilful default or breach of trust where the Trustee-Manager failed to exercise Due Care, the Trustee-Manager shall not incur any liability for any loss which a Holder may suffer by reason of any depletion in the value of the Trust Property which may result from any arrangements made hereunder and (save as herein otherwise expressly provided) the Trustee-Manager shall be entitled to be indemnified out of and have recourse to the Trust Property in respect of any liabilities, costs, claims or demands which it may suffer arising directly or indirectly from such arrangements referred to herein.

8.1.3 In the event that any arrangements hereunder shall be made with the Trustee-Manager or any of its affiliates, such person shall be entitled to retain for its own use and benefit all profits and advantages which may be derived therefrom provided that any such arrangements shall be on an arm's length basis.

8.1.4 Any interest on any arrangements effected under this Clause 8.1 and fees, charges and expenses incurred in negotiating, entering into, varying and carrying into effect, with or without variation, and terminating the arrangements hereunder may be paid out of the Trust Property.

9. DISTRIBUTIONS

9.1 Cash Distributions

Subject to the Relevant Laws, Regulations and Guidelines, the Trustee-Manager may, regardless of whether there are any profits or losses, or retained earnings or accumulated losses in respect of a given period, from time to time, declare a distribution in cash to the Holders out of the Trust Property in respect of such period, of such amounts and on such dates as it may think fit.

9.2 Reserves, Distributable Amounts and Capitalisation

The Trustee-Manager may, from time to time:

9.2.1 set aside out of the profits of the Trust and carry to reserve such sums and make such provisions as it thinks fit;

9.2.2 determine the amounts available for distribution; and

9.2.3 capitalise any sum for the time being standing in the reserves or otherwise available for distribution.

9.3 Entitlement to Distribution

9.3.1 Upon the declaration by the Trustee-Manager of a distribution, each Holder shall, on or after the date on which such distribution is expressed to be due and payable, be entitled

to receive a pro-rata share of the distribution declared, determined based on the number of fully paid up Units held by that Holder. In the case where any Unit is not fully paid up, the distribution declared shall be allocated and paid in such proportions as provided for in the terms of issue of such partially paid up Units, and failing such provision, in such proportions as the Trustee-Manager may think fit.

9.3.2 The persons who are Holders on the Record Date are entitled to receive such distribution declared by the Trustee-Manager in respect of such given period.

9.3.3 The Trustee-Manager may deduct from each Holder's distribution entitlement all amounts which:

(i) are necessary to avoid distributing a fraction of a cent;

(ii) the Trustee-Manager determines not to be practical to distribute on a distribution date; or

(iii) equal any amount of Tax which has been paid or which the Trustee-Manager determines is or may be payable by it in respect of the portion of the income of the Trust attributable to such Holder, or the amount of the distribution otherwise distributable to such Holder.

9.3.4 No distribution or other moneys payable on or in respect of a Unit shall bear interest as against the Trust. Any moneys payable to the Holders which remain unclaimed after a period of 12 months shall be accumulated in the Unclaimed Moneys Account and dealt with in the manner provided in Clause 10.3.

9.4 Holder Notification Requirements

Each Holder must, as and when required by the Trustee-Manager, provide such information as to his place of residence or any other information relevant for taxation purposes as the Trustee-Manager may from time to time determine.

9.5 Distribution Reinvestment Arrangements

The Trustee-Manager may advise Holders, from time to time, in writing that Holders may on terms specified in the notice participate in an arrangement under which Holders may request that all or a proportion of specified distributions due to them be applied to the issue of further Units on such terms and issue price as the Trustee-Manager may determine, subject to Clause 6.1. The Units so issued shall be deemed to be purchased by such Holders. The Trustee-Manager shall be entitled to amend the terms of any such distribution reinvestment arrangements from time to time by notice in writing to Holders.

9.6 Non-Cash Distributions

9.6.1 Without prejudice to the power to make cash distributions in accordance with Clause 9.1 and any distribution policy articulated by the Trustee-Manager from time to time, but subject to the Relevant Laws, Regulations and Guidelines and the approval of the Holders by an Ordinary Resolution, the Trustee-Manager may declare a distribution other than in cash to the Holders to be payable out of the Trust Property. To the extent that the other sub-Clauses in this Clause 9 apply to a distribution other than in cash, they shall apply *mutatis mutandis*.

9.6.2 For the avoidance of doubt, nothing in this Clause 9.6 shall prejudice the power of the Trustee-Manager to declare a distribution in cash to the Holders as provided for in Clause 9.1.

10. PLACE AND CONDITIONS OF PAYMENT

10.1 Place and Conditions of Payment

Any moneys payable by the Trustee-Manager to any Holder on the relevant Record Date under the provisions of this Deed shall be paid, in the case of Holders who do not hold their Units jointly with any other person, by cheque or warrant sent through the post to the registered address of such Holder or, in the case of Joint Holders, to the registered address of the Joint Holder who is first named on the Register or to the registered address of any other of the Joint Holders as may be authorised by all of them. Every such cheque or warrant shall be made payable to the order of the person to whom it is delivered or sent and payment of the cheque or warrant by the banker upon whom it is drawn shall be a satisfaction of the moneys payable and shall be a good discharge to the Trustee-Manager. Where the Trustee-Manager receives the necessary authority in such form as the Trustee-Manager shall consider sufficient, it shall pay the amount due to any Holder to his bankers or other agent and the receipt of such an amount by such bankers or other agent shall be a good discharge therefor.

Any moneys payable by the Trustee-Manager to any Depositor appearing in the Depository Register on the relevant Record Date under the provisions of this Deed shall be paid, in the case of such Depositor's Units credited into a Securities Account, by transferring such moneys into the Depository's bank account (as notified to the Trustee-Manager) and the Trustee-Manager causing the Depository to make payment thereof to such Depositor by cheque sent through the post to the address of such Depositor on record with the Depository or, in the case of Joint Depositors, to the mailing address of the Joint Depositors on record with the Depository or by any other form as may be agreed between the Trustee-Manager and the Depository. Payment of the moneys by the Trustee-Manager to the Depository shall be a satisfaction of the moneys payable to the relevant Depositor and shall be a good discharge to the Trustee-Manager. Any charges payable to the Depository for the distribution of moneys to Depositors under this Deed may be paid out of the Trust Property.

No amount payable to any Holder shall bear interest.

10.2 Receipt of Holders

The receipt of the Holder or (as the case may be) the Depository on behalf of the Depositors for any amounts payable in respect of Units shall be a good discharge to the Trustee-Manager, and if several persons are registered as Joint Holders or, in consequence of the death of a Holder, are entitled to be so registered, any one of them may give effectual receipts for any such amounts.

10.3 Unclaimed Moneys

Any moneys payable to a Holder under this Deed which remain unclaimed after a period of 12 months shall be accumulated in a special account (the "**Unclaimed Moneys Account**") from which the Trustee-Manager may, from time to time, make payments to a Holder claiming any such moneys.

Subject to Clause 21, the Trustee-Manager may, at its absolute discretion and if practicable, cause such sums which represent moneys remaining in the Unclaimed Moneys Account for six years after the date for payment of such moneys into the Unclaimed Moneys Account and interest, if any, earned thereon to be paid into the courts of Singapore after deducting from such sums all fees, costs and expenses incurred in relation to such payment into the courts of Singapore provided that if the said moneys are insufficient to meet the payment of all such fees, costs and expenses, the Trustee-Manager shall be entitled to have recourse to the Trust Property for such payment.

11. REMUNERATION OF TRUSTEE-MANAGER

11.1 ~~Base~~Management Fee and Performance Fee

11.1.1 ~~Entitlement and~~ Computation ~~of the Base Fee~~

(i) The Trustee-Manager shall be entitled to receive for its own account out of the Trust Property ~~a base fee ("**Base Fee**") computed in accordance with Appendix 1 hereto.~~:

(a) a management fee ("**Management Fee**") of S$2.0 million per annum; and

(b) a performance fee ("**Performance Fee**") at a rate equal to 4.5% per annum of the Trust Income.

(ii) ~~The Base Fee shall be payable Quarterly in arrear for each Quarter ending on 31 March, 30 June, 30 September and 31 December of each year. For~~At the beginning of each financial year, the Management Fee shall be increased per annum by such percentage representing the percentage increase in the Current Year CPI over the Reference Year CPI. Where such percentage is zero or below zero, the Management Fee shall not be adjusted for that financial year. For so long as the Trust is listed, the Trustee-Manager shall announce each increase in the Management Fee pursuant to this Clause 11.1.1(ii) on a date no later than the date of payment of the Management Fee for the first Quarter of that financial year.

The Management Fee and the Performance Fee shall be payable quarterly in arrears for every Quarter. For the avoidance of doubt, the first ~~Base Fee~~Management Fee and the first Performance Fee payable to the Trustee-Manager after the Effective Date shall be in respect of the period from the ~~Listing Date to 31 March 2007.~~Effective Date to the end of the financial year in which the Effective Date falls under and shall be calculated based on the number of days in the said period.

(iii) ~~(iii)~~ The amount of the ~~Base~~Management Fee and the Performance Fee payable to the Trustee-Manager shall be net of all applicable GST and all other applicable sales tax, ~~government~~governmental impositions, duties and levies whatsoever imposed thereon by the relevant authorities in Singapore or elsewhere (~~""~~**Applicable Taxes**~~""~~). For the avoidance of doubt, the Trust shall bear all Applicable Taxes imposed on the Management Fee and the Performance Fee by the relevant authorities in Singapore or elsewhere.

11.1.2 Form and Time of Payment of the ~~Base~~Management Fee and the Performance Fee

(i) ~~The Base~~Each of the Management Fee and the Performance Fee shall be payable in cash or, at the election of the Trustee-Manager, in Units, or both.

(ii) Subject to paragraph (iv) below, the Trustee-Manager may elect to receive all or any part of the ~~Base~~Management Fee and/or the Performance Fee for any Quarter in Units instead of cash, by notice in writing delivered ~~not later than the last day of that Quarter~~prior to the payment of the Management Fee and/or the Performance Fee. Such election shall be irrevocable. For so long as the Trust is listed, if the Trustee-Manager elects to receive any part of the Management Fee and/or the Performance Fee in the form of Units, it shall make an announcement on the SGX-ST within five Business Days after the delivery of its written notice but in any event on a date no later than the date of payment of the Management Fee and/or the Performance Fee.

(iii) ~~The Base Fee for any Quarter~~

(a) Each of the Management Fee and the Performance Fee for each of the first three Quarters of each financial year, whether payable in cash or Units or in both, shall be paid within ~~15 Business Days of~~55 calendar days after the last day of that Quarter in arrear.

~~(iv)~~ (~~x~~b) Each of the Management Fee and the Performance Fee for the last Quarter of each financial year, whether payable in cash or Units or in both, shall be paid within 70 calendar days after the last day of that Quarter in arrear.

(iv) (a) If the Trustee-Manager shall elect to receive all or any part of the ~~Base~~Management Fee and/or the Performance Fee for any Quarter in Units pursuant to paragraph (ii) above; and

(~~y~~b) provided that there shall be in force a valid approval from ~~Unitholders~~Holders for the issuance of Units ("**unit issue mandate**") as at the date on which such ~~Base~~Management Fee and/or Performance Fee is due and payable in accordance with paragraph (iii) above sufficient to cover the total number of Units to be issued to the Trustee-Manager pursuant to this paragraph (iv) (failing which such ~~Base~~Management Fee and/or Performance Fee or such portion thereof shall be paid in cash),

there shall be allotted and issued to the Trustee-Manager, and the Trustee-Manager shall be entitled to receive, such number of Units as may be purchased by the amount of such ~~Base~~Management Fee and/or Performance Fee which the Trustee-Manager has elected to receive in Units at an issue price equal to the volume weighted average price of Units ~~traded~~for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST over the last ~~15~~five Trading Days of that Quarter (rounded to the nearest cent). (The volume weighted average trading price for the last five Trading Days in a Quarter shall be the total value of transactions in the Units (for each transaction, the Unit price multiplied by the volume) for those five Trading Days divided by the total volume transacted for those five Trading Days).

(v) All Units issued to the Trustee-Manager pursuant to this Clause 11.1 shall be issued credited as fully paid-up and shall rank *pari passu* in all respects with all ~~units~~Units then in issue which do not have any preference as to any rights to voting, income or capital to any other ~~units~~Units issued by the Trust.

11.2 ~~Performance~~Acquisition Fee

11.2.1 ~~Entitlement and~~ Computation ~~of the Performance Fee~~

~~(i)~~ The Trustee-Manager ~~shall be~~is entitled to receive ~~for its own account out of the Trust Property a performance fee ("**Performance Fee**"), computed~~an acquisition fee ("**Acquisition Fee**") in respect of any Investment acquired by the Trust or a Special Purpose Vehicle in accordance with ~~Appendix 2 hereto, provided that the condition set out in the said Appendix is met.~~the following formula. The Acquisition Fee will be:

(i) equal to the rate of 0.5% (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of the Enterprise Value of the Investment (pro-rated if applicable to the proportion of the Trust's interest in the Investment acquired), where such Investment is acquired:

(a) from any one or more Sponsor Group Entities; or

(b) partly from one or more Sponsor Group Entities and partly from one or more third parties, and the Sponsor Group Entity(ies) had in aggregate direct or indirect interests of more than 50.0% in such Investment prior to the acquisition; and

(ii) in all other cases, equal to the rate of 1.0% (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of the Enterprise Value of the Investment (pro-rated if applicable to the proportion of the Trust's interest in the Investment acquired).

11.2.2 Form and Time of Payment of the Acquisition Fee

(i) The Acquisition Fee will be paid in the form of cash and/or (subject to Clause 6.1) Units (as the Trustee-Manager may elect by notice in writing such election to be irrevocable and made before the payment of the Acquisition Fee) to the Trustee-Manager. For so long as the Trust is listed, if the Trustee-Manager elects to receive any part of the Acquisition Fee in the form of Units, it shall make an announcement on the SGX-ST within five Business Days after the delivery of its written notice but in any event on a date no later than the date of payment of the Acquisition Fee.

(ii) The ~~Performance Fee shall be payable Quarterly in arrear for each Quarter ending on 31 March, 30 June, 30 September and 31 December of each year. For the avoidance of doubt, the first Performance Fee (if any) will be in respect of the period from the Listing Date to 31 March 2007.~~Acquisition Fee is payable within 10 Business Days after the date of completion of the acquisition.

(iii) Subject to Holders' approval being obtained under Clause 6.1, when paid in the form of Units, the Trustee-Manager shall be entitled to receive such number of Units as may be purchased with the relevant portion of the Acquisition Fee at the issue price of the Units issued to finance or part finance the acquisition in respect of which the Acquisition Fee is payable or, where Units are not issued to finance or part finance the acquisition, at the issue price equal to the volume weighted average price of Units for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST over the last five Trading Days prior to the date of completion of the acquisition (rounded to the nearest cent). (The volume weighted average price for the last five Trading Days prior to the date of completion of the acquisition shall be the total value of transactions in the Units (for each transaction, the Unit price multiplied by the volume) for those last five Trading Days divided by the total volume transacted for those last five Trading Days.)

(iv) In the event payment is to be made in the form of Units and Holders' approval is not obtained pursuant to Clause 6.1, then payment of the Acquisition Fee will be paid in the form of cash.

(v) No Acquisition Fee is payable in respect of the acquisition (whether directly or indirectly) of the assets acquired by the Trust on or prior to the Listing Date.

(vi) ~~(iii) The amount of the Performance Fee payable to the Trustee-Manager shall be net of all Applicable Taxes and for~~For the avoidance of doubt, the Trust shall bear all Applicable Taxes imposed on the Acquisition Fee.

11.3 Divestment Fees

11.3.1 Computation

The Trustee-Manager is entitled to receive a divestment fee ("**Divestment Fee**") equal to the rate of 0.5% (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of the Enterprise Value of any Investment sold or divested by the Trust or a Special Purpose Vehicle (pro-rated if applicable to the proportion of the Trust's interest in the Investment sold or divested).

11.3.2 ~~11.2.2~~ Form and Time of Payment of the ~~Performance~~Divestment Fee

(i) The ~~Performance Fee shall be payable in cash or, at the election of the Trustee-Manager, in Units.~~Divestment Fee will be paid in the form of cash and/or (subject to Clause 6.1) Units (as the Trustee-Manager may elect by notice in writing, such election to be irrevocable and made before the payment of the Divestment Fee) to the Trustee-Manager. For so long as the Trust is listed, if the Trustee-Manager elects to receive any part of the Divestment Fee in the form of Units, it shall make an announcement on the SGX-ST within five Business Days after its election but in any event on a date no later than the date of payment of the Divestment Fee.

(ii) ~~Subject to paragraph (iv) below, the Trustee-Manager may elect to receive all or any part of the Performance Fee for any Quarter in Units instead of cash, by notice in writing delivered not later than the last day of that Quarter. Such election shall be irrevocable.~~The Divestment Fee is payable within 10 Business Days after the date of completion of the sale or divestment.

(iii) ~~The Performance Fee for any Quarter, whether payable in cash or Units, shall be paid within 15 Business Days of the last day of that Quarter in arrear.~~Subject to the Holders' approval being obtained under Clause 6.1, when paid in the form of Units, the Trustee-Manager shall be entitled to receive such number of Units as may be purchased with the relevant portion of the Divestment Fee at the issue price equal to the volume weighted average price of Units for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST over the last five Trading Days prior to the date of completion of the sale or divestment (rounded to the nearest cent). (The volume weighted average price for the last five Trading Days prior to the date of completion of the sale or divestment shall be the total value of transactions in the Units (for each transaction, the Unit price multiplied by the volume) for those last five Trading Days divided by the total volume transacted for those last five Trading Days).

(iv) ~~(x) If the Trustee-Manager shall elect to receive all or any part of the Performance Fee for any Quarter in Units pursuant to paragraph (ii) above; and~~In the event payment is to be made in the form of Units and Holders' approval is not obtained pursuant to Clause 6.1, then payment of the Divestment Fee will be paid in the form of cash.

~~(y) provided that there shall be in force a valid approval from Unitholders for the issuance of Units ("**unit issue mandate**") as at the date on which such Performance Fee is due and payable in accordance with paragraph~~

~~(iii) above sufficient to cover the total number of Units to be issued to the Trustee-Manager pursuant to this paragraph (iv) (failing which such Performance Fee or such portion thereof shall be paid in cash),~~

~~there shall be allotted and issued to the Trustee-Manager, and the Trustee-Manager shall be entitled to receive, such number of Units as may be purchased by the amount of such Performance Fee which the Trustee-Manager has elected to receive in Units at an issue price equal to the volume weighted average price of Units traded on the SGX-ST over the last 15 Trading Days of that Quarter.~~

(v) ~~All Units issued to the Trustee-Manager pursuant to this Clause 11.2 shall be issued credited as fully paid-up and shall rank *pari passu* in all respects with all units then in issue which do not have any preference as to any rights to voting, income or capital to any other units issued by the Trust~~For the avoidance of doubt, the Trust shall bear all Applicable Taxes imposed on the Divestment Fee.

11.4 ~~**11.3**~~ **Changes to Fees**

Any change to:

11.4.1 the ~~Base Fee and/or Performance Fee (together, "**Fees**")~~ Management Fee (including, without limitation, any change to the rates, quantum, structure or conditions of the ~~Fees) shall be approved by an Extraordinary Resolution duly passed by the Holders in accordance with this Deed.~~Management Fee);

11.4.2 the Performance Fee (including, without limitation, any change to the rates, quantum, structure or conditions of the Performance Fee);

11.4.3 the Acquisition Fee (including, without limitation, any change to the rates, quantum, structure or conditions of the Acquisition Fee); or

11.4.4 the Divestment Fee (including, without limitation, any change to the rates, quantum, structure or conditions of the Divestment Fee),

shall be approved by an Extraordinary Resolution of a meeting of Holders' duly convened.

11.5 Special Purpose Vehicles

In relation to Investments which are beneficially owned or held, either directly or indirectly, by a Special Purpose Vehicle, notwithstanding anything contained in this Deed:

11.5.1 each of the Acquisition Fee and the Divestment Fee shall be calculated on the same basis as if the Investments, or the pro-rated share of the Investments in the case where the interest of the Trust in the Special Purpose Vehicle is partial, had been held directly by the Trustee-Manager;

11.5.2 each of the Acquisition Fee and the Divestment Fee may be paid, at the Trustee-Manager's election, by the Trust, the Special Purpose Vehicle or a combination of both;

11.5.3 for each of the Acquisition Fee and the Divestment Fee, if the Trustee-Manager elects to receive any of such payment either wholly or partially from the Special Purpose Vehicle, the Trustee-Manager shall under no circumstances be entitled to receive payment of an amount greater than what the Trustee-Manager would have been entitled to if it had elected to receive payment from the Trust or where the relevant Investments had been held directly by the Trust; and

11.5.4 where the interest of the Trust in the Special Purpose Vehicle is partial, the payment of the Acquisition Fee and the Divestment Fee shall be pro-rated, if applicable, to the proportion of the Trust's interest in the Special Purpose Vehicle.

11.6 ~~**11.4**~~ **Reimbursement**

The Trustee-Manager shall in addition to such remuneration be entitled to be paid out of the Trust Property all out-of-pocket expenses incurred by it in carrying out its duties and complying with its obligations (whether imposed by the Relevant Laws, Regulations and Guidelines or this Deed), exercising all its powers, authorities, discretions and rights under this Deed or in connection with engaging in any Authorised Business, managing and administering the Trust and engaging in any Authorised Business. The amount of the remuneration payable to the Trustee-Manager shall be net of all Applicable Taxes.

11.7 ~~**11.5**~~ **Lien over Trust Property**

Unless and until the Trustee-Manager shall be satisfied that adequate provision has been or will be made for the future expenses of the Trust (including the ~~Base~~Management Fee and/or the Performance Fee), the Trustee-Manager shall have a lien on and shall be entitled to retain the Trust Property for the purpose of paying, discharging or providing for such expenses and shall pay to it only the balance (if any) after all such payments, discharges or provisions have been made.

12. POWERS OF TRUSTEE-MANAGER

Subject to the provisions of this Deed and without in any way affecting the generality of the foregoing, the Trustee-Manager shall be deemed to have full and absolute powers of:

12.1.1 directly or through any agent, engaging in any Authorised Business;

12.1.2 purchasing or selling any part of the Trust Property including the granting or purchasing of options;

12.1.3 instituting, prosecuting, compromising and defending legal proceedings including legal proceedings instituted to secure compliance with the provisions of this Deed and of any Relevant Laws, Regulations and Guidelines and legal proceedings instituted to recover any loss suffered by Holders in respect of their investment under this Deed;

12.1.4 performing and enforcing agreements;

12.1.5 issuing powers of attorney to appoint any person to be the attorney for the Trustee-Manager;

12.1.6 engaging nominees and custodians and insuring the Trust Property;

12.1.7 attending and voting at meetings of corporations, trusts or other entities, the shares, units or other forms of economic participation in the capital of which form part of the Trust Property;

12.1.8 subject to Clause 8.1, raising or borrowing moneys or issuing debentures, with or without security (which security shall include but not be limited to those acts provided in Clause 12.1.9 and the assuming (whether by way of declaration of trust, transfer, novation, vesting, assignment, pledging, granting a lien, or otherwise) of obligations or liabilities for such raising, borrowings or issuance of debentures) for the purposes of the Trust;

12.1.9 creating, giving, renewing, altering or varying any mortgage, charge or other encumbrance over the Trust Property or any part thereof in accordance with Clause 8.1

to secure the payment of any money or the performance of any obligation whatsoever or howsoever arising of any person upon such terms and conditions as the Trustee-Manager may think fit;

12.1.10 giving in favour of any person any guarantee or indemnity or any guarantee and indemnity for the payment of money or for the performance of any obligation whatsoever or howsoever arising of any person and the Trustee-Manager may secure any part or parts of the Trust Property;

12.1.11 building, repairing, extending, rebuilding, improving, replacing, reconstructing or maintaining any Authorised Business in whole or in part;

12.1.12 paying any outgoings connected with the Trust Property or this Deed which are not otherwise payable by the Trustee-Manager, including, without limitation, all Taxes imposed in connection with the Trust Property;

12.1.13 preparing annual budgets for the Trust and the management and operation of any Authorised Business;

12.1.14 deciding on allocation of funds and reserves to develop, maintain and expand the Authorised Business;

12.1.15 carrying out the repurchase and/or redemption of Units; and

12.1.16 doing such other things as may appear to the Trustee-Manager to be incidental to any or all of the above powers,

and none of the provisions of this Clause 12 shall be read down to limit the powers conferred on the Trustee-Manager by any of the other provisions and each provision shall be severally considered.

13. HOLDING ON TRUST, DEALINGS IN UNITS AND DEALINGS WITH TRUST

13.1 Ownership of Units by the Trustee-Manager

13.1.1 Nothing in this Deed shall prevent the Trustee-Manager or any of its affiliates from becoming the owner of Units and holding, disposing of, or otherwise dealing with, the same, with the same rights which it would have had if neither the Trustee-Manager nor any of its affiliates were a party to, or so affiliated under, this Deed, provided that in so owning, holding or disposing of or otherwise dealing with the Units, the Trustee-Manager shall maintain with respect to the Trustee-Manager and any of its affiliates a register (""**Transactions Register**"") giving details of such transactions, including the prices, discounts, net prices, quantities of Units transacted and dates of and parties to such transactions.

13.1.2 The Trustee-Manager shall ensure that any such transactions in Units by it or them be carried out in a manner which shall not prejudice the interests of the Holders. The Transactions Register of the Trustee-Manager shall be available for inspection by the Holders.

13.1.3 Neither the Trustee-Manager nor any of its affiliates shall be liable to account, either to the other or others of them or to the Holders or any of them, for any profits or benefits made or derived by or in connection with any transaction permitted under this Clause 13.1.

13.2 Dealings with Joint Holders

Should the Trustee-Manager, prior to acting on any request, application or instruction from any Joint Holder, receive a contradictory request, application or instruction from the other Joint Holder,

the Trustee-Manager may elect to act on the latest request, application or instruction received or to act on the joint mandate of all Joint Holders, or not to act at all, and will not be held liable for so acting or omitting to act.

13.3 Verification of Signatures

Save in the case of fraud, wilful default or breach of trust where the Trustee-Manager failed to exercise Due Care, the Trustee-Manager shall not be responsible for any authenticity of any signature or of any seal affixed to any endorsement on any certificate or to any transfer or form of application, endorsement or other document affecting the title to or transmission of Units or be in any way liable for any forged or unauthorised signature on or any seal affixed to such endorsement, transfer or other document or for acting upon or giving effect to any such forged or unauthorised signature or seal. The Trustee-Manager shall nevertheless be entitled but not bound to require that the signature of any Holder, to any document required to be signed by him under or in connection with this Deed shall be verified to its or their reasonable satisfaction.

13.4 Destruction of Documents

Subject to any Relevant Laws, Regulations and Guidelines, the Trustee-Manager (or its agents including the Registrar) shall (subject as hereinafter provided) be entitled to destroy:

13.4.1 all distribution mandates which have been cancelled or lapsed at any time after the expiration of seven years from the date of cancellation or lapse thereof;

13.4.2 all notifications of change of address after the expiration of one year from the date of the recording thereof;

13.4.3 all forms of proxy in respect of any meeting of Holders one year from the date of the meeting at which the same are used; and

13.4.4 all accounting records and other records as will sufficiently explain the transactions by the Trustee-Manager entered into on behalf of the Trust and financial position of the Trust and enable true and fair accounts and any documents required to be attached thereto to be prepared from time to time, at any time after the expiration of seven years from the completion of the transactions or operations to which they respectively relate.

Neither the Trustee-Manager nor its other agents shall be under any liability whatsoever in consequence thereof and, unless the contrary be proved, every document so destroyed shall be deemed to have been a valid and effective instrument in accordance with the recorded particulars thereof.

Provided that:

(i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document may be relevant;

(ii) nothing in this Clause 13.4 shall be construed as imposing upon the Trustee-Manager or its agents any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of the proviso of Clause 13.4(i) are not fulfilled; and

(iii) references herein to the destruction of any document include references to the disposal thereof in any manner.

14. LIABILITY AND INDEMNITY OF THE TRUSTEE-MANAGER

14.1 Extent of Holder's Rights

To the extent permitted by the Relevant Laws, Regulations and Guidelines, in no event shall a Holder have or acquire any rights against the Trustee-Manager except as hereby expressly conferred on the Holder, nor shall the Trustee-Manager be bound to make any payment to any Holder except out of the funds held by it for that purpose under the provisions of this Deed.

14.2 Legal Proceedings

Unless the Trustee-Manager is indemnified to its satisfaction against all liability or the Trustee-Manager does not require in any particular case to be so indemnified, the Trustee-Manager shall not be under any obligation to institute, acknowledge service of, appear in, prosecute or defend any action, suit, proceedings or claim in respect of the provisions hereof or in respect of the Trust Property or any part thereof or any corporate or Holders' action which, in its opinion, would or might involve it in expense or liability.

14.3 Limitations of liability of Holders

If the issue price of the Units held by a Holder has been fully paid, such Holder, by reason alone of being a Holder, shall not be held personally liable to indemnify the Trustee-Manager in the event that the Trust Property is insufficient for the purposes of indemnifying the Trustee-Manager as provided in this Deed.

14.4 Beyond Control

The Trustee-Manager shall not be responsible to the Trust or any Holder, for any loss or damage arising from reasons or causes beyond its control, or the control of any of its employees, including (without limitation) nationalisation, expropriation, currency restrictions, acts of war, terrorism, insurrection, revolution, civil unrest, riots or strikes, nuclear fusion or fission or acts of God.

14.5 Legislation

Save in the case of fraud, wilful default or breach of trust where the Trustee-Manager failed to exercise Due Care, The Trustee-Manager shall incur no liability to the Holders for doing or failing to do any act or thing which by reason of any provision of any present or future law or regulation, or of any decree, order or judgment of any court, or by reason of any request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise) it shall be directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out any of the provisions of this Deed, the Trustee-Manager shall not be under any liability therefor or thereby.

14.6 Saving Clause as to Indemnities

Any indemnity expressly given to the Trustee-Manager in this Deed is in addition to and without prejudice to any indemnity allowed by law; provided nevertheless that any provision of this Deed shall be void insofar as it would have the effect of exempting the Trustee-Manager from or indemnifying it against any liability to the Holders for breach of trust where it has failed to exercise Due Care.

14.7 Acts of Trustee-Manager

14.7.1 Any provision in this Deed providing for any act or matter to be done by the Trustee-Manager may be performed on behalf of the Trustee-Manager by any officer or responsible official of the Trustee-Manager and any act or matter so performed shall be deemed for all the purposes of this Deed to be the act of the Trustee-Manager.

14.7.2 Save in the case of fraud, wilful default or breach of trust where the Trustee-Manager failed to exercise Due Care, the Trustee-Manager shall not be liable to account to any Holder or otherwise for any payment made or suffered to be made by the Trustee-Manager in good faith to any duly empowered authority of the Republic of Singapore or elsewhere for Taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under this Deed notwithstanding that any such payments ought not to be or need not have been made or suffered to be made.

14.7.3 The Trustee-Manager shall be entitled to rely absolutely on any declaration of tax residence or any information otherwise relevant for taxation purposes which may be received from a Holder or prospective Holder or applicant for Units.

14.7.4 Any liability incurred and any indemnity to be given by the Trustee-Manager shall be limited to the assets of the Trust over which the Trustee-Manager has recourse provided that, in respect of any claim against the Trustee-Manager (as trustee-manager of the Trust) by the Holders, the Trustee-Manager may, save in the case of fraud, wilful default or breach of trust where the Trustee-Manager failed to exercise Due Care, have recourse to the assets of the Trust.

14.7.5 Subject to the duties and obligations of the Trustee-Manager under this Deed, the Trustee-Manager shall not be liable for any act or omission in relation to the Trust, save in the case of fraud, wilful default or breach of trust where the Trustee-Manager fails to exercise Due Care.

14.7.6 Save in the case of fraud, wilful default or breach of trust where the Trustee-Manager failed to exercise Due Care, the Trustee-Manager shall not incur any liability to the Holders by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith hereunder.

14.8 Appointments of Agents and Experts by Trustee-Manager

14.8.1 Without in any way affecting the generality of its powers, the Trustee-Manager in managing the Trust and in carrying out and performing the duties and obligations on its part herein contained may appoint such person or persons to exercise any or all of its powers and discretions and to perform all or any of its obligations under this Deed provided that the Trustee-Manager shall, subject to Clause 14.8.1(ii) below, be liable for all acts and omissions of such persons as if such acts or omissions were its own acts or omissions. Without limiting the generality of the foregoing, the Trustee-Manager may:

(i) by power of attorney appoint any person to be attorney, agent or delegate of the Trustee-Manager for such purposes and with such powers and authorities as it thinks fit, with power for the attorney or agent to sub-delegate any such powers, authorities or discretions and also to authorise the issue in the name of the Trustee-Manager of documents bearing facsimile signatures of the Trustee-Manager or of the attorney or agent either with or without proper manuscript signatures of its officers thereon and may appoint by writing or otherwise any person to be sub-agent of the Trustee-Manager as the Trustee-Manager thinks

necessary or proper for such purposes and with such powers, authorities and discretions (not exceeding those vested in the Trustee-Manager) as it thinks fit provided that the Trustee-Manager shall be liable for all acts or omissions of any such attorney, agent, delegate, sub-delegate or sub-agent as if such acts or omissions were its own acts or omissions, and shall be solely responsible for the remuneration of any such attorney, agent, delegate, sub-delegate or sub-agent; and

(ii) appoint and engage any legal practitioners, accountants, bankers, auditors, valuers, surveyors, contractors, investment managers, investment advisers, qualified advisers, service providers and such other persons as may be necessary, usual or desirable for the purpose of exercising its powers and performing its obligations hereunder and the Trustee-Manager shall, in the absence of fraud, wilful default or breach of trust where the Trustee-Manager failed to exercise Due Care, not be liable for the acts of such persons or for relying on any proposal, advice or recommendation made by such persons and subject as otherwise expressly provided in this Deed, all fees, charges and moneys payable to any such persons and all disbursements, expenses, duties and outgoings in relation thereto may be paid from the Trust Property provided that, where applicable, any such person appointed or engaged complies with the qualifications set out in any Relevant Laws, Regulations and Guidelines.

14.9 Indemnification of Trustee-Manager's Officers and the Auditors of the Trust

14.9.1 Subject to the provisions of and so far as may be permitted by the Relevant Laws, Regulations and Guidelines, every officer of the Trustee-Manager and auditor of the Trust shall be entitled to be indemnified by the Trust against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Trustee-Manager, or auditor of the Trust, and in which judgment is given in his favour (or the proceedings otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the court.

14.9.2 Without prejudice to the generality of the foregoing in Clause 14.9.1 above, no officer of the Trustee-Manager or auditor of the Trust shall be liable for the acts, receipts, neglects, fraud, defaults, breach of duty or breach of trust of any other officer or auditor for joining in any receipt or other act for conformity or for any loss or expense happening to the Trust through the insufficiency or deficiency of title to any property acquired by order of the Trustee-Manager for or on behalf of the Trust or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Trust shall be invested or for any loss or damage arising from the bankruptcy, insolvency, fraudulent or tortious act of any person with whom any moneys, securities or effects shall be deposited or left or for any other loss, damage or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation thereto unless the same shall happen through his own negligence, fraud, default, breach of duty or breach of trust.

14.10 Indemnity Out of the Trust Property

Subject as herein expressly provided and without prejudice to any right of indemnity at law given to the Trustee-Manager, the Trustee-Manager shall be entitled for the purpose of indemnity

against any actions, costs, claims, damages, expenses, penalties or demands to which it may be put as trustee-manager of the Trust to have recourse to the Trust Property or any part thereof and this shall be without prejudice to its obligation to be indemnified and/or reimbursed on account of the Trust Property pursuant to the provisions of this Deed, save where such action, cost, claim, damage, expense, penalty or demand is occasioned by the fraud, wilful default or breach of trust by the Trustee-Manager where the Trustee-Manager fails to exercise Due Care.

15. MANAGEMENT

15.1 Management Activities

The Trustee-Manager may carry out all activities as it deems necessary for the management of the Trust and any Authorised Businesses.

15.2 Trustee-Manager's Discretion Absolute

Subject to the Relevant Laws, Regulations and Guidelines, the Trustee-Manager shall have absolute and uncontrolled discretion as to the exercise of all powers, authorities and discretions vested in it. Save in the case of fraud, wilful default or breach of trust where the Trustee-Manager failed to exercise Due Care, the Trustee-Manager shall not be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof.

16. COVENANTS BY THE TRUSTEE-MANAGER

In addition to the other covenants of the Trustee-Manager as set out in this Deed, the Trustee-Manager hereby covenants that it will exercise Due Care in carrying out the following:

16.1.1 that it will use its best endeavours to carry on and conduct its business in a proper and efficient manner in the best interests of the Holders as a whole;

16.1.2 that it will give priority to the interests of the Holders as a whole over its own interests in the event of a conflict of interests of the Holders as a whole and its own interests;

16.1.3 that it will manage the Trust and engage in any Authorised Business in a proper and efficient manner in accordance with the Relevant Laws, Regulations and Guidelines and this Deed;

16.1.4 that as soon as reasonably practicable after it receives any moneys which are payable hereunder, it will pay such moneys to a trust account. No interest is payable on such moneys and the Trustee-Manager shall not be obliged hereunder to place any such moneys in interest-bearing accounts but, in the event that such moneys are so placed in interest-bearing accounts, the Trust shall have the benefit of any interest accruing to such moneys in the interim;

16.1.5 that it will send to Holders, such reports within the time limits and disclosing the matters, as required by the Relevant Laws, Regulations and Guidelines;

16.1.6 that it and its affiliates will conduct all transactions with or for the Trust at arm's length and on normal commercial terms;

16.1.7 that it will keep or cause to be kept such books as will sufficiently explain the transactions and financial position of the Trust and enable true and fair accounts to be prepared from time to time and in such manner as will enable such books to be conveniently and properly audited;

16.1.8 that it will send or cause to be sent by post to each Holder or (as the case may be) the Depository on behalf of the Depositors the accounts of the Trust with the report of the auditors thereon together with the annual report as provided in Clause 16.1.5, within the time limits as imposed by the Relevant Laws, Regulations and Guidelines; and

16.1.9 that it will at all times comply with the Relevant Laws, Regulations and Guidelines (including, without limitation, for so long the Trust is listed, the provisions in the Listing Rules relating to ""**Interested Party Transactions**"") and this Deed.

17. ACCOUNTS

17.1 Dissemination of Accounts

Pursuant to Clause 16.1.8, the Trustee-Manager shall exercise Due Care to send or cause to be sent by post to Holders or (as the case may be) the Depository on behalf of the Depositors once a year (within the time limits imposed by the Relevant Laws, Regulations and Guidelines) accounts which contain such information as the Trustee-Manager may from time to time determine. Such accounts shall each be for a period covering each financial year.

17.2 Accounting Principles

Such accounts shall be prepared in accordance with the Business Trusts Act and generally accepted accounting principles in Singapore.

17.3 Audit

Such accounts shall be audited by the auditors of the Trust and shall be accompanied by a report of the auditors, each in accordance with the Business Trusts Act and generally accepted accounting principles in Singapore.

17.4 Laying of Accounts before Holders

Such accounts shall be laid before the Holders in each Annual General Meeting and accompanied by a copy of the report of the auditors thereon and a report made by the directors of the Trustee-Manager in accordance with the Business Trusts Act.

18. AUDITORS

18.1 Appointment

The auditors of the Trust shall comply with any requirements/restrictions set out in the Relevant Laws, Regulations and Guidelines and shall be appointed as set out under the Business Trusts Act.

18.2 Voluntary Retirement

The auditors of the Trust may voluntarily retire by notice in writing to the Trustee-Manager but may only retire upon the appointment of other auditors in their place in accordance with the Business Trusts Act.

18.3 Removal

The auditors of the Trust shall only be removed as provided under the Relevant Laws, Regulations and Guidelines.

18.4 Fees and expenses of the Auditors

The fees (including disbursements) of the auditors of the Trust in connection with the audit of the accounts referred to in Clause 17 may be paid out of the Trust Property.

18.5 Costs of Removal

Any costs and expenses incurred in connection with the removal or retirement of the auditors under this Clause 18 may be paid out of the Trust Property.

19. APPOINTMENT, REMOVAL OR RESIGNATION OF TRUSTEE-MANAGER

19.1 Appointment and Removal of Trustee-Manager

Appointment and removal of the Trustee-Manager shall only be in accordance with the Relevant Laws, Regulations and Guidelines.

19.2 Resignation of Trustee-Manager

The Trustee-Manager shall only resign in accordance with the Relevant Laws, Regulations and Guidelines and its resignation shall only be upon the appointment of another corporation as the trustee-manager of the Trust and subject to such corporation entering into a deed supplemental hereto providing for such appointment.

19.3 Costs of Removal

Any costs and expenses incurred in connection with the appointment, removal or resignation of the Trustee-Manager under this Clause 19 may be met from the Trust Property. For the avoidance of doubt, such costs and expenses shall not include the costs and expenses incurred in connection with the winding up of the Trustee-Manager.

19.4 Notice to Holders

The new Trustee-Manager shall, as soon as practicable, after its appointment, give notice in writing to the Holders specifying its name and the address of its office.

20. TAX

20.1 GST

Where any GST is payable by the Trustee-Manager in relation to services rendered to the Trust by it in connection with the exercise of its powers and discretion and/or the performance of its obligations under this Deed, the Trustee-Manager shall be entitled to be reimbursed therefor out of the Trust Property or such GST may be paid out of the Trust Property.

20.2 Deduction of Tax

Before making any distribution or other payment in respect of any Unit or in respect of the ~~Base~~Management Fee ~~and~~, the Performance Fee, the Acquisition Fee and Divestment Fee, the Trustee-Manager may make such deductions as by the law of Singapore or by the law of any other country in which such distribution or payment is made the Trustee-Manager is required or entitled to make in respect of any income or other taxes, charges or assessments whatsoever. The Trustee-Manager may also deduct the amount of any stamp duties or other governmental taxes or charges payable by it or for which it may be made liable in respect of such distribution or payment or any documents signed by it in connection therewith.

Save in the case of fraud, wilful default or breach of trust where the Trustee-Manager failed to exercise Due Care, the Trustee-Manager shall not be liable to account to any Holder or otherwise for any payment made or suffered to be made by the Trustee-Manager to any duly empowered fiscal authority of Singapore or elsewhere for taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under this Deed

notwithstanding that any such payments ought not to be or need not have been made or suffered to be made.

21. WINDING UP OF THE TRUST

21.1 Winding Up

The duration of the Trust constituted by this Deed is of indefinite duration but the Trust may, without prejudice to the provisions of the Business Trusts Act, be wound up by the Trustee-Manager in the event that any law shall be passed which renders it illegal or, in the opinion of the Trustee-Manager, impracticable or inadvisable to continue the Trust and approval for the winding up has been given by Holders by way of an Extraordinary Resolution duly passed by the Holders in accordance with this Deed.

21.2 Manner of Liquidation

In the event that the Trust is to be wound up, the Trustee-Manager shall, subject to authorisations or directions (if any) given to it by the Holders, pursuant to their powers contained in the Schedule, proceed as follows:

21.2.1 the Trustee-Manager shall dispose of the Trust Property and such sale by the Trustee-Manager shall be carried out and completed as soon as practicable after the commencement of winding up;

21.2.2 The Trustee-Manager shall repay any borrowing effected by the Trust under Clause 8.1 (together with any interest accrued but remaining unpaid) for the time being outstanding and all other debts and liabilities in respect of the Trust before applying the balance to make distributions to the Holders. All secured creditors will be repaid before unsecured creditors (including the holders of any debentures issued by the Trustee-Manager, as trustee-manager of the Trust). Secured creditors will be repaid in the order of priority of their respective rights of security. On a winding up, the Trustee-Manager may retain from any distribution to be made to Holders an amount equal to any contingent liability to the IRAS under any indemnity given to the IRAS. Any amount payable in respect of fees, costs and expenses charged by the Depository under the Depository Services Agreement shall be ranked together with amounts payable to other unsecured creditors (including the holders of any debentures issued by the Trustee-Manager as trustee-manager of the Trust) and the Depository will rank equally with all other unsecured creditors (including the holders of any debentures issued by the Trustee-Manager, as trustee-manager of the Trust) in respect of any claim against the Trust under any indemnity given to the Depository. On a winding up, the Trustee-Manager may retain from any distribution to be made to Holders an amount equal to any contingent liability to the Depository under such indemnity or in respect of such fees, costs and expenses due to the Depository. Such sale by the Trustee-Manager shall be carried out and completed as soon as practicable;

21.2.3 the Trustee-Manager shall from time to time distribute to the Holders and the Depository on behalf of the Depositors in proportion to the number of fully paid up Units held by them, all net cash proceeds derived from the realisation of the Trust Property and available for the purposes of such distribution provided that the Trustee-Manager shall not be bound (except in the case of the final distribution) to distribute any of the moneys for the time being in its hands the amount of which is insufficient to pay in respect of each undivided share in the Trust Property the amount of the actual Issue price of Units specified for the initial public offering of the Trust and provided also that the Trustee-

Manager shall be entitled to retain out of any moneys in its hands as part of the Trust Property under the provisions of this Clause 21 full provision for all fees, costs, charges, expenses, claims and demands incurred, made or apprehended by the Trustee-Manager in connection with or arising out of the liquidation of this Trust and out of the moneys so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands. To the extent that Clause 9 is applicable, every such distribution shall be made to the Holders and the Depository on behalf of the Depositors in accordance with the provisions thereof. Any unclaimed proceeds or other cash held by the Trustee-Manager under the provisions of this Clause 21 shall be paid to the Official Receiver to be placed to the credit of the Business Trusts Liquidation Account in accordance with the Business Trusts Act subject to the right of the Trustee-Manager to deduct therefrom any expenses it may incur in making such payment;

21.2.4 the Trustee-Manager may not distribute any assets of the Trust to any Holder *in specie*; and

21.2.5 the Trustee-Manager may postpone the disposal of the Trust Property for so long as it thinks fit and save in the case of fraud, wilful default or breach of trust where the Trustee-Manager failed to exercise Due Care, it shall not be liable for any loss or damage attributable to such postponement.

22. DOCUMENTS AND NOTICES

22.1 Notices to Holders

Any notice required to be served upon a Holder shall be deemed to have been duly given if sent by post to or left, in the case of Units not credited into a Securities Account, at his address as appearing in the Register or in the case of Joint Holders, to the Joint Holder whose name stands first in the Register and, in the case of Units credited into a Securities Account, at his address on record with the Depository, or in the case of Joint Depositors, to the Joint Depositor whose name stands first in the record of the Depository Register. Any notice so served by post shall be deemed to have been served three days after posting, and in proving such service it shall be sufficient to prove that the letter containing the same was properly addressed, stamped and posted. Any charges payable to the Depository for serving notices or other documents to Holders may be paid out of the Trust Property.

22.2 Joint Holders

Service of a notice or document on any one of the Joint Holders shall be deemed effective service on the other Joint Holders.

22.3 Sufficiency of Service

Any notice or document sent by post to or left at the registered address of a Holder in pursuance of this Deed shall be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under him) in the Units concerned.

22.4 Notices to Trustee-Manager

Any notice to the Trustee-Manager shall be addressed to the Trustee-Manager at its specified office and shall be delivered by hand or sent by facsimile transmission, telex or prepaid post. Any such notice sent by facsimile transmission or telex shall be deemed to be served at the time of despatch and any such notice sent by post shall, in the absence of industrial action affecting any relevant part of the postal services, be deemed to have been served three days after

posting, and in proving such service it shall be sufficient to prove that the letter containing the same was properly addressed, stamped and posted.

22.5 Risk of Service

Any notice or document sent by post by the Trustee-Manager shall be sent at the risk of the person sending the notice or document.

22.6 Substituted Service

Notwithstanding the preceding sub-Clauses of this Clause 22.6 but subject to the Relevant Laws, Regulations and Guidelines, any notice or other document required to be served upon or sent to all the Holders for the time being shall be deemed to have been duly served or sent if published in any one leading English-language daily newspaper in Singapore and/or any one leading Chinese-language daily newspaper in Singapore. Any notice or document so served or sent shall be deemed to have been so served or sent on the date of such publication and, if the publication in the two newspapers does not appear on the same day, on the date of the later publication.

23. MODIFICATION OF TRUST DEED

Any modification, alteration or replacement of the trust deed shall be made by deed supplemental hereto and in accordance with the Relevant Laws, Regulations and Guidelines.

24. MEETINGS OF HOLDERS

The provisions set out in the Schedule relating to meetings and proceedings of Holders shall have effect as if the same were included herein.

25. SUBSTANTIAL HOLDERS

25.1 Substantial Unitholdings

25.1.1 The provisions of Sections 37, 38 and 39 of the Business Trusts Act (and any regulations made and forms prescribed in relation thereto) shall apply with the necessary changes as if specifically incorporated in this Clause 25.

25.1.2 Subject to Clause 25.1.1, the Trustee-Manager shall not, by reason of anything done under this Clause 25:

(i) be taken for any purpose to have notice of; or

(ii) be put on enquiry as to,

a right of any person to or in relation to a Unit.

25.2 Beneficial Ownership

The Trustee-Manager may by notice in writing require any Holder, within such reasonable time as is specified in the notice, to inform the Trustee-Manager:

25.2.1 whether it holds any Units as beneficial owner or as trustee, and if any Units are held by it as trustee, as far as it can, the person for whom it holds them (either by name or by other particulars sufficient to enable those persons to be identified) and the nature of the interest; and

25.2.2 whether any of the voting rights carried by any Units held by it is the subject of an agreement or arrangement under which another person is entitled to control the exercise

of those rights and, if so, to give particulars of the agreement or arrangement and the parties to it.

25.3 Announcement to SGX-ST

Upon receiving the relevant notification from the relevant persons, the Trustee-Manager will exercise Due Care to comply with the requirements in the Business Trusts Act and the Listing Rules for announcements to be made to the SGX-ST in connection with substantial unitholdings and the interest of directors of the Trustee-Manager in Units.

26. THIRD PARTY RIGHTS

A person who is not a party to this Deed may not enforce its terms under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, except that each Holder may enjoy the benefit of or enforce the terms of this Deed subject to the provisions of this Deed.

27. PROPER LAW

This Deed shall in all respects be governed by, and construed in accordance with, the laws of Singapore. The Trustee-Manager and each Holder hereby submit to the non-exclusive jurisdiction of the courts of Singapore.

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SCHEDULE

1. GENERAL MEETINGS

1.1 Annual general meetings

An Annual General Meeting shall be held once in every year, at such time (within a period of not more than 15 months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Trustee-Manager. All other general meetings shall be called Extraordinary General Meetings.

1.2 Extraordinary general meetings

The Trustee-Manager may whenever it thinks fit, and shall on requisition in accordance with the Relevant Laws, Regulations and Guidelines, proceed with proper expedition to convene an Extraordinary General Meeting.

2. REQUISITION AND CALLING OF GENERAL MEETINGS

Requisition of general meetings and calling of general meetings shall be in accordance with the Business Trusts Act and any other Relevant Laws, Regulations and Guidelines.

3. NOTICE OF GENERAL MEETING

3.1 Subject to the Business Trusts Act and for so long as the Units are listed, the Listing Rules as well, notice of every general meeting shall be given to the Holders in manner provided in this Deed. The period of notice shall not be inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given. Where there is an inconsistency between the Business Trusts Act and the Listing Rules on the period of notice required, the period of notice required for the purposes of this Deed shall be the longer of the periods of notice prescribed by the Business Trusts Act and the Listing Rules.

3.2 The notice shall specify the place, day and hour of meeting and the terms of the resolutions to be proposed. The accidental omission to give notice to or the non-receipt of notice by any of the Holders shall not invalidate the proceedings at any meeting.

3.3 Notwithstanding the preceding sub-Paragraphs of this Paragraph 3 but subject to the Relevant Laws, Regulations and Guidelines, any notice or other document required to be served upon or sent to all the Holders for the time being shall be deemed to have been duly served or sent if published in any one leading English-language daily newspaper in Singapore and/or any one leading Chinese-language daily newspaper in Singapore. Any notice or document so served or sent shall be deemed to have been so served or sent on the date of such publication and, if the publication in the two newspapers does not appear on the same day, on the date of the later publication.

4. PROCEEDINGS AT MEETINGS

4.1 Chairman of meetings

The chairman or deputy chairman of the board of directors of the Trustee-Manager or if there is no chairman or deputy chairman present, a person nominated in writing by the Trustee-Manager shall preside as chairman ("**Chairman**") at a general meeting. If the chairman or deputy chairman is not present within fifteen minutes after the time appointed for holding the general meeting, or in the case where there is no chairman or deputy chairman present and there is no person nominated in writing by the Trustee-Manager or such nominated person is not present, the Holders present shall choose one of their number to be Chairman.

4.2 Quorum

No business other than the appointment of a Chairman shall be transacted at any general meeting unless the quorum is present at the commencement of business. The quorum shall be not less than two Holders present in person or by proxy of one-tenth in value of all the Units for the time being in issue. Provided that (i) a proxy representing more than one Holder shall only count as one Holder for the purpose of determining the quorum; and (ii) where a Holder is represented by more than one proxy such proxies shall count as only one Holder for the purpose of determining the quorum.

4.3 Adjournment of meetings

4.3.1 If within half an hour from the time appointed for a meeting (or such longer interval as the Chairman may think fit to allow) a quorum is not present, the general meeting, if convened on the requisition of Holders, shall be dissolved. In any other case it shall stand adjourned to such day and time being not less than 15 days thereafter and to such place as shall be determined for the purpose by the Chairman.

4.3.2 Notice of the adjourned meeting shall be given in the same manner as for an original meeting. Such notice shall state that the Holders present at the adjourned meeting whatever their number and the value of the Units held by them will form a quorum thereat. At any such adjourned meeting the Holders present in person or by proxy thereat shall be a quorum.

4.3.3 The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

4.4 Voting

4.4.1 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded (i) by the Chairman; (ii) by five or more Holders having the right to vote at the meeting; or (iii) by Holder(s) representing not less than 10% of the total voting rights of all the Holders having the right to vote at the meeting.

4.4.2 Unless a poll is so demanded a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

4.4.3 If a poll is duly demanded it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman may direct and the result of the poll shall be deemed to be the resolution of the general meeting at which the poll was demanded. The Chairman may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

4.4.4 A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the Chairman directs. A demand for a poll may be withdrawn at any time.

4.4.5 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

4.5 Votes of Holders

4.5.1 Subject to the Business Trusts Act, each Unit shall confer the right to poll at any meeting to one vote, and one vote only.

4.5.2 On a show of hands every Holder who (being an individual) is present in person or by proxy or (being a corporation) is present by one of its officers as its proxy shall have one vote.

4.5.3 On a poll every Holder who is present in person or by proxy shall have one vote for every Unit of which he is the Holder. On a poll votes may be given either personally or by proxy. A person entitled to more than one vote need not use all his votes or cast them the same way.

4.5.4 In the case of Joint Holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the vote of the other Joint Holders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first being the senior.

4.5.5 Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any Holder on the ground (however formulated) of mental disorder, the Trustee-Manager may in its absolute discretion, upon or subject to production of such evidence of the appointment as the Trustee-Manager may require, permit such receiver or other person on behalf of such Holder to vote in person or by proxy at any meeting or to exercise any other right conferred by holding of Units in relation to meetings.

4.5.6 No Holder shall, unless the Trustee-Manager otherwise determines, be entitled in respect of Units held by him to vote at a meeting either personally or by proxy or to exercise any other right conferred by holding of Units in relation to meetings if any call or other sum presently payable by him to the Trust in respect of such Units remains unpaid.

4.5.7 For the purposes of determining the number of Units held in respect of Units registered in the name of the Depository and the number of votes which a particular Holder may cast in respect of such Units, the Trustee-Manager shall be entitled and bound to accept as accurate the number of Units credited into the Securities Account(s) of the relevant depositor as shown in the records of the Depository as at a time not earlier than 48 hours prior to the time of the relevant meeting, supplied by the Depository to the Trustee-Manager, and to accept as the maximum number of votes which in aggregate that depositor and his proxy(ies) (if any) are able to cast on a poll a number which is the number of Units credited into the Securities Account(s) of the relevant depositor, as shown in the aforementioned records of the Depository, whether that number is greater or smaller than that specified by the depositor or in the instrument of proxy. The Trustee-Manager shall not under any circumstances be responsible for, or liable to any person as a result of it, acting upon or relying on the aforementioned records of the Depository.

5. PROXIES

5.1 An instrument of proxy may be in the usual common form or in any other form which the Trustee-Manager shall approve.

5.2 The instrument appointing a proxy shall be in writing, under the hand of the appointor or of his 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.

5.3 The instrument appointing a proxy 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 instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. A person appointed to act as a proxy need not be a Holder.

5.4 The instrument appointing a proxy to vote at a meeting of the Holders shall be deemed to confer authority to demand or join in demanding a poll. A demand by a person as proxy for a Holder shall, for the purpose of Paragraph 4.4, be deemed to be the same as a demand by the Holder.

5.5 A Holder may appoint not more than two proxies to attend and vote at the same meeting, provided that if the Holder is a Depositor, the Trustee-Manager shall be entitled and bound:

5.5.1 to reject any instrument of proxy lodged if the Depositor 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 Depository to the Trust; and

5.5.2 to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of Units entered against the name of that Depositor in the Depository Register as at 48 hours before the time of the relevant meeting as certified by the Depository to the Trust, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.

5.6 In any case where a form of proxy appoints more than one proxy, the proportion of the holding of Units concerned to be represented by each proxy shall be specified in the form of proxy.

5.7 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the Units in respect of which the proxy is given provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received at the place appointed for the deposit of proxies or if no such place is appointed at the registered office of the Trustee-Manager before the commencement of the meeting or adjourned meeting at which the proxy is used.

6. MINUTES OF PROCEEDINGS

6.1 The Trustee-Manager shall exercise Due Care to ensure that it will comply with all provisions of Relevant Laws, Regulations and Guidelines in relation to records of proceedings of meetings.

6.2 Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Trustee-Manager and any such minute as aforesaid if purporting to be signed by the Chairman of the meeting shall be evidence of the matters therein stated and until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat to have been duly passed.

7. RESOLUTIONS

7.1 A resolution in writing signed by or on behalf of the relevant percentage, as required for the passing of an Ordinary or Extraordinary Resolution (as the case may be), of the Holders for the time being entitled to receive notice of any meeting of Holders shall be as valid and effectual as

an Ordinary or Extraordinary Resolution (as the case may be) passed at a meeting of those Holders duly called and constituted. Such resolution may be contained in one document or in several documents in the like form each signed by or on behalf of one or more of the Holders concerned.

The expressions "**in writing**" and "**signed**" include approval by any such Holder by telefax or any form of electronic communication approved by the Trustee-Manager.

7.2 An Extraordinary Resolution or an Ordinary Resolution, as the case may be, shall be binding on all Holders whether or not present at the relevant meeting and each of the Holders and the Trustee-Manager shall, subject to the provision relating to indemnity in this Deed, be bound to give effect thereto accordingly.

8. CORPORATE REPRESENTATIVES

8.1 A corporation, being a Holder, may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of Holders and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

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APPENDIX 1

FORMULA FOR THE CALCULATION OF THE BASE FEE

1. Formula

1.1 General. The Base Fee shall be calculated as 1.00 per cent. per annum of the Market Capitalisation of the Units, subject to a minimum of S$3.5 million per annum.

"**Market Capitalisation**" means the market value of the Units, being, in respect of a given Quarter, the aggregate of the market value of the Units calculated on the basis of the weighted average number of Units issued at Closing during the last 15 Trading Days of that Quarter multiplied by the volume weighted average trading price of all Units traded on SGX-ST over the relevant Trading Days;

"**Market Day**" means a day on which the SGX-ST is open for trading in securities; and

"**Trading Day**" means a day when the Units are traded on the SGX-ST for a full Market Day;

APPENDIX 2

CONDITION FOR PAYMENT OF THE PERFORMANCE FEE AND

FORMULA FOR THE CALCULATION OF THE PERFORMANCE FEE

1. Condition

1.1 The Performance Fee shall be payable if, in respect of a given Quarter, the Total Return on the Units (including reinvestment of all distributions) is greater than the Total Return on the Benchmark Index for that Quarter, after taking into account any Deficit (as defined in paragraph 1.2 below) in prior periods ("**Condition**").

"**Accumulation Return Index**", in relation to the Trust, measures the cumulative performance of the Trust on a total return basis over a given period. It will be calculated specifically by an appropriately qualified independent party as the accumulated total return received by the Holders, including all distributions, from the Listing Date;

"**Benchmark Index**" means MSCI Asia Pacific (excluding Japan) Utilities Index, adjusted on a total return basis rebased in Singapore Dollars, and also includes any Successor Index or Replacement Index (as the case may be). In the event that such index shall be unavailable for any reason or where the Holders determine by an Extraordinary Resolution duly passed by the Holders in accordance with this Deed, the board of directors of the Trustee-Manager shall appoint a financial adviser to select an appropriate index to replace the Benchmark Index ("**Replacement Index**"), which shall be the new Benchmark Index to be used. Such financial adviser shall act as an expert and not an arbitrator and his determination shall be final and binding on the Trustee-Manager and the Holders, absent manifest error or fraud. Provided always that where the Benchmark Index is succeeded by another index ("**Successor Index**"), there will not be any need to appoint a financial adviser and the Successor Index will be used accordingly;

"**Beginning of Quarter Market Capitalisation**" means the market value of the Units calculated on the basis of the average closing number of Units issued during the last 15 Trading Days of the previous Quarter multiplied by the volume weighted average trading price of all Units traded on the SGX-ST over the last 15 Trading Days of the previous Quarter. The number of Units used for this calculation will be less any new Units issued during the last 15 Trading Days of the previous Quarter, other than, in relation to the Quarter or period following the close of the Offering, the Offering Units, the Units subscribed by the Sponsor and any Units issued on exercise of the Over-Allotment Option;

"**Total Return on the Benchmark Index**" in respect of a given Quarter equals the Beginning of Quarter Market Capitalisation, multiplied by the percentage change in the Benchmark Index over the relevant Quarter, based on the average daily closing value of the Benchmark Index over the last 15 Trading Days of the current Quarter compared with the average daily closing value of the Benchmark Index over the last 15 Trading Days of the previous Quarter except for the first Quarter where it is the initial Benchmark Index value ascribed on the Listing Date; and

"**Total Return on the Units**" in respect of a given Quarter equals the Beginning of Quarter Market Capitalisation multiplied by the percentage change in the Accumulated Return Index over the relevant Quarter, based on the average daily closing value of Accumulated Return Index over the last 15 Trading Days of the Quarter compared with the average daily closing value of the Accumulated Return Index over the last 15 Trading Days of the previous Quarter except for the first Quarter where it is the initial Accumulated Return Index value ascribed to the Units on the Listing Date before the commencement of trading.

1.2 If the Total Return on the Units is less than the Total Return on the Benchmark Index in any given Quarter, the amount of the Deficit will be carried forward to the subsequent Quarters and taken into account in calculating whether the Total Return on the Units exceeds the Total Return on the Benchmark Index for the subsequent Quarters. The amount of the Deficit must be made up before any Performance Fee is payable.

"**Deficit**", in respect a given Quarter, equals the aggregate sum of underperformance in respect of each Quarter since a Performance Fee has become due and payable (or, if a Performance Fee has not been paid, since the Listing Date), not including the Quarter in respect of which a calculation is being made, by which the Total Return on the Benchmark Index for each such Quarter exceeds the Total Return on the Units for that Quarter (if any).

2. Formula

2.1 General. Subject to the satisfaction of the Condition set out above, the Performance Fee payable in respect of a given Quarter shall be equal to 20 per cent. of the excess of the Total Return on the Units over the Total Return on the Benchmark Index.

2.2 Issue of New Units during a Quarter

2.2.1 To the extent that new Units are issued during a given Quarter, the excess of the Total Return on the Units over the Total Return on the Benchmark Index for that Quarter will be increased by the Total Return on the new Units relative to the relevant Total Return on the Benchmark Index for the new Units, which will be calculated from the date of the listing of those new Units to the end of the relevant Quarter.

"**Total Return on the new Units**" in respect of a given Quarter means the number of new Units issued multiplied by the issue price of such Units multiplied by the percentage change in the Accumulated Return Index on the new Units over the relevant period, based on the average daily closing value of the Accumulated Return Index over the last 15 Trading Days of that Quarter compared with the Accumulated Return Index value ascribed to the new Units calculated based on their issue price.

2.2.2 In the event of such issue of new Units, the relevant "Total Return on the Benchmark Index" for the new Units for a given Quarter shall be equal to the number of new Units issued multiplied by the issue price of such Units multiplied by the percentage change in the Benchmark Index over the relevant period, based on the average daily closing value of the Benchmark Index over the last 15 Trading Days of that Quarter compared with the value of the Benchmark Index ascribed on the date of listing of the new Units.

2.2.3 If the new Units are issued within the last 15 Trading Days of a given Quarter, the Performance Fee attributable to those new Units will be calculated from the date of listing of those new Units to the end of the next Quarter.

IN WITNESS WHEREOF this Deed has been executed the day and year first above written.

The Trustee-Manager

The Common Seal of ~~CITYSPRING~~ KEPPEL INFRASTRUCTURE FUND MANAGEMENT PTE. LTD. was hereunto affixed in the presence of:

_____ Director

_____ Director/Secretary

APPENDIX 9

LIST OF DIRECTORSHIPS OF THE PROPOSED DIRECTORS OF THE REPLACEMENT TRUSTEE-MANAGER

The list of present and past directorships of the proposed directors of the Replacement Trustee-Manager for the period from 1 January 2010 to 31 December 2014 is set out below:

Name	Present Directorships	Past Directorships (from 1 January 2010 to 31 December 2014)
Mr Koh Ban Heng	Keppel Infrastructure Holdings Pte. Ltd. Linc Energy Ltd Tipco Asphalt Company PLC Chung Cheng High School Ltd	Keppel Energy Pte. Ltd. Singapore Petroleum Venture Private Limited Singapore Refining Company Private Limited
Mr Alan Ow Soon Sian	Keppel Infrastructure Fund Management Pte. Ltd. (the trustee-manager of Keppel Infrastructure Trust) M1 Limited	Nil
Mr Paul Ma Kah Woh	Keppel Infrastructure Fund Management Pte. Ltd. (the trustee-manager of Keppel Infrastructure Trust) Mapletree Logistics Trust Management Limited (manager of Mapletree Logistics Trust) Mapletree Investments Pte Ltd CapitaLand China Development Fund Pte Ltd CapitaLand China Development Fund II Ltd Nucleus Connect Pte Ltd National Heritage Board NRF Holdings Pte Ltd PACC Offshore Services Holdings Ltd	SMRT Corporation Ltd SMRT Buses Ltd SMRT Road Holdings Ltd SMRT Trains Ltd Hwa Hong Corporation Ltd Tenet Insurance Company Ltd

Name	Present Directorships	Past Directorships (from 1 January 2010 to 31 December 2014)
Ms Quek Soo Hoon	Keppel Infrastructure Fund Management Pte. Ltd. (the trustee-manager of Keppel Infrastructure Trust) School of the Arts, Singapore Life Planning Associates Pte Ltd Singapore Deposit Insurance Corporation Ltd Special Needs Trust Company Ltd Enactus Singapore	Nil
Mr Thio Shen Yi	Keppel Infrastructure Fund Management Pte. Ltd. (the trustee-manager of Keppel Infrastructure Trust) TSMP Law Corporation OUE Realty Pte Ltd Obiter Dicta Pte Ltd Camembert Holdings Pte Ltd The Community Justice Centre Limited St John's Cambridge (Singapore)	Allens Arthur Robinson TSMP
Dr Ong Tiong Guan	Keppel Infrastructure Fund Management Pte. Ltd. (the trustee-manager of Keppel Infrastructure Trust) Keppel Infrastructure Holdings Pte. Ltd. Keppel Energy Pte. Ltd. Keppel Electric Pte Ltd Keppel Gas Pte Ltd Keppel Merlimau Cogen Pte Ltd Keppel DHCS Pte Ltd Keppel Infrastructure Services Pte. Ltd. GE Keppel Energy Services Pte Ltd Keppel Seghers Pte Ltd	Nil

Name	Present Directorships	Past Directorships (from 1 January 2010 to 31 December 2014)
Mr Alan Tay Teck Loon	GE Keppel Energy Services Pte Ltd	J.P. Morgan Asset Management Real Assets (Singapore) Pte Ltd Eco Management Korea Holdings Inc
Mr Daniel Cuthbert Ee Hock Huat	CitySpring Infrastructure Management Pte. Ltd. (Trustee-Manager of CitySpring Infrastructure Trust) Citibank Singapore Limited Singapore Institute of Directors Singapore Mediation Centre	Surface Mount Technology (Holdings) Limited National Environment Agency Gas Supply Pte Ltd

APPENDIX 10

ADDITIONAL INFORMATION

1. DIRECTORS' AND SUBSTANTIAL CIT UNITHOLDERS' INTERESTS

As at the Latest Practicable Date, the interests of Directors are as follows:

Name of Director	Direct Interest (Number of CIT Units)	Deemed Interest (Number of CIT Units)	Percentage of total number of CIT Units (%)(1)
Daniel Cuthbert Ee Hock Huat	–	–	–
Mark Andrew Yeo Kah Chong	620,000	–	0.04
Yeo Wico	800,000	–	0.05
Haresh Jaisinghani	–	–	–
Ong Beng Teck	46,500	–	0.003

Note:

(1) As at the Latest Practicable Date, there are 1,518,893,062 CIT Units in issue.

As at the Latest Practicable Date, the interests of the substantial CIT Unitholders are as follows:

Name of substantial CIT Unitholder	Direct Interest (Number of CIT Units)	Deemed Interest (Number of CIT Units)	Total Interest (Number of CIT Units)	Percentage of total number of CIT Units (%) (1)
Bartley	355,758,550	–	355,758,550	23.42
Napier	88,582,500	–	88,582,500	5.83
Nassim(2)	83,927,558	39,965,504	123,893,062	8.16
Tembusu(3)	–	568,234,112	568,234,112	37.41
Temasek(4)	–	568,234,112	568,234,112	37.41

Notes:

(1) As at the Latest Practicable Date, there are 1,518,893,062 CIT Units in issue.

(2) Nassim is the holding company of CSIM and is deemed to be interested in the 39,965,504 CIT Units held by CSIM.

(3) Tembusu is deemed to be interested in the CIT Units held by Bartley, Napier, Nassim and CSIM.

(4) Temasek is the holding company of Tembusu.

As at the Latest Practicable Date, none of the Directors has any interest in KIT Units and shares of Keppel Corporation, with the exception of Daniel Cuthbert Ee Hock Huat, who holds 10,000 ordinary shares in Keppel Corporation.

Ong Beng Teck is the Managing Director (Enterprise Development) at Temasek International Pte. Ltd., an indirect wholly-owned subsidiary of Temasek.

No person is proposed to be appointed to the board of directors of CSIM, and hence no director's service contract is proposed to be entered into by CSIM with any person, in connection with the Proposed Transaction.

Save as disclosed in this Circular, no director or controlling shareholder of the Trustee-Manager, and no controlling CIT Unitholder, has any interest in the Proposed Transaction or the KMC Equity Fund Raising.

2. CONSENTS

The Financial Adviser has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto, in the form and context in which they are respectively included in this Circular, and to act in the capacity of financial adviser in relation to this Circular.

The Reporting Accountant has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name; and (ii) the Reporting Accountant's report on examination of the unaudited *pro forma* consolidated financial information of the Enlarged Trust, and all references thereto, in the form and context in which they are respectively included in this Circular, and to act in such capacity in relation to this Circular.

Rothschild has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name; and (ii) the Rothschild Letter, and all references thereto, in the form and context in which they are respectively included in this Circular, and to act in such capacity in relation to this Circular.

PwC has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name; and (ii) the PwC Letter, and all references thereto, in the form and context in which they are respectively included in this Circular, and to act in such capacity in relation to this Circular.

3. MATERIAL LITIGATION

As at the Latest Practicable Date, neither CIT nor any of its subsidiaries is a party to any litigation proceedings which would have a material effect on the financial position or results of operations of CitySpring or the Group.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the office of the Trustee-Manager during normal office hours from the date of this Circular to the time and date of the EGM:

(1) the Trust Deed;

(2) the SPA;

(3) the KMC SPA;

(4) the Reporting Accountant's report on examination of the unaudited *pro forma* consolidated financial information of the Enlarged Trust;

(5) the Rothschild Letter;

(6) the PwC Letter; and

(7) the letters of consent referred to in paragraph 2 of this Appendix 10.

CITYSPRING INFRASTRUCTURE TRUST

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the unitholders of CitySpring Infrastructure Trust ("CIT") will be held at Ballrooms 1 and 2, Amara Singapore, Level 3, 165 Tanjong Pagar Road, Singapore 088539 on 30 April 2015 at 11.00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendment, the following Resolutions:

ORDINARY RESOLUTION 1 – APPROVAL OF THE PROPOSED ACQUISITION (INCLUDING THE KMC ACQUISITION)

That subject to and contingent upon the passing of Ordinary Resolutions 2, 3 and 4:

(1) the acquisition of all the assets and liabilities of KIT by CIT ("the **Proposed Acquisition**") to form an enlarged trust ("**Enlarged Trust**") (including KIT's rights and obligations under the conditional sale and purchase agreement dated 18 November 2014 (as amended from time to time) between KIFM (as defined herein) and Keppel Energy Pte. Ltd., for the acquisition of 51 per cent. of the issued and paid-up share capital of Keppel Merlimau Cogen Pte Ltd) on the terms and conditions set out in the agreement dated 18 November 2014 (as amended from time to time) made between CitySpring Infrastructure Management Pte. Ltd. ("**CSIM**"), as trustee-manager of CIT ("**Trustee-Manager**"), and Keppel Infrastructure Fund Management Pte. Ltd. ("**KIFM**"), as trustee-manager of KIT, be approved and authorised; and

(2) the Trustee-Manager and any Director 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.

ORDINARY RESOLUTION 2 – ISSUE OF 1,326,319,374 CONSIDERATION CIT UNITS PURSUANT TO THE PROPOSED ACQUISITION

That subject to and contingent upon the passing of Ordinary Resolutions 1, 3 and 4:

(1) the issue of 1,326,319,374 new units in CIT ("**Consideration CIT Units**") to KIT, in consideration for the Proposed Acquisition, credited as fully paid and ranking *pari passu* in all respects with the other units of CIT ("**CIT Units**") in issue, except that such Consideration CIT Units shall not be entitled to any distributions on the record date which falls prior to the date of their issue, be approved and authorised; and

(2) the Trustee-Manager and any Director 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.

ORDINARY RESOLUTION 3 – APPOINTMENT OF KIFM AS THE TRUSTEE-MANAGER OF CIT (TO BE RENAMED "KEPPEL INFRASTRUCTURE TRUST"), IN REPLACEMENT OF CSIM, WITH EFFECT FROM THE EFFECTIVE DATE OF THE PROPOSED ACQUISITION

That subject to and contingent upon the passing of Ordinary Resolutions 1, 2 and 4:

(1) the appointment of KIFM as the trustee-manager for the Enlarged Trust (the "**Replacement Trustee-Manager**"), in replacement of CSIM, with effect from the effective date of the Proposed Acquisition, be approved and authorised; and

(2) the Trustee-Manager and any Director 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.

ORDINARY RESOLUTION 4 – ISSUE OF UP TO 1,132,700,000 NEW UNITS PURSUANT TO THE KMC EQUITY FUND RAISING

That subject to and contingent upon the passing of Ordinary Resolutions 1, 2 and 3:

(1) the equity fund raising to raise an amount of up to approximately S$525 million in gross proceeds ("**KMC Equity Fund Raising**"), to fund the acquisition of a 51.0 per cent. stake in Keppel Merlimau Cogen Pte Ltd, by the Enlarged Trust for a cash consideration of S$510 million ("**KMC Acquisition**") based on an enterprise value of S$1,700 million, by way of issue of new units in CIT ("**New Units**") through (a) a non-renounceable preferential offering (the "**Preferential Offering**") to the unitholders of the Enlarged Trust substantially in the manner outlined in the circular by CSIM, as Trustee-Manager of CIT, to unitholders of CIT ("**CIT Unitholders**") dated 2 April 2015 (the "**Circular**") and/or (b) a placement (the "**Placement**") of New Units to institutional and other investors substantially in the manner outlined in the Circular, be approved and authorised;

(2) authority be given to the directors of the Replacement Trustee-Manager to issue New Units pursuant to the KMC Equity Fund Raising; and

(3) the Trustee-Manager and any Director 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.

ORDINARY RESOLUTION 5 – AMENDMENT OF CIT'S EXISTING GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS PURSUANT TO THE PROPOSED ACQUISITION

That subject to and contingent upon the passing of Ordinary Resolutions 1 to 4:

(1) the amendment of CIT's existing general mandate for interested person transactions pursuant to the Proposed Acquisition on the terms set out in the Circular be approved and authorised; and

(2) the Trustee-Manager and any Director 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.

EXTRAORDINARY RESOLUTION 6 – AMENDMENT OF THE TRUST DEED

That subject to and contingent upon the passing of Ordinary Resolutions 1 to 4:

(1) the amendments to the Trust Deed constituting CIT dated 5 January 2007 ("**Trust Deed**") as described in the Circular be approved and authorised; and

(2) the Trustee-Manager and any Director 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 Extraordinary Resolution as they may deem fit.

By Order of the Board of
CitySpring Infrastructure Management Pte. Ltd.
as trustee-manager of
CitySpring Infrastructure Trust

Susanna Cher
Company Secretary

Singapore
5 April 2015

Explanatory Notes to Extraordinary Resolution 6:

1. Pursuant to the Proposed Transaction, it is proposed that KIFM will be appointed as the Replacement Trustee-Manager. Therefore the rationale for the amendments to the provisions of the Trust Deed is to adopt the fee structure that KIFM currently adopts as trustee-manager of KIT, so as to ensure that the proposed fee structure for the Enlarged Trust will be on the same basis as that of the KIT Trustee-Manager once KIFM is appointed as the Replacement Trustee-Manager.

2. Pursuant to Section 31(5) of the Business Trusts Act, Chapter 31A of Singapore, PricewaterhouseCoopers Corporate Finance Pte Ltd, is of the opinion that (a) the methods or procedures for determining the proposed revision to the fees of the Replacement Trustee-Manager are on normal commercial terms and will not be prejudicial to the interests of (i) CIT, (ii) minority CIT Unitholders, and (iii) all the CIT Unitholders as a whole, and (b) the proposed revised fees of the Replacement Trustee-Manager are on normal commercial terms and are not prejudicial to the interests of CIT and minority CIT Unitholders.

Notes:

1. A CIT Unitholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a CIT Unitholder.

2. The instrument appointing a proxy or proxies ("**Instrument of Proxy**") must be lodged at the registered office of the Trustee-Manager at 111 Somerset Road #10-01, TripleOne Somerset, Singapore 238164 not less than 48 hours before the time appointed for the Extraordinary General Meeting (i.e. by 28 April 2015 at 11.00 a.m.). The lodging of an Instrument of Proxy by a CIT Unitholder does not preclude him from attending and voting in person at the Extraordinary General Meeting if he finds that he is able to do so. In such event, the relevant Instrument of Proxy will be deemed to be revoked.

Personal data privacy:

By submitting the Instrument of Proxy, the CIT Unitholder (i) consents to the collection, use and disclosure of the CIT Unitholder's personal data by CIT (or its agents) for the purpose of the processing and administration by CIT (or its agents) of proxy(ies) and/or representative(s) appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to such meeting, and in order for CIT (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the CIT Unitholder discloses the personal data of the CIT Unitholder's proxy(ies) and/or representative(s) to CIT (or its agents), the CIT Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by CIT (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the CIT Unitholder will indemnify CIT in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the CIT Unitholder's breach of warranty.

IMPORTANT: PLEASE READ THE NOTES TO THE PROXY FORM BELOW.

Notes:

1. A unitholder of CIT ("**Unitholder**") entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a Unitholder.

2. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.

3. A Unitholder should insert the total number of CIT Units held. If the Unitholder has CIT Units entered against his name in the Depository Register (as defined in the Companies Act, Chapter 50 of Singapore) maintained by The Central Depository (Pte) Limited ("**CDP**"), he should insert that number of CIT Units. If the Unitholder has CIT Units registered in his name in the Register of Unitholders of CIT, he should insert that number of CIT Units. If the Unitholder has CIT Units entered against his name in the said Depository Register and registered in his name in the Register of Unitholders, he should insert the aggregate number of CIT Units. If no number is inserted, this form of proxy will be deemed to relate to all the CIT Units held by the Unitholder.

4. The instrument appointing a proxy or proxies ("**Instrument of Proxy**") must be lodged at the registered office of the Trustee-Manager at 111 Somerset Road #10-01, TripleOne Somerset, Singapore 238164 not less than 48 hours before the time appointed for the Extraordinary General Meeting (i.e. by 28 April 2015 at 11.00 a.m.). The lodging of an Instrument of Proxy by a Unitholder does not preclude him from attending and voting in person at the Extraordinary General Meeting if he finds that he is able to do so. In such event, the relevant Instrument of Proxy will be deemed to be revoked.

5. The Instrument of Proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Instrument of Proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

6. Where an Instrument of Proxy is signed on behalf of the appointor by an attorney, 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 (unless previously registered with the Trustee-Manager) be lodged with the Instrument of Proxy, failing which the Instrument of Proxy may be treated as invalid.

7 A corporation which is a Unitholder may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at the Extraordinary General Meeting. The person so authorised shall, upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

8. All Unitholders will be bound by the outcome of the Extraordinary General Meeting regardless of whether they have attended or voted at the Extraordinary General Meeting.

9. A resolution put to the vote of the Extraordinary General Meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by (i) the Chairman; (ii) five or more Unitholders having the right to vote at the Extraordinary General Meeting; or (iii) Unitholders representing not less than 10 per cent. of the total voting rights of Unitholders having the right to vote at the Extraordinary General Meeting. Unless a poll is so demanded, a declaration by the Chairman that such a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

10. On a show of hands, every Unitholder who (being an individual) is present in person or by proxy or (being a corporation) is present by one of its officers as its proxy shall have one vote. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every CIT Unit of which he is the Unitholder. A person entitled to more than one vote need not use all his votes or cast them the same way.

General

The Trustee-Manager shall be entitled to reject the Instrument of Proxy 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 Instrument of Proxy. In addition, in the case of CIT Units entered in the Depository Register, the Trustee-Manager may reject any Instrument of Proxy if the Unitholder, being the appointor, is not shown to have CIT Units entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Extraordinary General Meeting, as certified by the CDP to the Trustee-Manager.

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CITYSPRING INFRASTRUCTURE TRUST

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

Personal data privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 5 April 2015.

PROXY FORM

EXTRAORDINARY GENERAL MEETING

I/We, _____ (Name(s) and NRIC/Passport Number(s))

of _____ (Address)
being a unitholder/unitholders of CitySpring Infrastructure Trust ("**CIT**"), hereby appoint:

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

and/or (delete as appropriate)

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

or, both of whom failing, the Chairman of the Extraordinary General Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll or to join in demanding a poll and to vote on a poll, at the Extraordinary General Meeting of CIT to be held at Ballrooms 1 and 2, Amara Singapore, Level 3, 165 Tanjong Pagar Road, Singapore 088539 on 30 April 2015 at 11.00 a.m. and any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Extraordinary General Meeting.

Resolutions	**No. of Units**	
	For*	**Against***
Ordinary Resolution 1: Approval of the Proposed Acquisition (including the KMC Acquisition)		
Ordinary Resolution 2: Issue of 1,326,319,374 Consideration CIT Units pursuant to the Proposed Acquisition		
Ordinary Resolution 3: Appointment of KIFM as the trustee-manager of CIT (to be renamed "Keppel Infrastructure Trust"), in replacement of CSIM, with effect from the effective date of the Proposed Acquisition		
Ordinary Resolution 4: Issue of up to 1,132,700,000 New Units pursuant to the KMC Equity Fund Raising		
Ordinary Resolution 5: Amendment of CIT's Existing General Mandate for Interested Person Transactions pursuant to the Proposed Acquisition		
Extraordinary Resolution 6: Amendment of the Trust Deed		

* If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated _____

Total number of Units held

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

"Glue all sides firmly." Stapling and spot sealing is disallowed

fold along this line (2)

Extraordinary General Meeting

Postage will be paid by addressee. For posting in Singapore only.

BUSINESS REPLY SERVICE
PERMIT No. 08213

The Company Secretary
CitySpring Infrastructure Management Pte. Ltd.
(as Trustee-Manager of CitySpring Infrastructure Trust)
111 Somerset Road
#10-01 TripleOne Somerset
Singapore 238164

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