

Managed by
Keppel Infrastructure Fund
Management Pte. Ltd.
(as Trustee-Manager of
Keppel Infrastructure Trust)



Independent Financial Adviser
in respect of the Proposed IPTs
(as defined herein)

**CIRCULAR DATED
1 APRIL 2024**

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



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

CIRCULAR TO UNITHOLDERS IN RELATION TO:

EQUITY FUND RAISING

1. THE PROPOSED ISSUANCE OF UP TO 1,061,571,125 NEW UNITS IN KIT (REPRESENTING APPROXIMATELY 18.9% OF THE EXISTING NUMBER OF ISSUED UNITS AS AT THE LATEST PRACTICABLE DATE) PURSUANT TO (I) THE PLACEMENT OR (II) THE PLACEMENT AND THE PREFERENTIAL OFFERING (EACH AS DEFINED HEREIN);
2. THE PROPOSED PLACEMENT OF NEW UNITS IN KIT TO KEPEL INFRASTRUCTURE HOLDINGS PTE. LTD., AS PART OF THE PLACEMENT, WHICH ALSO CONSTITUTES AN INTERESTED PERSON TRANSACTION;

KMC CAPITAL RESTRUCTURING

3. THE FOLLOWING PROPOSED INTERESTED PERSON TRANSACTIONS AS PART OF THE CAPITAL RESTRUCTURING OF KEPEL MERLIMAU COGEN PTE LTD:
 - I. THE AMENDMENT OF THE CAPACITY TOLLING AGREEMENT BETWEEN KEPEL MERLIMAU COGEN PTE LTD, KEPEL ELECTRIC PTE. LTD AND KEPEL INFRASTRUCTURE HOLDINGS PTE. LTD.;
 - II. THE AMENDMENT OF THE OPERATIONS AND MAINTENANCE SERVICES AGREEMENT BETWEEN KEPEL MERLIMAU COGEN PTE LTD, KMC O&M PTE. LTD AND KEPEL INFRASTRUCTURE HOLDINGS PTE. LTD.;
 - III. ONE OR MORE LETTER(S) OF CREDIT TO BE PROCURED BY EACH OF KEPEL INFRASTRUCTURE TRUST AND KEPEL ENERGY PTE. LTD. (AND/OR ITS AFFILIATES) IN PROPORTION TO THEIR RESPECTIVE SHAREHOLDING IN KEPEL MERLIMAU COGEN PTE LTD FOR AN AGGREGATE AMOUNT OF UP TO S\$30 MILLION IN CONNECTION WITH KEPEL MERLIMAU COGEN PTE LTD'S REFINANCING OF ITS EXTERNAL BANK FACILITY; AND
 - IV. THE ISSUANCE OF SHARES IN THE CAPITAL OF KEPEL MERLIMAU COGEN PTE LTD FROM TIME TO TIME, FOR AN AGGREGATE AMOUNT OF UP TO S\$656.5 MILLION, TO THE SHAREHOLDERS OF KEPEL MERLIMAU COGEN PTE LTD FROM TIME TO TIME IN PROPORTION TO THEIR RESPECTIVE SHAREHOLDING IN KEPEL MERLIMAU COGEN PTE LTD.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR ANY OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your units in Keppel Infrastructure Trust ("KIT", and the units in KIT, "Units"), you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form in this Circular, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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

This Circular does not constitute or form a part of any offer to purchase, a solicitation of an offer to purchase, an offer to sell or invitation or solicitation of an offer to sell, issue or subscribe for, securities in or into the United States or any other jurisdiction. Any proposed issuance of new Units (the "New Units") described in this Circular will not be registered under the U.S. Securities Act of 1933, as amended (the "US Securities Act") or under the securities laws of any state or other jurisdiction of the United States, and any such New Units may not be offered or sold within the United States except pursuant to an exemption from, or transactions not subject to, the registration requirements of the US Securities Act and in compliance with any applicable state or local securities laws. The Trustee-Manager (as defined herein) does not intend to conduct a public offering of any securities of KIT in the United States or any other jurisdiction where such an offering is restricted or prohibited.

In-principle approval has been obtained from the SGX-ST for the listing and quotation of the New Units to be issued on the Main Board of the SGX-ST. The SGX-ST's in-principle approval is not an indication of the merits of the Placement, the Preferential Offering, the New Units or any of the transactions contemplated in association with the Placement, the Preferential Offering, KIT and/or its subsidiaries, the existing Units or the New Units.

Important dates and times

Last date and time for submission of questions in advance of the Extraordinary General Meeting ("EGM")	9 April 2024 at 11.00 a.m.
SIAS Dialogue Session ¹	11 April 2024 at 7.00 p.m.
Last date and time for KIT to publish responses to questions received	19 April 2024 at 11.00 a.m.
Last date and time for lodgement of Proxy Forms	21 April 2024 at 11.00 a.m.
Date and time of the EGM	23 April 2024 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of KIT to be held at 10.30 a.m. on the same day and at the same venue)
Place of the EGM	Suntec Singapore Convention Centre and Exhibition Centre, Summit 2, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593

Note:

1. Further details on the SIAS Dialogue Session will be announced by KIT in due course

IMPORTANT NOTICE

The information in this section should be read with the full information contained in the rest of this Circular. If there should be any inconsistency or conflict between this section and the rest of this Circular, the rest of this Circular shall prevail. Nothing in this section is intended to be, or shall be taken as, advice, a recommendation or a solicitation to Unitholders or any other party. Meanings of defined terms may be found in the “Definitions” section of this Circular.

Equity Fund Raising

- The Equity Fund Raising may take place before or after Completion. In the event that the Equity Fund Raising takes place after Completion, the Trustee-Manager intends to partially or fully repay such amounts which may be drawn down on an existing bridge facility of up to S\$450 million (the “**Bridge Facility**”) (including any further external borrowings taken out for refinancing of the Bridge Facility) and/or to replenish working capital and internal cash which were used to, initially fund the Total Acquisition Cost, with proceeds from the Equity Fund Raising. As at the Latest Practicable Date, the Trustee-Manager has not drawn down on the Bridge Facility
- In the event that the Equity Fund Raising takes place before Completion, the Trustee-Manager intends to partially finance the Total Acquisition Cost of approx. S\$570.6 million with the proceeds from the Equity Fund Raising
- Keppel Infrastructure Holdings Pte. Ltd. (“**KIHPL**”) intends to take part in the Placement so as to maintain its percentage unitholding in KIT following the completion of the Placement, subject to approval from Keppel’s shareholders being obtained and compliance with the applicable rules in the Listing Manual. If and to the extent the Preferential Offering is undertaken, subject to approval of Keppel’s shareholders being obtained, KIHPL also intends to subscribe for its pro rata entitlement under the Preferential Offering

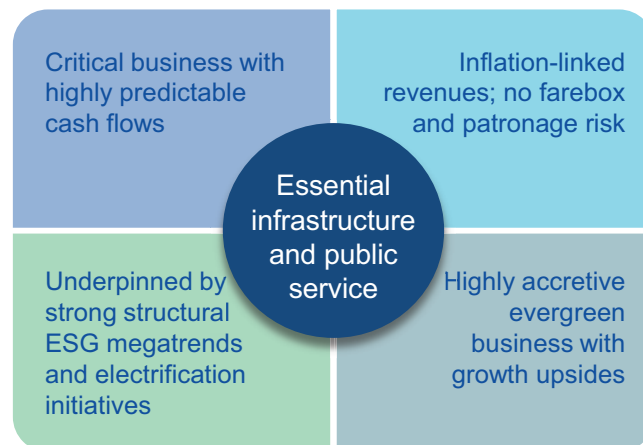
Rationale for the Proposed KIHPL Placement

- Maintain KIHPL’s position as the single largest direct Unitholder of KIT and avoid or mitigate the extent to which it would be diluted as a result of the Equity Fund Raising
- Positive demonstration of KIHPL’s commitment as the sponsor of KIT
- Enhance investors’ confidence in the Placement and provide a higher degree of certainty for the successful completion of the Equity Fund Raising

Acquisition of Ventura: A Leading Bus Operator and Essential Infrastructure and Public Service

Essential service that supports Melbourne’s population growth

- KIT to acquire approx. 98.6%¹ interest in Ventura Motors Pty Ltd (“**Ventura**”), the largest bus operator in Victoria
- Accretive acquisition: FY2023 DPU to increase by **3.4%** on a *pro forma* basis
- Provides defensive cash flows: >80% of revenue derived from long-term inflation-protected government contracts



Key details of Acquisition

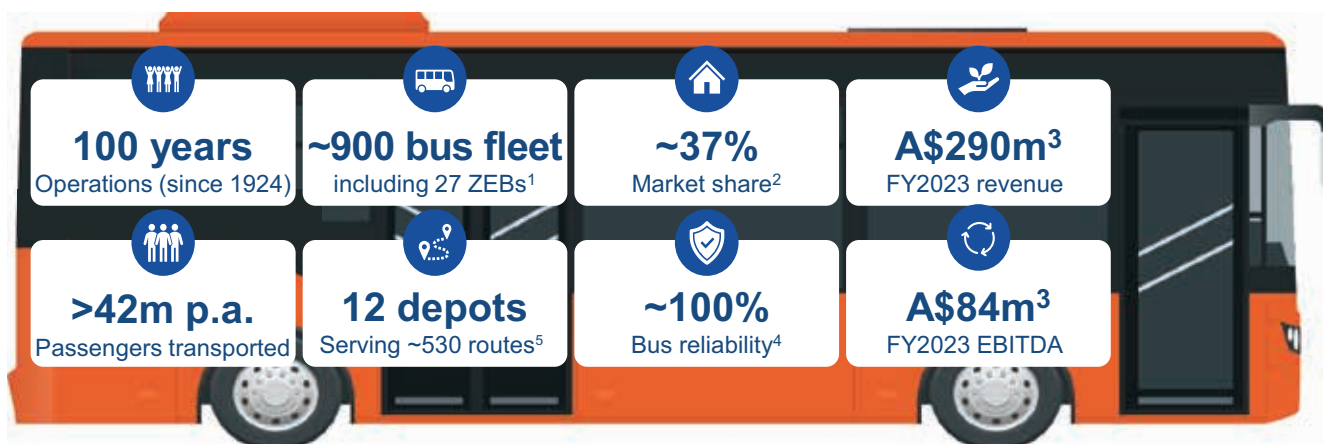
Seller	Cornwall families ²
Enterprise Value	A\$600m (approx. S\$540m ³)
Total Consideration	Up to approx. A\$354.2m ⁴ (approx. S\$318.7m ³)
Proposed Funding	Combination of internal resources, debt and equity (including the Equity Fund Raising)
Targeted completion	2Q 2024, subject to all conditions precedent (including government and regulatory approvals) being satisfied or waived

Notes:

1. The remaining 1.4% of the issued and paid-up capital of Topco at Completion will be held by Millview Manor, the trustee for the Andrew Cornwall Family Settlement, which is a trust under which the beneficiaries are family members of Andrew Cornwall.
2. The Ventura Vendors are Dedicco Dion Nominees Pty Ltd (as trustee for the Galloway Family Trust) and Faldam Pty Ltd (as trustee for the Cornwall Family Trust) and the RBPL Vendors are Frankincense Pty Ltd (as trustee for the Geoffrey Cornwall Family Settlement), Millview Manor Pty. Ltd. (as trustee for the Andrew Cornwall Family Settlement) (“**Millview Manor**”) and Twohooks Pty. Ltd. (as trustee for the John Cornwall Family Trust). Please refer to paragraph B1.1 of the Circular for further information.
3. Based on an exchange rate of S\$0.90:A\$1.00.
4. Includes Rollover Aggregate Amount of A\$6.0 million and the Earn Out Payments (if any) of up to A\$20.0 million (approx. S\$18.0 million).

Ventura: A Century of Service History

Victoria's largest bus operator, providing essential transport services in Melbourne



Defensive cash flows with cost indexation and capital reimbursement

> 80% of revenues derived from long-term inflation-protected government contracts with no farebox risk

	Government		Private	
	Mass Transit	Public Schools	Private Charter	Private Schools
Description	High frequency services along pre-determined routes (day & night) for general commuters	Bus services contracted to transport public school students	Private charters for regular transit or rail replacement	Bus services contracted to transport private school students
Contract economics	Stable revenue from fixed margin in addition to cost recovery; CPI indexation	Stable revenue from fixed margin in addition to cost recovery; CPI indexation	Fixed hourly or daily rates	Fixed daily rate with CPI indexation
Contract duration	8+2 years	~10 years	Ad-hoc or annual contracts	~3 years
Ventura Revenue (FY 2023)⁶	84%	6%	5%	3%

Rationale for the Acquisition



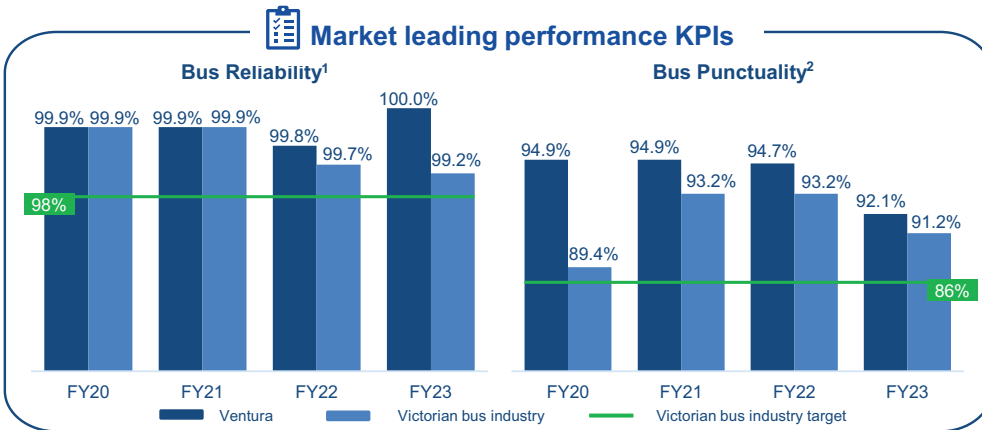
Notes:

1. Zero Emissions Buses ("ZEBs").
2. Based on Ventura Group's management estimates, market share based on share of public transit contract routes in Victoria.
3. Based on the audited accounts of the Ventura Group for the financial year ended 30 June 2023.
4. From 1 July 2022 to 30 June 2023.
5. Does not include private schools and special school routes.
6. Remaining 2% comprises other corporate revenues (e.g. advertising revenue from advertising space on buses, contract incentives from achieving key performance indicators, etc.). Based on the audited accounts of the Ventura Group for the financial year ended 30 June 2023.

Source: Where relevant, information has been sourced from Public Transport Victoria and Ventura Group's management estimates. Public Transport Victoria has not provided its consent to the inclusion of the information cited and attributed to it in this Circular. While the Trustee-Manager has taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, the Trustee-Manager has not conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

1 Largest Bus Operator in Victoria with Best-in-Class Performance

Core pillar of Melbourne's transportation landscape



- Largest share of **commuter bus services** market in Victoria
- Fast-growing **private bus charterer** in Victoria, serving numerous schools and supporting tourism and general charter
- **Consistent market leader** in reliability¹ and punctuality² metrics

2 Attractive Market with Favourable Tailwinds

Buses: An essential transport link between Melbourne's fastest growing regions

Melbourne

Australia's largest fast-growing city

Buses provide significant coverage of the Melbourne metropolitan area

Key Growth Drivers

A Residential development

Continuing growth in mass-transit bus service kilometres is expected to be driven by residential developments in outer suburbs

B Acceleration of commercial & transport infrastructure spend

Victoria's 'Big Build': The Victorian Government is looking to invest in road and rail projects across the state

C Bus reform and network optimisation

The Victorian Government aims to boost passenger experience and deliver network and operating efficiencies

3 Defensive Cash Flows with Cost Indexation and Capital Reimbursement

Majority of revenues derived from long-term, inflation-protected government contracts

> 80% of revenues from MBSCs³

Long-term contracts 10 years (8+2) year contract term⁴

Provides stable EBITDA and cash flows with performance incentives

Cost-indexed payments

- **Fixed payments; inflation-protected**
 - No farebox and patronage risk
 - Stable revenue based on service delivery cost plus a fixed margin
 - Contract payments indexed to relevant inflation indices (i.e. CPI, fuel index, labour index)
 - Incentive payments for meeting performance measures
- **Return of and on capital expenditures**
 - Reimbursement for capital expenditure on fleet acquisitions and depots
 - Receive access payment for usage of depots

Capital reimbursement

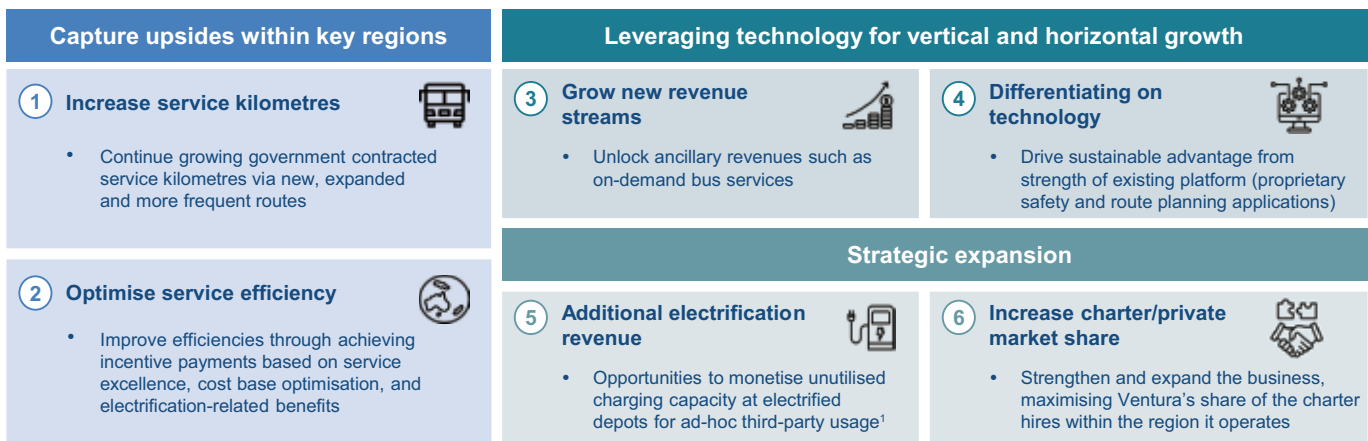
Notes:

- 1 Reliability refers to the actual number of bus service kilometres provided by the operator as a percentage of the total bus services kilometres scheduled to be provided by the operator.
- 2 Punctuality refers to the total number of on-time services delivered as a percentage of the total number of services scheduled.
- 3 Metropolitan Bus Service Contracts ("MBSCs").
- 4 MBSCs are long-term (8+2 years), inflation-protected government contracts. These contract were entered into in 2018 for 8 years till 2026, with an automatic 2-year extension up to 2028 if certain key performance measures are met.

Source: Where relevant, information has been sourced from Public Transport Victoria and Ventura Group's management estimates. Public Transport Victoria has not provided its consent to the inclusion of the information cited and attributed to it in this Circular. While the Trustee-Manager has taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, the Trustee-Manager has not conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

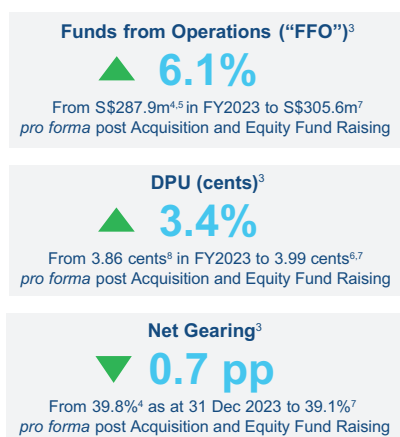
4 Platform of Scale to Capture Growth Opportunities

Accelerate growth within existing business and adjacent verticals

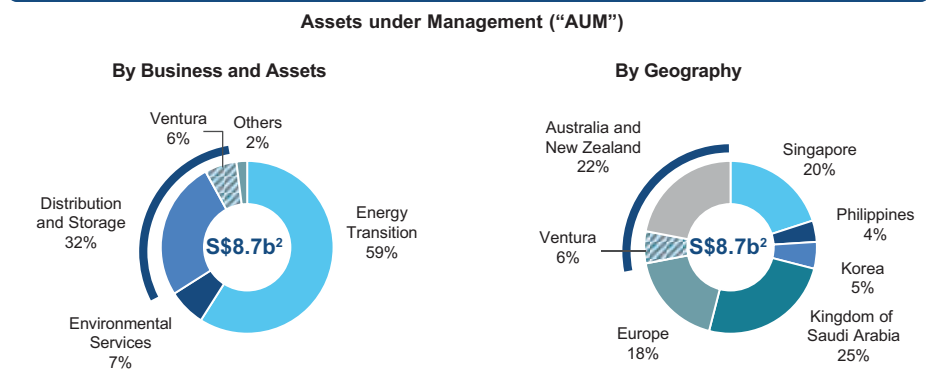


5 Accretive Acquisition that Strengthens Portfolio Resiliency

Pro forma DPU to increase by 3.4%³



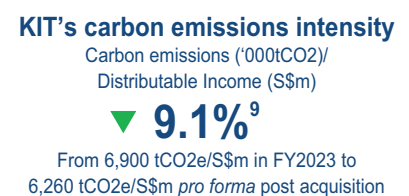
Enlarged Portfolio: AUM to grow by 7% to S\$8.7b² post-acquisition



6 Electrification Thematic Supporting KIT's ESG Targets

Ventura is the first mover for energy transition in Victoria's public transportation sector

- Owns and operates Victoria's first fully electric bus depot**
- Key partner in the Victorian Government ZEBs trial, responsible for delivering >50% of the trial buses**
- Clear pathway for electrification and aims to convert 25% of fleet to electric buses by 2030**
- Electrification leader in Victoria with 27 ZEBs**
- Aims to be a contributor to Australia's greenhouse gas emission reduction target of net zero by 2050**



Notes:

- Charging for ad-hoc usage of unutilised charging capacity at electrified depot (e.g. trucks, emergency services, etc.).
- Based on the enterprise value of the Ventura Group of approx. A\$600 million (approx. S\$540 million). The expected AUM contribution to KIT of the Acquisition is expected to be approx. S\$533 million, based on KIT's 98.6% share of the Ventura Group after the Acquisition. The enterprise value of the Ventura Group has not been independently valued. Based on KIT's AUM of S\$8.1 billion at 2 January 2024, which is based on the AUM Portfolio valuation.
- Please refer to paragraph B6 of Circular to Unitholders on the assumptions used in the preparation of the pro forma financial effects of the Acquisition and the Equity Fund Raising.
- Based on audited consolidated financial statements of the KIT Group for FY2023.
- Excludes effects of the capital optimisation at Ixom which was distributed as special distribution to Unitholders.
- Assuming all Distributable Income generated by the Targets will be distributed to KIT and minority shareholders. The pro forma DPU set out herein should not be interpreted as being representative of the future DPU. Assuming cash distribution received from the Targets, net of corporate expenses, is fully distributed to Unitholders.
- Assumes the issue of approx. 849.3 million Units at the Illustrative Issue Price (being S\$0.471 per New Unit) pursuant to the Equity Fund Raising.
- Based on DPU declared for FY2023, excluding special distribution of 2.33 cents paid in November 2023.
- Strictly for illustrative purposes only, to show what KIT's pro forma carbon intensity for FY2023 would have been assuming that the Acquisition and Equity Fund Raising was completed with effect from 1 January 2023 and KIT held the interests acquired pursuant to the Acquisition through to 31 December 2023. KIT's pro forma carbon intensity for FY2023 is based on KIT's Distributable Income for FY2023 and Ventura's distributable income as calculated on the bases and assumptions set out in paragraph B6 of the Circular. Based on the scope 1 and 2 carbon emissions for KIT and Ventura for the financial years ended 31 December 2023 and 30 June 2023 respectively.

KMC CTA extension and capital restructuring to allow it to resume Distributable Income contributions to KIT



Description: Approx. 1,300 MW combined cycle gas turbine power plant

KIT's ownership interest: 51%

Customer: Keppel Electric Pte. Ltd ("KE")



Support decarbonisation of the power sector

Enhance KMC's performance and efficiency, including getting the plant **hydrogen-ready**

- ✓ Located on Jurong Island, and connected to Singapore's electricity transmission network, the KMC plant is well positioned to support the surrounding industries with their electricity, steam supply and demineralised water requirements.
- ✓ Under the terms of the CTA, KMC receives an availability-based capacity fee in return for making available the KMC Plant's electricity generation capacity and a fixed operation and maintenance fee.
- ✓ The terms of the 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 borne by KE.

Extension of CTA and OMSA by 10 years

- ✓ KMC continues to receive Capacity Fees of up to S\$108m p.a. from 2030 to 2040¹
- ✓ Extension of OMSA ensures the continuous and reliable operations of the plant

Optimise KMC's capital structure

- ✓ Allow KMC to refinance its External Facility and lengthen its debt amortisation profile
- ✓ Letter of Credit to meet any debt service/maintenance reserve account requirements under the New External Facility
- ✓ Capital Injection (to be fully funded from KIT's operating cashflow) to optimise working capital and overall cashflow returns

Resume Distributable Income contributions to KIT



Pro forma Distributable Income

S\$241.6m²

Up 10.9% from S\$217.8m³



Pro forma DPU

Up 11%

Up from 3.86 cents³ to 4.28 cents²

Notes:

- 1 On the basis that (i) for every month from 1 July 2030 to 30 June 2040, KMC meets its availability target and (ii) KMC I and KMC II are retrofitted such that they retain their original generation capacities of 500MW and 840MW respectively up to 2045, such that the quantum of the Capacity Fees from 1 July 2030 to 30 June 2040 remains unchanged.
- 2 For illustrative purposes only and based on the bases and assumptions set out in paragraph C8 of the Circular, assuming that the KMC Capital Restructuring was effected as at 1 January 2023, KMC would have contributed approx. S\$23.8 million in Distributable Income to KIT for the financial year ended 31 December 2023. The actual contribution from KMC to the Distributable Income of KIT for the financial year ended 31 December 2023 is nil. This is because the External Facility commenced amortisation on 30 June 2023, and the cashflows generated by KMC in the financial year ended 31 December 2023 were not sufficient to cover both the KMC Notes interest payment and the amortisation of the External Facility. This effectively negated any Distributable Income received by KIT from KMC through the interest payments on the KMC Notes for the financial year ended 31 December 2023. Please refer to paragraphs C2 and C8.1 of the Circular for further details.
- 3 Based on audited consolidated financial statements of the KIT Group for FY2023 and excludes effects of the capital optimisation at Ixom.

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IMPORTANT NOTICE

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

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

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

Circular not an Offering Document. This Circular is issued to Unitholders solely for the purpose of convening the extraordinary general meeting (“**EGM**”) and seeking the approval of Unitholders for the resolutions to be proposed at the EGM. This Circular does not constitute an offering document for the offer of any securities and no offer of any securities is being made in this Circular. Any offer of New Units will be made in compliance with all applicable laws and regulations.

Forward-looking Statements. This Circular may contain forward-looking statements that involve assumptions, 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 other developments or companies, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Unitholders are cautioned not to place undue reliance on these forward-looking statements, which are based on the Trustee-Manager’s current view of future events.

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

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

Distribution Restrictions. This Circular is purely for information purposes in connection with the EGM described herein, and nothing in this Circular constitutes an offer of the New Units for sale in any jurisdiction. Any proposed issuance of New Units described in this Circular will not be registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States, and any such New Units may not be offered or sold within the United States except pursuant to an exemption from, or transactions not subject to, the registration requirements of the US Securities Act and in compliance with any applicable state or local securities laws. The Trustee-Manager does not intend to conduct a public offering of any securities of KIT in the United States or any other jurisdiction where such an offering is restricted or prohibited.

Documents Incorporated by Reference. The audited consolidated financial statements of the KIT Group for the financial year ended 31 December 2023 (“**FY2023**”) are deemed incorporated into this Circular by reference, are current only as at the date of such financial statements, and the incorporation of such financial statements by reference is not intended to create any implication that there has been no change in the affairs of KIT since the date of such financial statements or that the information contained in such financial statements is current as at any time subsequent to the date of such financial statements.

Any statement contained in the above-mentioned financial statements shall be deemed to be modified or superseded for the purposes of this Circular to the extent that a subsequent statement contained herein modifies or supersedes that statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to form a part of this Circular.

CORPORATE INFORMATION

- Directors of Keppel Infrastructure Fund Management Pte. Ltd., as Trustee-Manager of Keppel Infrastructure Trust : Mr Daniel Cuthbert Ee Hock Huat (*Independent Director and Chairman of the Board*)
Mr Mark Andrew Yeo Kah Chong (*Independent Director*)
Ms Chong Suk Shien (*Independent Director*)
Mr Adrian Chan Pengee (*Independent Director*)
Mr Ng Kin Sze (*Independent Director*)
Ms Christina Tan Hua Mui (*Non-Executive and Non-Independent Director*)
- Registered Office of the Trustee-Manager : 1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632
- Legal Adviser to the Trustee-Manager : Allen & Gledhill LLP
One Marina Boulevard #28-00
Singapore 018989
- Independent Financial Adviser to the Trustee-Manager in relation to the Proposed IPTs (as defined below) : SAC Capital Private Limited
1 Robinson Road
#21-00 AIA Tower
Singapore 048542
- Unit Registrar and Unit Transfer Office : Boardroom Corporate & Advisory Services Pte Ltd
1 HarbourFront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

INDICATIVE TIMETABLE

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

Event	Date and Time
Last date and time for submission of questions in advance of the EGM	: 9 April 2024 at 11.00 a.m.
SIAS Dialogue Session	: 11 April 2024 at 7.00 p.m.
Last date and time for KIT to publish responses to questions received	: 19 April 2024 at 11.00 a.m.
Last date and time for lodgement of Proxy Forms	: 21 April 2024 at 11.00 a.m.
Date and time of the EGM	: 23 April 2024 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of KIT to be held at 10.30 a.m. on the same day and at the same venue)
Place of the EGM	: Suntec Singapore Convention and Exhibition Centre, Summit 2, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593

If approval for the issuance of up to 1,061,571,125 New Units pursuant to (i) the Placement or (ii) the Placement and the Preferential Offering is obtained at the EGM

Launch of the Equity Fund Raising (as defined herein)	: To be determined and announced in due course
Issuance of New Units and commencement of trading on the SGX-ST	: To be determined and announced in due course

If approval for the Proposed IPTs is obtained at the EGM

Date of signing of the Fourth CTA Supplemental Agreement (as defined herein)	: To be determined and announced in due course
Date of signing of the OMSA Supplemental Agreement (as defined herein)	: To be determined and announced in due course

LETTER TO UNITHOLDERS

KEPPEL INFRASTRUCTURE TRUST

(Business Trust Registration Number 2007001)
(Constituted in the Republic of Singapore as a business trust
pursuant to a trust deed dated 5 January 2007 (as amended))

Board of Directors:

Mr Daniel Cuthbert Ee Hock Huat (*Independent Director
and Chairman of the Board*)
Mr Mark Andrew Yeo Kah Chong (*Independent Director*)
Ms Chong Suk Shien (*Independent Director*)
Mr Adrian Chan Pengee (*Independent Director*)
Mr Ng Kin Sze (*Independent Director*)
Ms Christina Tan Hua Mui (*Non-Executive
and Non-Independent Director*)

Registered Office:

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

1 April 2024

To: The Unitholders of Keppel Infrastructure Trust (“KIT”)

Dear Sir/Madam,

EQUITY FUND RAISING

- (1) THE PROPOSED ISSUANCE OF UP TO 1,061,571,125 NEW UNITS IN KIT (REPRESENTING APPROXIMATELY 18.9% OF THE EXISTING NUMBER OF ISSUED UNITS AS AT THE LATEST PRACTICABLE DATE) PURSUANT TO (I) THE PLACEMENT OR (II) THE PLACEMENT AND THE PREFERENTIAL OFFERING (EACH AS DEFINED HEREIN);
- (2) THE PROPOSED PLACEMENT OF NEW UNITS IN KIT TO KEPPEL INFRASTRUCTURE HOLDINGS PTE. LTD., AS PART OF THE PLACEMENT, WHICH ALSO CONSTITUTES AN INTERESTED PERSON TRANSACTION;

KMC CAPITAL RESTRUCTURING

- (3) THE FOLLOWING PROPOSED INTERESTED PERSON TRANSACTIONS AS PART OF THE CAPITAL RESTRUCTURING OF KEPPEL MERLIMAU COGEN PTE LTD:
 - (I) THE AMENDMENT OF THE CAPACITY TOLLING AGREEMENT BETWEEN KEPPEL MERLIMAU COGEN PTE LTD, KEPPEL ELECTRIC PTE. LTD AND KEPPEL INFRASTRUCTURE HOLDINGS PTE. LTD.;
 - (II) THE AMENDMENT OF THE OPERATIONS AND MAINTENANCE SERVICES AGREEMENT BETWEEN KEPPEL MERLIMAU COGEN PTE LTD, KMC O&M PTE. LTD AND KEPPEL INFRASTRUCTURE HOLDINGS PTE. LTD.;

- (III) ONE OR MORE LETTER(S) OF CREDIT TO BE PROCURED BY EACH OF KEPPEL INFRASTRUCTURE TRUST AND KEPPEL ENERGY PTE. LTD. (AND/OR ITS AFFILIATES) IN PROPORTION TO THEIR RESPECTIVE SHAREHOLDING IN KEPPEL MERLIMAU COGEN PTE LTD FOR AN AGGREGATE AMOUNT OF UP TO S\$30 MILLION IN CONNECTION WITH KEPPEL MERLIMAU COGEN PTE LTD'S REFINANCING OF ITS EXTERNAL BANK FACILITY; AND
- (IV) THE ISSUANCE OF SHARES IN THE CAPITAL OF KEPPEL MERLIMAU COGEN PTE LTD FROM TIME TO TIME, FOR AN AGGREGATE AMOUNT OF UP TO S\$656.5 MILLION, TO THE SHAREHOLDERS OF KEPPEL MERLIMAU COGEN PTE LTD FROM TIME TO TIME IN PROPORTION TO THEIR RESPECTIVE SHAREHOLDING IN KEPPEL MERLIMAU COGEN PTE LTD.

A. INTRODUCTION

1. CIRCULAR

The purpose of this Circular is to explain the reasons for, and to provide Unitholders with the relevant information relating to the Equity Fund Raising (as set out in section B below) and the KMC Capital Restructuring (as set out in section C below), and to seek Unitholders' approval for the ordinary resolutions to be tabled at the EGM in connection with the Equity Fund Raising and the KMC Capital Restructuring (the "**Ordinary Resolutions**"). The Ordinary Resolutions are set out in the Notice of EGM on pages E-1 to E-7 of this Circular.

2. INFORMATION ON KIT

KIT is a diversified business trust listed on the SGX-ST with approximately S\$8.1 billion in assets under management as at 2 January 2024. KIT plays a critical role in supporting Singapore's circular economy and economic growth, through providing electricity and gas, managing waste, and enhancing water security. Globally, its portfolio of critical infrastructure includes renewable energy assets such as wind farms and solar photovoltaics, town gas production, gas pipelines, waste treatment and water purification, manufacturing and distribution of essential chemicals, as well as the storage of petroleum products, serving a large customer base comprising government agencies, multinational corporations, commercial & industrial enterprises, and retail consumers across the Asia Pacific, Europe, and the Middle East.

KIT's goal is to deliver increasing and sustainable long-term returns to its Unitholders, through a combination of recurring and growing distributions and growth in capital value. KIT seeks to achieve its growth strategy by continuously acquiring and building a well-diversified portfolio of businesses and assets.

Please refer to Appendix A of this Circular for more information on KIT's portfolio.

B. THE EQUITY FUND RAISING

1. INTRODUCTION

1.1 The Acquisition

On 5 February 2024, Keppel Infrastructure Fund Management Pte. Ltd. (the “**Trustee-Manager**”), acting in its capacity as trustee-manager of KIT (and together with its subsidiaries, the “**KIT Group**”), announced that Fawkes Infrastructure Bidco Pty Ltd (an indirect wholly-owned subsidiary of KIT) (the “**Purchaser**”) had on 5 February 2024 entered into a share sale agreement (the “**Share Sale Agreement**”) with:

- (a) Dedico Dion Nominees Pty Ltd (as trustee for the Galloway Family Trust) and Faldam Pty Ltd (as trustee for the Cornwall Family Trust) (collectively, the “**Ventura Vendors**”);
- (b) Frankincense Pty Ltd (as trustee for the Geoffrey Cornwall Family Settlement), Millview Manor Pty. Ltd. (as trustee for the Andrew Cornwall Family Settlement) (“**Millview Manor**”) and Twohooks Pty. Ltd. (as trustee for the John Cornwall Family Trust) (collectively, the “**RBPL Vendors**”, and together with the Ventura Vendors, the “**Vendors**” and each a “**Vendor**”); and
- (c) Andrew Cornwall,

for the proposed acquisition by the Purchaser of the entire issued and paid-up share capital of each of Ventura Motors Pty Limited (“**Ventura**”) and Richard Barnett Pty Ltd (“**RBPL**”, and together with Ventura, the “**Targets**”) from the Vendors, on the terms and conditions of the Share Sale Agreement (the “**Acquisition**”).

The total consideration for the Acquisition (“**Total Consideration**”) comprises (i) an estimated consideration of A\$328.2 million (approximately S\$295.3 million)¹ which will be payable in cash by the Purchaser on the Completion Date (the “**Purchase Consideration**”) ² (ii) the amount of A\$6.0 million (approximately S\$5.4 million) which will be settled by way of issuance of shares in Fawkes Infrastructure Topco Pty. Ltd. (an indirect wholly-owned subsidiary of KIT) (“**Topco**”, and such shares the “**Rollover Shares**”) to Millview Manor on the Completion Date, and (iii) the earnings earn out amounts (if any) of up to A\$20.0 million (approximately S\$18.0 million) (“**Earn Out Payments**”) payable in accordance with the terms of the Share Sale Agreement. Please refer to paragraph B5.4(a) of this Circular for further information on the Rollover Shares and paragraph B5.4(b) of this Circular for further information on the Total Consideration.

The Ventura Vendors collectively hold approximately 64.4% of the issued and paid-up share capital of Ventura and RBPL holds the remaining 35.6% of the issued and paid-up share capital of Ventura. Following completion of the Acquisition (“**Completion**”), the Purchaser will directly hold 100% of the issued and paid-up share capital of RBPL and will directly and indirectly (through RBPL) hold 100% of the issued and paid-up share capital of Ventura.

1 Calculated based on the enterprise value of the Targets of A\$600.0 million (approximately S\$540.0 million), and after taking into account the Targets’ cash, indebtedness and working capital, as well as adjustments and/or deductions for, among others, agreed costs and expenses, stamp duty and taxes.

2 The Purchase Consideration excludes the Rollover Aggregate Amount as set out in this paragraph and paragraph B5.4(b)(ii) of this Circular.

As the Rollover Shares to be issued to Millview Manor on the Completion Date will represent approximately 1.4% of the issued and paid-up share capital of Topco at Completion, KIT will indirectly hold approximately 98.6% of the issued and paid-up share capital of Ventura upon Completion. Millview Manor is the trustee for the Andrew Cornwall Family Settlement, which is a trust under which the beneficiaries are family members of Andrew Cornwall.

The estimated total amount and costs relating to the Acquisition is approximately S\$570.6 million (the “**Total Acquisition Cost**”), which is determined based on the Purchase Consideration of the estimated amount of A\$328.2 million (approximately S\$295.3 million), the existing loans taken up by Ventura and its subsidiaries (the “**Ventura Group**”) of the estimated amount of A\$269.3 million (approximately S\$242.4 million) which will be paid down at Completion, other amounts payable under the Share Sale Agreement and the fees and expenses relating to the Acquisition (excluding estimated costs in connection with the Equity Fund Raising). The Total Acquisition Cost excludes the Earn Out Payments (if any) payable under the Share Sale Agreement.

The Trustee-Manager intends to fund the Total Acquisition Cost with a combination of internal sources of funds, equity and/or debt capital market issuances (including the Equity Fund Raising as described in paragraph B1.2 below) and/or external borrowings, as the Trustee-Manager may determine at the appropriate time. The final decision regarding the funding mix and the proportion of debt and equity to be employed to fund the Total Acquisition Cost will be made by the Trustee-Manager at the appropriate time, taking into account the then prevailing market conditions, interest rate environment and availability of funding options.

For the avoidance of doubt, Unitholders’ approval was not required for the Acquisition as (i) each of the relevant relative figures computed on the bases set out in Rule 1006 of the listing manual (the “**Listing Manual**”) of the SGX-ST did not exceed 20%, being the applicable threshold requiring Unitholders’ approval under Chapter 10 of the Listing Manual and/or (ii) the Acquisition is in the ordinary course of KIT’s business and does not constitute a “transaction” as defined under Chapter 10 of the Listing Manual.

1.2 The Equity Fund Raising

The Trustee-Manager proposes to issue up to 1,061,571,125 New Units (representing approximately 18.9% of the existing number of issued Units³ as at 14 March 2024, being the latest practicable date prior to the printing of this Circular (the “**Latest Practicable Date**”). Based on an illustrative issue price of S\$0.471 per New Unit (the “**Illustrative Issue Price**”), the Equity Fund Raising is expected to raise net proceeds of up to S\$490.4 million⁴.

3 Based on total Units in issue of 5,625,785,886 as at the Latest Practicable Date. As as the date of this Circular, there are 5,626,719,128 Units in issue.

4 Based on the estimated gross proceeds amount of up to S\$500.0 million and net of the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by KIT for the Equity Fund Raising.

For the avoidance of doubt, S\$500.0 million is the maximum amount of gross proceeds that may be raised through the Equity Fund Raising, calculated based on the maximum number of 1,061,571,125 New Units (for which the SGX-ST has granted its in-principle approval for the listing and quotation of) and the Illustrative Issue Price. Unitholders should note that the Illustrative Issue Price is purely illustrative and the actual New Units to be issued pursuant to the Equity Fund Raising (if any) may be issued at a price lower, equal to, or higher than the Illustrative Issue Price, and the actual gross proceeds raised from the Equity Fund Raising may be lower, equal to, or higher than S\$500.0 million.

Please refer to paragraph B6 of this Circular for the *pro forma* financial effects of the Acquisition and the Equity Fund Raising based on an assumption of net proceeds of S\$391.8 million to be raised pursuant to the Equity Fund Raising.

As at the Latest Practicable Date, the structure and timing of the Equity Fund Raising have not been determined by the Trustee-Manager. The Equity Fund Raising may, at the Trustee-Manager's discretion and subject to the then prevailing market conditions, comprise either:

- (a) a private placement of New Units to institutional and other investors (the "**Placement**"); or
- (b) the Placement and a non-renounceable preferential offering of New Units to eligible Unitholders on a *pro rata* basis (the "**Preferential Offering**"),

in each case, pursuant to the approvals sought under Ordinary Resolution 1, and will be undertaken at an issue price to be determined closer to the date of the launch of the Equity Fund Raising. The Trustee-Manager will determine the exact structure of the Equity Fund Raising closer to the launch of such offering, having regard to, among others, the market conditions at such time.

The Equity Fund Raising may take place before or after Completion. In the event that the Equity Fund Raising takes place after Completion, the Trustee-Manager intends to partially or fully repay such amounts which may be drawn down on an existing bridge facility of up to S\$450 million (the "**Bridge Facility**") (including any further external borrowings taken out for refinancing of the Bridge Facility) and/or to replenish working capital and internal cash which were used to, initially fund the Total Acquisition Cost, with proceeds from the Equity Fund Raising. As at the Latest Practicable Date, the Trustee-Manager has not drawn down on the Bridge Facility.

In the event that the Equity Fund Raising takes place before Completion, the Trustee-Manager intends to partially finance the Total Acquisition Cost of approximately S\$570.6 million with the proceeds from the Equity Fund Raising.

1.3 KIHPL Support

As at the Latest Practicable Date, Keppel Infrastructure Holdings Pte. Ltd. ("**KIHPL**") has a direct interest in 1,024,360,090 Units, representing approximately 18.21% of the total Units in issue⁵.

KIHPL intends to take part in the Placement so as to maintain its percentage unitholding in KIT following the completion of the Placement, subject to approval from Keppel Ltd.'s ("**Keppel**") shareholders being obtained and compliance with the applicable rules in the Listing Manual, including Rules 811(1) and 811(5) of the Listing Manual. Accordingly, Unitholders' approval is being sought for the Proposed KIHPL Placement. If and to the extent the Preferential Offering is undertaken, subject to approval of Keppel's shareholders being obtained, KIHPL also intends to subscribe for its *pro rata* entitlement under the Preferential Offering.

⁵ Based on total Units in issue of 5,625,785,886 as at the Latest Practicable Date. As at the date of this Circular, there are 5,626,719,128 Units in issue.

2. THE EQUITY FUND RAISING

2.1 Overview

The Trustee-Manager proposes to issue up to 1,061,571,125 New Units (representing approximately 18.9% of the existing number of issued Units as at the Latest Practicable Date). Based on the Illustrative Issue Price, the Equity Fund Raising is expected to raise net proceeds of up to S\$490.4 million⁶ to partially finance the Total Acquisition Cost of approximately S\$570.6 million (including, depending on the timing of the Equity Fund Raising and the timing of Completion, the full or partial repayment of such amounts drawn down under the Bridge Facility and/or the replenishment of working capital and internal cash which were used to initially finance the Total Acquisition Cost).

2.2 Structure

As at the Latest Practicable Date, the structure and timing of the Equity Fund Raising have not been determined by the Trustee-Manager.

If and when the Trustee-Manager decides to undertake the Equity Fund Raising, the Equity Fund Raising may, at the Trustee-Manager's discretion, comprise either:

- (a) the Placement; or
- (b) the Placement and the Preferential Offering,

in each case, pursuant to the approvals sought under Ordinary Resolution 1, and at an issue price to be determined closer to the date of the launch of the Equity Fund Raising. The Trustee-Manager will determine the exact structure of the Equity Fund Raising closer to the launch of such offering, having regard to, among others, the market conditions at such time.

For the purposes of the EGM, Unitholders' approval is being sought for the New Units to be issued pursuant to the Equity Fund Raising, whether the Equity Fund Raising is undertaken by way of (i) the Placement or (ii) the Placement and the Preferential Offering.

The Trustee-Manager will announce details of the Equity Fund Raising (including details pertaining to the use of proceeds and percentage allocation for each use) via SGXNet at the appropriate time if and when it launches the Equity Fund Raising in such structure and at such time as may be agreed with the Underwriter(s).

Notwithstanding that the Equity Fund Raising is approved by Unitholders, the Trustee-Manager may decide not to undertake the Equity Fund Raising if, among others, the market conditions are not conducive to carry out the Equity Fund Raising or the Equity Fund Raising cannot be effected on acceptable terms.

6 Based on the estimated gross proceeds amount of up to S\$500.0 million and net of the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by KIT for the Equity Fund Raising.

For the avoidance of doubt, S\$500.0 million is the maximum amount of gross proceeds that may be raised through the Equity Fund Raising, calculated based on the maximum number of 1,061,571,125 New Units (for which the SGX-ST has granted its in-principle approval for the listing and quotation of) and the Illustrative Issue Price. Unitholders should note that the Illustrative Issue Price is purely illustrative and the actual New Units to be issued pursuant to the Equity Fund Raising (if any) may be issued at a price lower, equal to, or higher than the Illustrative Issue Price, and the actual gross proceeds raised from the Equity Fund Raising may be lower, equal to, or higher than S\$500.0 million.

Please refer to paragraph B6 of this Circular for the *pro forma* financial effects of the Acquisition and the Equity Fund Raising based on an assumption of net proceeds of S\$391.8 million to be raised pursuant to the Equity Fund Raising.

2.3 Issue Price

The issue price at which New Units will be offered and issued pursuant to the Equity Fund Raising will be determined closer to the date of the launch of the Equity Fund Raising. In the event the Equity Fund Raising comprises the Placement and the Preferential Offering, the New Units may be offered at different issue prices under the Placement and the Preferential Offering.

Notwithstanding that Unitholders' approval is being sought for the Placement and the Preferential Offering, should the Equity Fund Raising comprise the Placement and, if applicable, the Preferential Offering, the issue price for the New Units to be issued pursuant to the Placement and, if applicable, the Preferential Offering, will comply with Rules 811(1)⁷ and 811(5)⁸ and, as the case may be, Rule 816(2)⁹ of the Listing Manual, and shall be at a price that represents a discount of not more than 10% to the weighted average price for trades done on the SGX-ST for the full Market Day on which the underwriting agreement between the Trustee-Manager and the Underwriter(s) (the "**Underwriting Agreement**") is signed, or (if trading in Units is not available for a full Market Day) the weighted average price for trades done on the SGX-ST for the preceding Market Day up to the time the Underwriting Agreement is signed. In the event the Equity Fund Raising comprises the Placement and the Preferential Offering, the issue price for the Placement Units will not be lower than the issue price for the Preferential Offering Units.

2.4 New Units

The Trustee-Manager is seeking Unitholders' approval for the issuance of up to 1,061,571,125 New Units (representing approximately 18.9% of the existing number of issued Units as at the Latest Practicable Date) under the Equity Fund Raising pursuant to Rule 805(1) of the Listing Manual. For the avoidance of doubt, the Trustee-Manager will not be relying on the General Mandate (if approved by Unitholders at the annual general meeting ("**AGM**") to be held on 23 April 2024 at 10.30 a.m.) for the issuance of the New Units under the Equity Fund Raising.

7 Rule 811(1): An issue of shares must not be priced at more than 10% discount to the weighted average price for trades done on the SGX-ST for the full Market Day on which the placement or subscription agreement is signed. If trading in the issuer's shares is not available for a full Market Day, the weighted average price must be based on the trades done on the preceding Market Day up to the time the placement agreement is signed.

8 Rule 811(5): In the case of REITs and business trusts, for the purpose of Rule 811, the discount or premium of the issue price may be computed with reference to the weighted average price excluding declared distributions for trades done for the underlying units on the SGX-ST for the full Market Day on which the placement or subscription agreement is signed, provided that the placees are not entitled to the declared distributions.

9 Rule 816(2)(a): An issuer can undertake non-renounceable rights issues: (i) subject to specific shareholders' approval; or (ii) in reliance on the general mandate to issue rights shares in a non-renounceable rights issue if the rights shares are priced at not more than 10% discount to the weighted average price for trades done on the SGX-ST for the full Market Day on which the rights issue is announced. If trading in the issuer's shares is not available for a full Market Day, the weighted average price must be based on the trades done on the preceding Market Day up to the time the rights issue is announced. Rule 816(2)(b): The non-renounceable rights issue must comply with Part V of Chapter 8 except Rule 816(1).

Unitholders should note that such maximum number of up to 1,061,571,125 New Units is purely illustrative and is intended to represent a higher number than the actual number of New Units that may be issued pursuant to the Equity Fund Raising (if any), in order to provide a buffer against fluctuations in the market price of the Units and/or market conditions. The actual number of New Units to be issued pursuant to the Equity Fund Raising will depend on, among others, (a) the final structure of the Equity Fund Raising (as described in paragraph B2.2 above), (b) the issue price at which such New Units will be offered (as described in paragraph B2.3 above) and (c) the actual amount of proceeds to be raised that the Trustee-Manager determines is appropriate as at the time of launch of the Equity Fund Raising, each as to be determined closer to the date of the launch of the Equity Fund Raising.

2.5 Underwriting

It is envisaged that the Equity Fund Raising will be underwritten by the Underwriter(s) subject to the execution of the Underwriting Agreement on such terms and conditions as the Underwriter(s) may agree with the Trustee-Manager. The Underwriting Agreement is anticipated to be signed upon the terms of the Equity Fund Raising being agreed upon.

2.6 SGX-ST In-Principle Approval

On 25 March 2024, the SGX-ST granted its in-principle approval for the listing and quotation of up to 1,061,571,125 New Units (representing approximately 18.9% of the existing number of issued Units as at the Latest Practicable Date) on the Main Board of the SGX-ST, subject to the following conditions:

- (a) compliance with the SGX-ST's continuing listing requirements;
- (b) approval of Unitholders for the Equity Fund Raising;
- (c) a written undertaking from the Trustee-Manager that it will comply with Rules 704(30), 887(8), and 1207(20) of the Listing Manual in relation to the use of the proceeds from the Equity Fund Raising and where proceeds are to be used for working capital purposes, the Trustee-Manager will disclose a breakdown with specific details on the use of proceeds for working capital in KIT's announcements on use of proceeds and in the annual report;
- (d) a written undertaking from the Trustee-Manager and Underwriters that they will comply with Rule 803 of the Listing Manual in relation to the New Units to be issued pursuant to the Placement;
- (e) a written confirmation from the Trustee-Manager and Underwriters that they will not issue the New Units to be issued pursuant to the Placement to persons prohibited under Rule 812(1) of the Listing Manual unless specific Unitholders' approval has been obtained;
- (f) a written undertaking from the Trustee-Manager that it will comply with Rule 877(10) of the Listing Manual with regards to the allotment of any excess New Units to be issued pursuant to the Preferential Offering;
- (g) a written confirmation from financial institution(s) as required under Rule 877(9) of the Listing Manual that the undertaking Unitholder(s) who have given the irrevocable undertakings have sufficient financial resources to fulfil their obligations under their undertakings; and

- (h) the New Units to be issued pursuant to the Equity Fund Raising shall be at a price that represents a discount of not more than 10% to the weighted average price of the units of KIT for trades done on the SGX-ST for the full Market Day on which the Underwriting Agreement is signed, or (if trading in the Units is not available for a full Market Day) for the preceding Market Day up to the time the Underwriting Agreement is signed.

The in-principle approval of SGX-ST is not an indication of the merits of the Placement, the Preferential Offering, the New Units or any of the transactions contemplated in association with the Placement, the Preferential Offering, KIT and/or its subsidiaries, the existing Units or the New Units.

2.7 KIHPL Support for the Equity Fund Raising

As described in paragraph B1.3 of this Circular, KIHPL intends to take part in the Placement so as to maintain KIHPL's percentage unitholding in KIT following the completion of the Placement, subject to approval from Keppel's shareholders being obtained and compliance with the applicable rules in the Listing Manual. If and to the extent the Preferential Offering is undertaken, subject to approval of Keppel's shareholders being obtained, KIHPL also intends to subscribe for KIHPL's *pro rata* entitlement under the Preferential Offering.

2.8 Use of Proceeds

The Equity Fund Raising is expected to raise net proceeds of up to S\$490.4 million¹⁰.

The Equity Fund Raising may take place before or after Completion. In the event that the Equity Fund Raising takes place after Completion, the Trustee-Manager intends to partially or fully repay such amounts which may be drawn down on the Bridge Facility (including any further external borrowings taken out for refinancing of the Bridge Facility) and/or to replenish working capital and internal cash which were used to initially fund the Total Acquisition Cost with proceeds from the Equity Fund Raising. As at the Latest Practicable Date, the Trustee-Manager has not drawn down on the Bridge Facility.

In the event that the Equity Fund Raising takes place before Completion, the Trustee-Manager intends to partially finance the Total Acquisition Cost of approximately S\$570.6 million with the proceeds from the Equity Fund Raising.

¹⁰ Based on the estimated gross proceeds amount of up to S\$500.0 million and net of the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by KIT for the Equity Fund Raising.

For the avoidance of doubt, S\$500.0 million is the maximum amount of gross proceeds that may be raised through the Equity Fund Raising, calculated based on the maximum number of 1,061,571,125 New Units (for which the SGX-ST has granted its in-principle approval for the listing and quotation of) and the Illustrative Issue Price. Unitholders should note that the Illustrative Issue Price is purely illustrative and the actual New Units to be issued pursuant to the Equity Fund Raising (if any) may be issued at a price lower, equal to, or higher than the Illustrative Issue Price, and the actual gross proceeds raised from the Equity Fund Raising may be lower, equal to, or higher than S\$500.0 million.

Please refer to paragraph B6 of this Circular for the *pro forma* financial effects of the Acquisition and the Equity Fund Raising based on an assumption of net proceeds of S\$391.8 million to be raised pursuant to the Equity Fund Raising.

Notwithstanding its current intention, in the event that the Equity Fund Raising is completed but the Acquisition does not proceed for whatever reason, or if the amount required from the proceeds of the Equity Fund Raising to finance the Acquisition is less than the total net proceeds raised from the Equity Fund Raising for whatever reason, the Trustee-Manager may, subject to relevant laws and regulations, utilise the net proceeds of the Equity Fund Raising at its absolute discretion for other purposes, including without limitation, the repayment of existing indebtedness, for funding capital expenditures, for any potential future acquisitions which the Trustee-Manager may undertake from time to time, and other general working capital purposes.

The Trustee-Manager will make periodic announcements on the utilisation of the net proceeds of the Equity Fund Raising via SGXNet as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated.

Where proceeds are to be used for working capital purposes, the Trustee-Manager will disclose a breakdown with specific details on the use of proceeds for working capital in KIT's announcements and in KIT's annual report, and where there is any material deviation from the stated use of proceeds, the Trustee-Manager will announce the reasons for such deviation.

Pending the deployment of the net proceeds from the Equity Fund Raising, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions, invested in short-term money market instruments or marketable securities, used to repay outstanding borrowings, or for any other purpose on a short-term basis as the Trustee-Manager may, in its absolute discretion, deem fit.

The Trustee-Manager is of the view that the funds raised from the Equity Fund Raising will be sufficient to enable KIT to meet its obligations and continue to operate as a going concern.

2.9 Unitholders' Approval

While the Trustee-Manager will determine, at its discretion, the exact structure of the Equity Fund Raising closer to such offering, having regard to the then prevailing market conditions, the number of New Units to be issued in the event the Equity Fund Raising comprises the Placement and, if applicable, the Preferential Offering may exceed the limits under the General Mandate (if approved by Unitholders at the AGM to be held on 23 April 2024 at 10.30 a.m.). Accordingly, KIT is seeking the approval of Unitholders for the issuance of up to 1,061,571,125 New Units pursuant to (i) the Placement or (ii) the Placement and the Preferential Offering.

Under Section 36(3) of the Business Trust Act 2004 of Singapore ("**BTA**"), any approval received by KIT for the issuance of New Units shall continue in force until the earlier of (a) the conclusion of the AGM commencing next after the date on which the approval was given or (b) the expiration of the period within which the next AGM after that date is required under the BTA to be held (the "**Expiry Date**").

Accordingly, if Ordinary Resolution 1 is passed at the EGM but the Equity Fund Raising has not been launched prior to the Expiry Date, the authority to issue up to 1,061,571,125 New Units pursuant to Ordinary Resolution 1 will expire on the Expiry Date. In such event, if and when the Trustee-Manager decides to undertake the Equity Fund Raising, the Trustee-Manager may seek Unitholders' approval for the issuance of New Units pursuant to (i) the Placement or (ii) the Placement and the Preferential Offering at or after the next AGM.

3. THE PROPOSED KIHPL PLACEMENT

3.1 The Proposed KIHPL Placement

Rule 812 of the Listing Manual provides that an issue must not be placed to, among others, an issuer's substantial shareholders unless specific shareholders' approval has been obtained for such placement. As at the Latest Practicable Date, KIHPL has a direct interest in 1,024,360,090 Units, representing approximately 18.21% of the total Units in issue. Accordingly, Unitholders' approval is being sought for Ordinary Resolution 2 in connection with the Proposed KIHPL Placement. It should be noted that the Proposed KIHPL Placement is subject to approval from Keppel's shareholders being obtained.

The number of New Units proposed to be placed to KIHPL under the Placement shall be no more than such number as would be required to maintain KIHPL's proportionate unitholding in KIT following the completion of the Placement, in percentage terms, at the level immediately prior to the issuance of New Units under the Placement.

New Units will be issued to KIHPL pursuant to the Proposed KIHPL Placement at the same price as the New Units to be issued to other investors under the Placement. The issue price for the New Units to be issued pursuant to the Placement will comply with Rules 811(1) and 811(5) of the Listing Manual, pursuant to which the New Units must not be priced at more than 10% discount to the weighted average price for trades done on the SGX-ST for the full Market Day on which the Underwriting Agreement is signed, or (if trading in Units is not available for a full Market Day) the weighted average price for trades done on the SGX-ST for the preceding Market Day up to the time the Underwriting Agreement is signed, excluding (where applicable) declared distributions for trades done for the underlying Units on the SGX-ST for the full Market Day on which the Underwriting Agreement is signed, provided that the placees of the New Units under the Placement are not entitled to the declared distributions.

3.2 Rationale for the Proposed KIHPL Placement

The Trustee-Manager is of the view that it will benefit Unitholders if New Units are permitted to be issued to KIHPL pursuant to the Proposed KIHPL Placement, for the following reasons:

- (a) the issuance of New Units to KIHPL would maintain KIHPL's position as the single largest direct Unitholder of KIT and avoid or mitigate the extent to which it would be diluted as a result of the Equity Fund Raising;
- (b) such issuance would be a positive demonstration of KIHPL's commitment as the sponsor of KIT; and
- (c) such issuance would enhance investors' confidence in the Placement and provide a higher degree of certainty for the successful completion of the Equity Fund Raising.

3.3 Interested Person Transaction

Under Chapter 9 of the Listing Manual, where KIT proposes to enter into a transaction with an interested person (as defined in the Listing Manual) and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, entered into with the same interested person during the same financial year) is of a value equal to, or more than, 5% of KIT's latest audited consolidated net tangible assets ("**NTA**")¹¹, Unitholders' approval is required in respect of the transaction.

KIHPL, being a Controlling Unitholder, is deemed to be an interested person for the purposes of Chapter 9 of the Listing Manual. Accordingly, the Proposed KIHPL Placement (if undertaken) will constitute an interested person transaction under Chapter 9 of the Listing Manual. As such number of New Units are placed to KIHPL pursuant to the Placement in order for KIHPL to maintain its proportionate unitholding, in percentage terms, at the level immediately prior to the issuance of New Units under the Placement, there is a possibility (depending on the issue price of the New Units under the Placement and the number of New Units that KIHPL subscribes for) that the value of New Units placed to KIHPL, either in itself or in aggregation with all earlier transactions (each of a value equal to or greater than S\$100,000) entered into with KIHPL during the current financial year, may exceed 5% of KIT's latest audited consolidated NTA. In such circumstances, under Rule 906(1) of the Listing Manual, the Trustee-Manager is required to seek Unitholders' approval for the placement of New Units to KIHPL pursuant to the Proposed KIHPL Placement.

In approving the Proposed KIHPL Placement, Unitholders are deemed to have approved the Proposed KIHPL Placement as an interested person transaction under Rule 906(1) of the Listing Manual, regardless of whether the value of New Units placed to KIHPL pursuant to the Proposed KIHPL Placement, either in itself or in aggregation with all other transactions (each of a value equal to or greater than S\$100,000) entered into with KIHPL during the current financial year, exceeds 5% of KIT's latest audited consolidated NTA.

4. FUTURE DISTRIBUTIONS AND STATUS OF NEW UNITS

KIT typically pays distributions to Unitholders out of its retained cash and residual cash flows on a semi-annual basis.

However, pursuant to the Equity Fund Raising, the Trustee-Manager may decide to make adjustments to the distribution period which may include, among others, a cumulative distribution, an advanced distribution or such other plans to ensure fairness to Unitholders holding Units on the day immediately prior to the date on which the New Units are issued under the Placement.

The Placement Units will, upon issuance and allotment, rank *pari passu* in all respects with the other existing issued Units as at the date of issuance of the Placement Units (the "**Placement Settlement Date**") (save for the entitlement to (i) any distributions to be declared by KIT in respect of the period from (and including) 1 January 2024 to (and excluding) the Placement Settlement Date and (ii) participate in the Preferential Offering (if undertaken)). As an illustration, if the Placement is undertaken prior to 30 June 2024, holders of the Placement Units will be entitled to distributions declared by KIT in respect of the period from (and including) the Placement Settlement Date to (and including) 30 June 2024 and thereafter will rank *pari passu* in all respects with the existing Units, including the right to receive all distributions declared, made or paid.

¹¹ Based on KIT's audited consolidated financial statements for FY2023, the NTA of KIT as at 31 December 2023 was approximately S\$293 million.

In the event that the Trustee-Manager undertakes the Preferential Offering, the Preferential Offering will be undertaken subsequent to the Placement. The Preferential Offering Units will, upon issuance and allotment, rank *pari passu* in all respects with and carry all rights similar to the other existing issued Units as at the Preferential Offering Settlement Date. As an illustration, if the Preferential Offering is undertaken prior to 30 June 2024, holders of the Preferential Offering Units will be entitled to distributions declared by KIT in respect of the period from (and including) the Placement Settlement Date to (and including) 30 June 2024 and thereafter will rank *pari passu* in all respects with the existing Units, including the right to receive all distributions declared, made or paid.

5. INFORMATION ON THE ACQUISITION

5.1 Overview

On 5 February 2024, the Trustee-Manager announced that the Purchaser has entered into a Share Sale Agreement with (i) the Ventura Vendors; (ii) the RBPL Vendors; and (iii) Andrew Cornwall, for the proposed acquisition by the Purchaser of the entire issued and paid-up share capital of each of Ventura and RBPL from the Vendors, on the terms and conditions of the Share Sale Agreement.

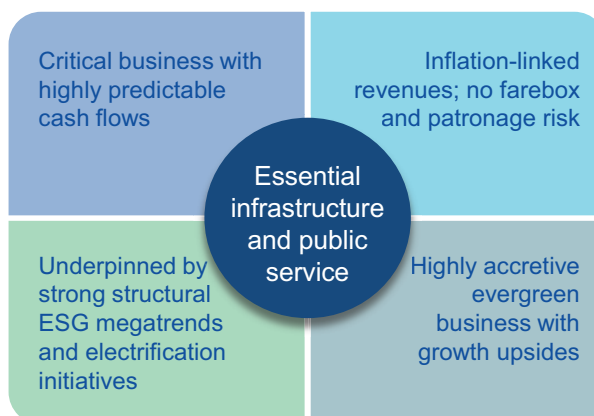
5.2 Information on the Targets and the Sale Shares

The Ventura Vendors collectively hold approximately 64.4% of the issued and paid-up share capital of Ventura and RBPL holds the remaining 35.6% of the issued and paid-up share capital of Ventura. Following Completion, the Purchaser will directly hold 100% of the issued and paid-up share capital of RBPL and will directly and indirectly (through RBPL) hold 100% of the issued and paid-up share capital of Ventura. Following Completion, KIT will indirectly hold approximately 98.6% of the issued and paid-up share capital of Ventura.

The Acquisition involves the acquisition by the Purchaser of ordinary shares representing approximately 64.4% of the issued and paid-up share capital of Ventura (“**Ventura Shares**”) from the Ventura Vendors and ordinary shares representing 100% of the issued and paid-up share capital of RBPL (“**RBPL Shares**”) and together with the Ventura Shares, the “**Sale Shares**”) from the RBPL Vendors, free and clear of all encumbrances and together with all rights attaching to them at Completion.

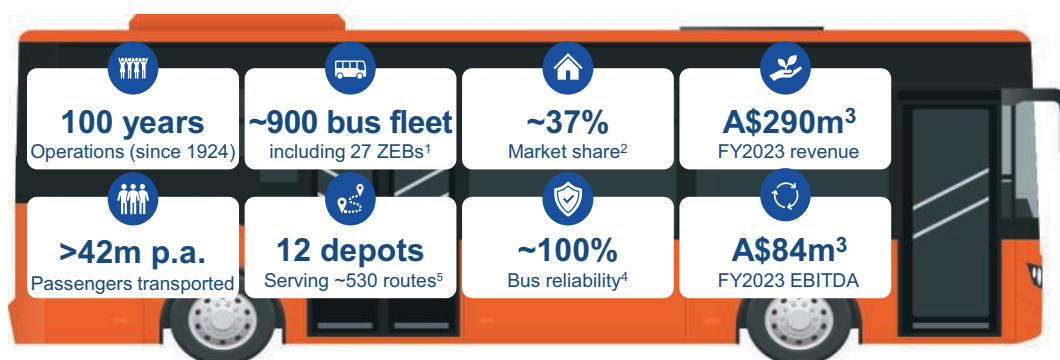
Ventura is a leading bus operator headquartered in Melbourne, Australia’s largest city. Ventura was established in 1924 and transports more than 42 million passengers annually. With a fleet of approximately 900 buses and 12 strategically located depots, Ventura has the largest market share of commuter bus services in Victoria, Australia, operating approximately 140 public transit routes across Metropolitan Melbourne.

Ventura is an essential infrastructure and public service.



Over 80% of Ventura’s revenues¹² are derived from long-term government contracts, which provide stable, inflation-protected revenues that do not fluctuate with the volume of passengers or fares collected. In addition to operating government route services, Ventura also provides bus services in Victoria, servicing about 150 private and public schools, as well as providing bus services for regional areas, tourism destinations, and general charter.

Ventura is registered in Victoria, Australia and has an issued and paid-up share capital of 1,046,353 ordinary shares. Based on the audited accounts of the Ventura Group for the financial year ended 30 June 2023, the book value and the net tangible liabilities¹³ value of the Ventura Group were approximately A\$58.0 million (approximately S\$52.2 million) and A\$76.0 million (approximately S\$68.4 million), respectively, and the net income attributable to the Ventura Group for the financial year ended 30 June 2023 was approximately A\$8.4 million (approximately S\$7.6 million). Please refer to the diagrams below for certain information relating to the Ventura Group¹⁴.



Notes:

- (1) Zero Emissions Buses (“ZEBs”).
- (2) Based on Ventura Group’s management estimates, market share based on share of public transit contract routes in Victoria.
- (3) Based on the audited accounts of the Ventura Group for the financial year ended 30 June 2023.
- (4) From 1 July 2022 to 30 June 2023.
- (5) Does not include private school and special school routes.

12 Based on the audited accounts of the Ventura Group for the financial year ended 30 June 2023.

13 The net tangible liabilities position of Ventura Group is mainly due to the substantial intangible assets value of the Metropolitan Bus Services Contracts as recorded on the balance sheet of the Ventura Group.

14 Where relevant, information has been sourced from Public Transport Victoria and Ventura Group’s management estimates. Public Transport Victoria has not provided its consent to the inclusion of the information cited and attributed to it in this Circular. While the Trustee-Manager has taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, the Trustee-Manager has not conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

	Government		Private	
	Mass Transit	Public Schools	Private Charter	Private Schools
Description	High frequency services along pre-determined routes (day & night) for general commuters	Bus services contracted to transport public school students	Private charters for regular transit or rail replacement	Bus services contracted to transport private school students
Contract economics	Stable revenue from fixed margin in addition to cost recovery; CPI indexation	Stable revenue from fixed margin in addition to cost recovery; CPI indexation	Fixed hourly or daily rates	Fixed daily rate with CPI indexation
Contract duration	8+2 years	~10 years	Ad-hoc or annual contracts	~3 years
Ventura Revenue (FY 2023)¹	84%	6%	5%	3%

Note:

- (1) Remaining 2% comprises other corporate revenues (e.g. advertising revenue from advertising space on buses, contract incentives from achieving key performance indicators, etc.). Based on the audited accounts of the Ventura Group for the financial year ended 30 June 2023.

RBPL is registered in Victoria, Australia and is a holding company. RBPL has an issued and paid-up share capital of 200 ordinary shares. Based on the unaudited accounts of RBPL for the financial year ended 30 June 2023, the book value and the net tangible asset value of RBPL were approximately A\$1.0 million (approximately S\$0.9 million) and A\$1.0 million (approximately S\$0.9 million), respectively, and the net income attributable to RBPL for the financial year ended 30 June 2023 was approximately A\$1.4 million (approximately S\$1.2 million).

The open market value of the Sale Shares is not available as the shares of Ventura and RBPL are not publicly traded. No independent valuation was conducted on the Targets or the Sale Shares for the Acquisition.

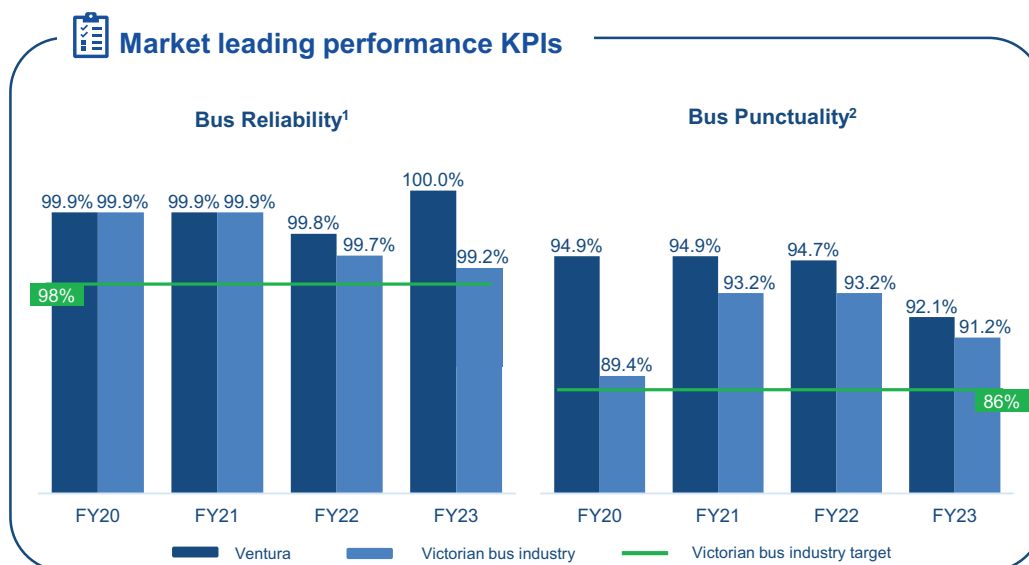
5.3 Rationale for the Acquisition

- (a) Largest bus operator in Victoria and a core pillar of Melbourne’s transportation landscape¹⁵

Ventura is Victoria’s largest bus operator by number of public routes and fleet size, with a fleet of approximately 900 buses servicing local mass-transit routes as well as private charter and school segments. Under its four key Metropolitan Bus Services Contracts (“MBSCs”), Ventura operates approximately 140 of the state’s approximately 370 public transit routes and has an approximately 37% market share in public transit routes. As such, it is a core pillar of the metropolitan Melbourne transportation landscape and provides an essential service to the population of Melbourne. Additionally, Ventura’s fast-growing private markets business leverages existing infrastructure to provide essential shuttle, school transport and tourism services.

¹⁵ Where relevant, information has been sourced from Public Transport Victoria and Ventura Group’s management estimates. Public Transport Victoria has not provided its consent to the inclusion of the information cited and attributed to it in this Circular. While the Trustee-Manager has taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, the Trustee-Manager has not conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

Ventura has consistently serviced Melbourne for 100 years with a proven track record of best-in-class performance. Ventura is a market leader across key performance metrics, including reliability¹⁶ (in terms of proportion of services delivered) and punctuality¹⁷ (in terms of proportion of services delivered on time) and has consistently outperformed the Victorian bus industry targets.



Notes:

- (1) Reliability refers to the actual number of bus service kilometres provided by the operator as a percentage of the total bus services kilometres scheduled to be provided by the operator.
- (2) Punctuality refers to the total number of on-time services delivered as a percentage of the total number of services scheduled.

(b) Attractive market with favourable tailwinds

Melbourne is Australia’s largest fast-growing city where buses provide significant coverage of the Melbourne metropolitan area and are an essential transport link between metropolitan Melbourne’s fast-growing middle-to-outer suburbs (where Ventura primarily operates). Buses are also the most cost-effective way for the government to implement additional public transport services (relative to tram or rail). As such, buses are increasingly becoming the mode of choice to expand the city’s reach into communities and under-served areas.

Continuing growth in mass-transit bus service kilometres is expected to be driven by residential developments in outer suburbs (to service a growing population) and acceleration of commercial and transport infrastructure spend (including as part of Victoria’s ‘Big Build’ which involves investment in road and rail projects across the state). The Victorian government is also in the process of consulting on bus network reform aimed at boosting passenger experience, delivering network and operating efficiencies and optimising the transition to ZEBs.

16 Reliability refers to the number of bus service kilometres provided by the operator during that period as a percentage of the total bus services kilometres scheduled to be provided by the operator.

17 Punctuality refers to the total number of on-time services delivered as a percentage of the total number of services scheduled.

(c) Defensive cash flows with cost indexation and capital reimbursement

A large majority (over 80%) of Ventura's revenues¹⁸ are derived from the MBSCs, which are long-term (8+2 years), inflation-protected government contracts. These contracts were entered into in 2018 for eight years till 2026, with an automatic two-year extension up to 2028 if certain key performance measures are met. Ventura has met the performance measures required to secure the extension, and the probability of further extensions is high given Ventura's strong emphasis of safety and compliance.

MBSC payments carry no farebox and patronage risk which means that revenues from these contracts do not fluctuate with the volume of passengers or fares collected. Revenues are negotiated with the government at contract inception and are based on an estimate of service delivery costs plus a fixed margin, then periodically indexed at relevant benchmarks (i.e. consumer price index ("CPI"), fuel index, labour index). As such, the revenues paid under the MBSCs are resilient through the cycle and provides stable EBITDA and cash flows with performance incentives.

Additionally, Ventura is reimbursed for capital expenditures on fleet acquisitions and depots over time under the MBSCs. The reimbursement for fleets capital expenditures includes the estimated financing costs associated with the fleet purchase and the depot capital expenditures are reimbursed via an access payment in exchange for the usage of the depots. The MBSCs also provide for incentive payments to be paid to operators if certain performance targets are achieved, of which Ventura has largely outperformed since contract inception.

(d) Platform of scale to capture growth opportunities

Ventura provides a strong and proven platform to accelerate growth within the existing business and adjacent verticals:

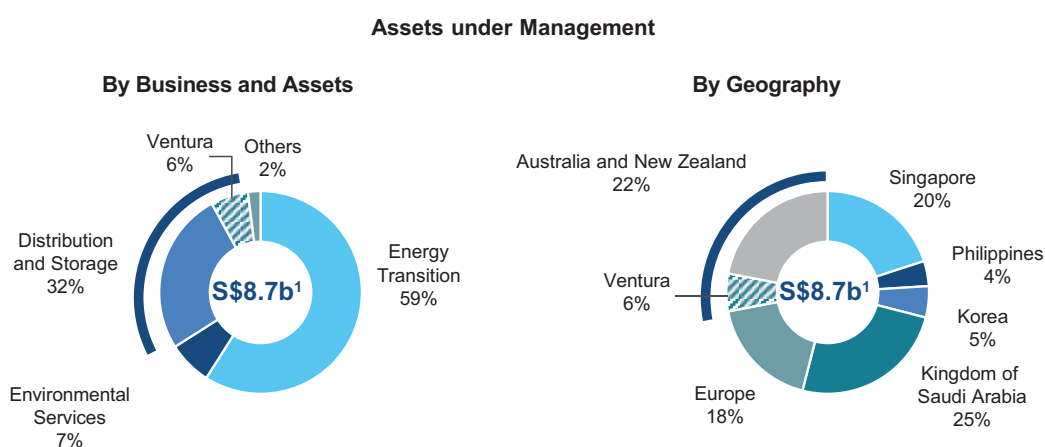
- (i) **Increase service kilometres:** continue growing government contracted service kilometres via new, expanded and more frequent routes;
- (ii) **Optimise service efficiency:** improve efficiencies through achieving incentive payments based on service excellence, cost base optimisation, and electrification-related benefits;
- (iii) **Increase charter/private market share:** strengthen and expand the business, maximising Ventura's share of the charter hires within the regions it operates;
- (iv) **Grow new revenue streams:** unlock ancillary revenues such as on-demand bus services;
- (v) **Differentiating on technology:** drive sustainable advantage from strength of existing platform (proprietary safety and route planning applications); and
- (vi) **Additional electrification revenue:** opportunities to monetise unutilised charging capacity at electrified depots for ad-hoc third-party usage.

¹⁸ Based on the audited accounts of the Ventura Group for the financial year ended 30 June 2023.

Further, Ventura is a platform of scale for KIT to establish a foothold in the Australian bus and public transport market, aligned with KIT’s existing principal business and KIT’s investment and growth strategy. There are opportunities to leverage Ventura’s platform and technology to target upcoming government contracts and tender for additional routes in Victoria and interstate, together with potential future mergers and acquisitions and consolidation opportunities.

(e) Accretive acquisition that strengthens KIT’s portfolio resiliency

The Acquisition is expected to drive cash flow generation to support overall Distribution Per Unit (“DPU”) accretion of 3.4% on a *pro forma* basis, based on the DPU declared for FY2023 and increase KIT’s assets under management (“AUM”) from approximately S\$8.1 billion¹⁹ as at 2 January 2024 to approximately S\$8.7 billion upon Completion. Please refer to paragraph B6 of this Circular for more details on the *pro forma* financial effects of the Acquisition and the Equity Fund Raising.



Note:

(1) Based on the enterprise value of the Ventura Group of approximately A\$600 million (approximately S\$540 million). The expected AUM contribution to KIT of the Acquisition is expected to be approximately S\$533 million, based on KIT’s 98.6% share of the Ventura Group after the Acquisition. The enterprise value of the Ventura Group has not been independently valued.

(f) Electrification thematic supporting KIT’s ESG targets

The structural electrification of the bus industry presents a significant opportunity to deploy capital into the energy transition thematic, particularly given the Victorian government policy for all new public transport buses to be ZEBs from 2025.

Ventura has been an electrification leader, a key partner to the Victorian government in their electrification plans and a first mover for energy transition in Victoria’s public transportation sector. Ventura delivered the state’s first fully electric bus depot and more than 50% of the trial buses under the Victorian government’s ZEB trial, with a current fleet comprising 27 ZEBs. Ventura aims to convert 25% of its fleet to electric buses by 2030 and aims to be a contributor to Australia’s greenhouse gas emission reduction target of net zero by 2050.

¹⁹ Based on the AUM Portfolio Valuation. Excluding KIT’s equity stake in the enterprise value of the German Solar Portfolio after the first closing of the German Solar Portfolio Acquisition, KIT’s AUM as at 31 December 2023 is S\$7.4 billion.

Post the Acquisition, KIT's *pro forma* carbon emissions intensity²⁰ for FY2023 is expected to decrease by 9.1%²¹, from 6,900 tCO₂e/S\$m to 6,260 tCO₂e/S\$m.

5.4 Terms of the Share Sale Agreement

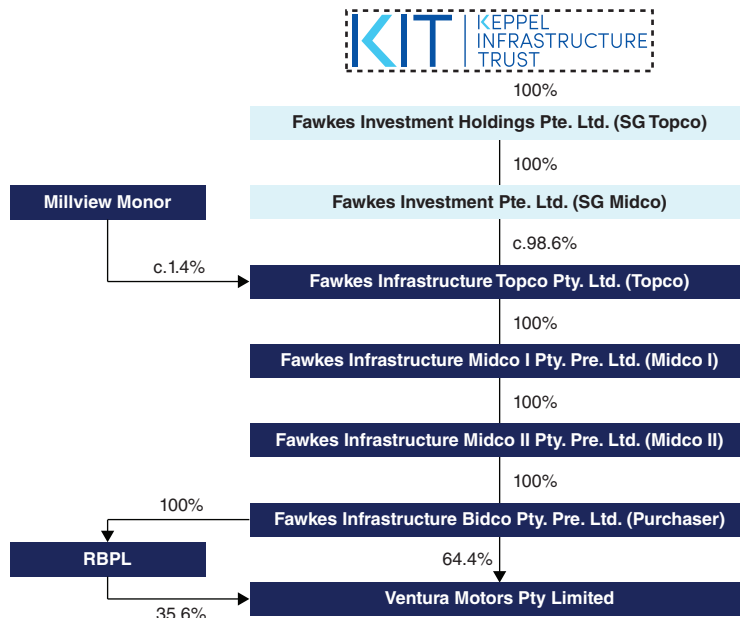
(a) Structure of the Acquisition

As at the date of the Acquisition Announcement, the Purchaser is a direct wholly-owned subsidiary of Fawkes Infrastructure Midco II Pty. Ltd., which in turn is an indirect wholly-owned subsidiary of Topco (an indirect wholly-owned subsidiary of KIT).

The Purchaser will acquire the Ventura Shares from the Ventura Vendors for cash consideration. The Purchaser has also made an offer on the same terms and conditions to each of the RBPL Vendors to acquire the RBPL Shares in exchange for (i) a combination of Rollover Shares and cash consideration; or (ii) cash consideration only. Of the RBPL Vendors, only Millview Manor has elected to receive the amount of A\$6.0 million (approximately S\$5.4 million) of its portion of the Total Consideration in Rollover Shares. The Rollover Shares to be issued to Millview Manor on the Completion Date will represent approximately 1.4% of the issued and paid-up share capital of Topco.

Following Completion, KIT will indirectly hold approximately 98.6% of the issued and paid-up share capital of Ventura.

Accordingly, the post-Completion shareholding structure of the Targets is expected to be as follows:



20 Computed as carbon emissions/Distributable Income.

21 Strictly for illustrative purposes only, to show what KIT's *pro forma* carbon intensity for FY2023 would have been assuming that the Acquisition and Equity Fund Raising was completed with effect from 1 January 2023 and KIT held the interests acquired pursuant to the Acquisition through to 31 December 2023. KIT's *pro forma* carbon intensity for FY2023 is based on KIT's Distributable Income for FY2023 and Ventura's distributable income as calculated on the bases and assumptions set out in paragraph B6 of the Circular. Based on the scope 1 and 2 carbon emissions for KIT and Ventura for the financial years ended 31 December 2023 and 30 June 2023 respectively.

(b) Total Consideration

The Total Consideration for the Acquisition comprises:

- (i) an estimated Purchase Consideration²² of A\$328.2 million (approximately S\$295.3 million), calculated based on the enterprise value of the Targets of A\$600.0 million (approximately S\$540.0 million), and after taking into account the Targets' cash, indebtedness and working capital, as well as adjustments and/or deductions for, among others, agreed costs and expenses, stamp duty and taxes, payable in cash by the Purchaser to the Ventura Vendors and the RBPL Vendors in their respective proportions as set out in the Share Sale Agreement on the Completion Date;
- (ii) the amount of A\$6.0 million (approximately S\$5.4 million), being the portion of the Total Consideration ("**Rollover Aggregate Amount**") elected by Millview Manor to be received in Rollover Shares in Topco on the Completion Date; and
- (iii) the Earn Out Payments (if any) of up to A\$20.0 million (approximately S\$18.0 million) payable in accordance with the terms of the Share Sale Agreement.

The Total Consideration was arrived at after negotiations on an arm's length basis and on a willing buyer-willing seller basis and is based on the enterprise value of the Targets and the rationale for and benefits of the Acquisition.

In addition, the Purchaser shall at Completion pay the estimated amount of A\$269.3 million (approximately S\$242.4 million) required to discharge in full all existing loan facilities taken up by the Ventura Group (including the break fees or similar) and release all encumbrances in relation to such loan facilities.

(c) Conditions Precedent

Pursuant to the Share Sale Agreement, Completion will take place within 14 business days after all of the conditions precedent have been satisfied or waived, or such other date as the Vendors and the Purchaser agree in writing ("**Completion Date**"), including but not limited to, the receipt of certain notices and consents from the relevant governmental or regulatory authorities and certain third parties for the Acquisition, in each case on terms reasonably acceptable to the Purchaser, which include:

- (i) a written notice under the Foreign Acquisitions and Takeovers Act 1975 (cth) of Australia, by or on behalf of the Treasurer of the Commonwealth of Australia stating (or to the effect) that the Commonwealth Government does not object to the acquisition of the Sale Shares contemplated under the Share Sale Agreement, either on an unconditional basis or subject only to certain tax-related conditions or such other conditions as may be acceptable to the Purchaser, acting reasonably and in good faith, or the Treasurer of the Commonwealth of Australia ceases to be, or is not, empowered to make an order under the Act in relation to the transactions contemplated under the Share Sale Agreement; and

²² The Purchase Consideration excludes the Rollover Aggregate Amount as set out in paragraph B1.1 and paragraph B5.4(b)(ii) of this Circular.

- (ii) the consent for the change of control of the Ventura Group occurring under the Share Sale Agreement from (A) the Head, Transport for Victoria, in accordance with the terms of the MBSCs, the night bus services contracts and the contracts for bus route replacement services entered into by the Ventura Group; and (B) the Public Transport Development Authority, in accordance with the contracts for provision of government school bus services entered into by the Ventura Group, in each case on terms reasonably acceptable to the Purchaser.

Subject to all of the conditions precedent being satisfied or waived under the Share Sale Agreement, Completion is targeted to take place in the second quarter of 2024.

(d) End Date

If any of the conditions precedent are not satisfied before the date which is six (6) months after the date of the Share Sale Agreement or such other date as is agreed by the Purchaser and the Vendors in writing (“**End Date**”) or any of the conditions precedent becomes incapable of satisfaction at any time before the End Date, then the Share Sale Agreement may be terminated by the Purchaser or Andrew Cornwall (as the Vendors’ representative) by written notice to the other party, on and subject to the terms of the Share Sale Agreement.

(e) Earn Out Payments

Pursuant to the Share Sale Agreement, the Purchaser must pay the Vendors the Earn Out Payments of up to A\$20.0 million (approximately S\$18.0 million), depending on, among others, (i) the EBITDA of the Ventura Group calculated in accordance with the relevant provisions of the Share Sale Agreement (“**Normalised EBITDA**”) for the financial years ending 30 June 2024 and 2025; and (ii) whether the Ventura Group submits a bid for, and is awarded, the Metropolitan Zero Emissions Bus Teal Franchise to commence operating on 1 July 2025 and the Normalised EBITDA arising therefrom for the financial years ending 30 June 2026, 2027 and 2028, on the relevant payment dates.

(f) Other Terms

The Share Sale Agreement contains customary provisions relating to the Acquisition, including representations and warranties, covenants which are customary of transactions of a similar nature, including those regarding the operation of the business conducted by the Ventura Group and RBPL prior to Completion, non-compete and non-solicitation provisions, limitations of the Vendors’ liabilities and other commercial terms.

5.5 Relative Figures under Rule 1006 of the Listing Manual of the SGX-ST

The relative figures in respect of the Acquisition computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	The NAV of the assets to be disposed of, compared with the NAV of the KIT Group	Not applicable ⁽⁴⁾
(b)	The FFO ⁽¹⁾ attributable to the Ventura Group to be acquired, compared with the FFO of the KIT Group ⁽²⁾	10.3
(c)	The aggregate value of the consideration paid for the Proposed Acquisition, compared with KIT's market capitalisation ⁽³⁾	19.5
(d)	The number of equity securities to be issued by KIT as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁵⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the probable and proved reserves of the KIT Group	Not applicable ⁽⁶⁾

Notes:

- (1) The SGX-ST has ruled that KIT is permitted to use FFO as the base for the calculation of the relative figure in Rule 1006(b) of the Listing Manual, on the basis of KIT's submissions that FFO of the KIT Group is more reflective (than net profits) of the underlying business performance of the KIT Group.
- (2) The FFO attributable to the Ventura Group to be acquired, is approximately A\$29.2 million (approximately S\$26.3 million) based on the audited accounts of the Ventura Group for the financial year ended 30 June 2023, and the FFO of the KIT Group is approximately S\$255.7 million for the financial year ended 31 December 2023.
- (3) Based on the estimated Total Consideration for the Acquisition of up to A\$354.2 million (approximately S\$318.7 million) and the estimated amount to pay down the Ventura Group's existing loans of A\$269.3 million (approximately S\$242.4 million), and KIT's market capitalisation of approximately S\$2,874.2 million, which is based on 5,625,785,886 units, being the total number of issued units, in KIT, and the volume weighted average price of S\$0.5109 per unit on 2 February 2024, being the last traded Market Day prior to the signing of the Share Sale Agreement.
- (4) Not applicable as KIT is not undertaking a disposal of assets.
- (5) The Acquisition does not involve any issue of equity securities by KIT as consideration.
- (6) Not applicable as KIT is not a mineral, oil and gas company.

The relative figure under Rule 1006(c) of the Listing Manual as set out in Section 6 of the Acquisition Announcement was previously computed based on the estimated Purchase Consideration, which represents the cash amount payable by the Purchaser on completion of the Acquisition, as 10.3%. The relative figure has been revised to 19.5% above, after having taken into account:

- (a) the Earn Out Payments, which are conditional upon the Normalised EBITDA of the Ventura Group meeting certain targets in the financial years ending 30 June 2024 and 2025, and the Ventura Group being awarded the Metropolitan Zero Emissions Bus Teal Franchise (to commence operating on 1 July 2025) and the Normalised EBITDA for the financial years ending 30 June 2026, 2027 and 2028; and

- (b) the estimated amount to pay down the Ventura Group's existing loans, which comprise repayments under certain syndicated facility agreements entered into by the Ventura Group with non-Vendors' third parties so as to enable the Ventura Group entities to pay such amounts, and which will in effect be an intra-group amount between the Purchaser and the Ventura Group entities post-Completion and not payment to the Vendors,

as part of the aggregate consideration, together with the estimated Purchase Consideration and the Rollover Aggregate Amount, in computing the relative figure under Rule 1006(c) of the Listing Manual.

For the avoidance of doubt, Unitholders' approval was not required for the Acquisition as (i) each of the relevant relative figures computed on the bases set out in Rule 1006 of the Listing Manual did not exceed 20%, being the applicable threshold requiring Unitholders' approval under Chapter 10 of the Listing Manual and/or (ii) the Acquisition is in the ordinary course of KIT's business and does not constitute a "transaction" as defined under Chapter 10 of the Listing Manual.

6. FINANCIAL EFFECTS

The following tables set out the *pro forma* financial effects of the Acquisition and the Equity Fund Raising and have been prepared strictly for illustrative purposes only to show:

- (a) what the FFO and DPU of the KIT Group for FY2023 would have been if the Acquisition and the Equity Fund Raising had been completed with effect from 1 January 2023; and
- (b) what the NAV per Unit of the KIT Group and Net Gearing of the KIT Group as at 31 December 2023 would have been if the Acquisition and the Equity Fund Raising had been completed as at 31 December 2023.

The unaudited *pro forma* financial effects of the Acquisition and the Equity Fund Raising as set out in Section 7 of the Acquisition Announcement was previously prepared based on KIT Group's unaudited consolidated financial statements for FY2023. The unaudited *pro forma* financial effects of the Acquisition and the Equity Fund Raising set out in this paragraph B6 of this Circular have been updated and have been prepared based on the (i) KIT Group's audited consolidated financial statements for FY2023, and (ii) the audited accounts of the Ventura Group for the financial year ended 30 June 2023, as well as the following key bases and assumptions:

- (a) the *pro forma* financial effects presented are strictly for illustration purposes and, because of its nature, may not give a true picture of (i) what the NAV per Unit and Net Gearing of the KIT Group as at 31 December 2023 would have been if the Acquisition and the Equity Fund Raising had been completed as at 31 December 2023, (ii) what the FFO and DPU of the KIT Group for FY2023 would have been if the Acquisition and the Equity Fund Raising had been completed with effect from 1 January 2023, and (iii) the actual method and combination of financing to be utilised;
- (b) the *pro forma* financial effects analysis has been prepared based on the audited consolidated financial statements of the KIT Group in respect of FY2023 and takes into account estimated transaction expenses;
- (c) the *pro forma* financial effects analysis has been prepared based on the audited accounts of the Ventura Group for the financial year ended 30 June 2023;

- (d) assuming insofar as:
 - (i) the FFO and DPU of the KIT Group for FY2023 are concerned, that the Acquisition and the Equity Fund Raising had been completed with effect from 1 January 2023; and
 - (ii) the NAV per Unit and Net Gearing of the KIT Group as at 31 December 2023 are concerned, that the Acquisition and the Equity Fund Raising had been completed as at 31 December 2023;
- (e) assuming that the Total Acquisition Cost of approximately S\$570.6 million is funded by:
 - (i) debt facilities entered into by the Purchaser of S\$156.1 million;
 - (ii) draw down of approximately S\$414.5 million on the Bridge Facility and subsequently repaid with (a) net proceeds of approximately S\$391.8 million raised from the issue of approximately 849.3 million New Units at the Illustrative Issue Price pursuant to the Equity Fund Raising, and net of the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by KIT for the Equity Fund Raising (based on the *pro forma* size of the Equity Fund Raising) and (b) debt facilities entered into by KIT of S\$22.7 million;
- (f) the *pro forma* FFO and DPU figures:
 - (i) assumes that the existing loans taken up by the Ventura Group are paid down at Completion;
 - (ii) includes all interests costs attributable to new loans raised by the Purchaser to fund the Purchase Consideration and repay the existing loans taken up by the Ventura Group; and
 - (iii) assumes that post-Completion the maintenance and growth capital expenditure of the Ventura Group will be substantially funded by a loan facility;
- (g) the exchange rate of A\$1.0000:S\$0.9000 has been used in preparing the *pro forma* financial effects of the Acquisition and the Equity Fund Raising set out in this paragraph B6 of this Circular;
- (h) the Total Acquisition Cost has been translated at the exchange rate of A\$1.0000:S\$0.9000; and
- (i) any discrepancies in the figures included in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

The *pro forma* financial effects of the Acquisition and the Equity Fund Raising set out in this paragraph B6 of this Circular are purely for illustration purposes only and are neither indicative nor do they represent any projection of the financial performance or position of the KIT Group after Completion and the Equity Fund Raising.

6.1 *Pro Forma* FFO

The table below sets out the *pro forma* financial effects of the Acquisition and the Equity Fund Raising on the FFO of the KIT Group for FY2023, as if the Acquisition and the Equity Fund Raising had been completed on 1 January 2023, and KIT held the interests acquired pursuant to the Acquisition through to 31 December 2023.

	<i>Pro Forma</i> Effects for FY2023		
	Actual ⁽¹⁾	Adjusted for the Acquisition and the Equity Fund Raising ⁽²⁾	% Change
FFO (S\$ million) ²³	287.9	305.6	6.1%

Notes:

- (1) Based on audited consolidated financial statements of the KIT Group for FY2023 and excludes effects of the capital optimisation at Ixom which was distributed as a special distribution to Unitholders.
- (2) Assumes the issue of approximately 849.3 million Units at the Illustrative Issue Price (being S\$0.471 per New Unit) pursuant to the Equity Fund Raising.

6.2 *Pro Forma* DPU

The table below sets out the *pro forma* financial effects of the Acquisition and the Equity Fund Raising on KIT's DPU for the FY2023, as if the Acquisition and the Equity Fund Raising had been completed on 1 January 2023, and KIT held the interests acquired pursuant to the Acquisition through to 31 December 2023.

	<i>Pro Forma</i> Effects for FY2023		
	Actual ⁽¹⁾	Adjusted for the Acquisition and the Equity Fund Raising ⁽²⁾⁽³⁾⁽⁴⁾	% Change
DPU (cents)	3.86	3.99	3.4%

Notes:

- (1) Based on DPU declared for FY2023, excluding special distribution of 2.33 cents paid in November 2023.
- (2) Assuming all Distributable Income generated by the Targets will be distributed to KIT and minority shareholders. The *pro forma* DPU set out herein should not be interpreted as being representative of the future DPU.
- (3) Assuming cash distribution received from the Targets, net of corporate expenses, is fully distributed to Unitholders.
- (4) Assumes the issue of approximately 849.3 million Units at the Illustrative Issue Price (being S\$0.471 per New Unit) pursuant to the Equity Fund Raising.

²³ The Distributable Income Per Unit ("**DIPU**") for FY2023 was 4.03 cents (excluding effects of the capital optimisation at Ixom which was distributed as a special distributions to Unitholders). Assuming the Acquisition had been completed on 1 January 2023 and the Ventura Group was held through to 31 December 2023, the *pro forma* DIPU adjusted for the Acquisition would be 4.13 cents, representing a change of approximately 2.7%.

6.3 **Pro Forma NAV**

The table below sets out the *pro forma* financial effects of the Acquisition and the Equity Fund Raising on the NAV per Unit of the KIT Group as at 31 December 2023 as if the Acquisition and the Equity Fund Raising had been completed on 31 December 2023.

	Pro Forma Effects for FY2023		
	Actual⁽¹⁾	Adjusted for the Acquisition and the Equity Fund Raising⁽²⁾	% Change
NAV (S\$'000)	890,480	1,258,406	41.3
Issued Units ('000)	5,625,786	6,475,043	15.1
NAV per Unit (cents)	15.8	19.4	22.8

Notes:

- (1) Based on audited consolidated financial statements of the KIT Group for FY2023.
- (2) Assumes the issue of approximately 849.3 million Units at the Illustrative Issue Price (being S\$0.471 per New Unit) pursuant to the Equity Fund Raising.

6.4 **Pro Forma Net Gearing**

The table below sets out the *pro forma* financial effects of the Acquisition and the Equity Fund Raising on the Net Gearing of the KIT Group as at 31 December 2023 as if the Acquisition and the Equity Fund Raising had been completed on 31 December 2023.

	Pro Forma Effects for FY2023		
	Actual⁽¹⁾	Adjusted for the Acquisition and the Equity Fund Raising⁽²⁾⁽³⁾	% Point Change
Net Gearing (%)	39.8	39.1	(0.7)

Notes:

- (1) Based on audited consolidated financial statements of the KIT Group for FY2023.
- (2) Assumes the issue of approximately 849.3 million Units at the Illustrative Issue Price (being S\$0.471 per New Unit) pursuant to the Equity Fund Raising.
- (3) For illustrative purposes only, in the event that KIT does not undertake the Equity Fund Raising and assuming that the Acquisition is fully funded by debt, the *pro forma* Net Gearing of the KIT Group for FY2023 would be approximately 45.5%.

7. **RISK FACTORS**

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 others, adversely affect KIT's ability to make distributions to Unitholders. The risk factors below are intended to highlight certain incremental material risks faced by the KIT Group relating to the Equity Fund Raising, the financial information in this Circular, the Acquisition and KIT's business that Unitholders should consider. These risk factors are not intended to be exhaustive.

7.1 RISKS RELATING TO THE EQUITY FUND RAISING

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

The issue price of the New Units will be determined closer to the date of the launch of the Equity Fund Raising and may not be indicative of the market price for the New Units after completion of the Equity Fund Raising.

The price of the Units may be volatile or decline after the Equity Fund Raising. The trading price of the Units will depend on several factors, and may increase or decrease in response to a number of events and factors including but not limited to:

- differences between KIT'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 KIT's business;
- market value of KIT's assets;
- the attractiveness of the Units against other equity securities and the general liquidity of the securities market;
- developments affecting KIT or its competitors;
- changes to the regulatory system, including the tax system, whether specific to KIT, the infrastructure industry, or generally;
- changes in accounting policies; and
- KIT's ability to continually expand its operations.

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

The completion of the Placement may lead to dilution to existing Unitholders

The Equity Fund Raising may be undertaken by way of the Placement or the Placement and the Preferential Offering. The completion of the Placement may lead to dilution to the unitholdings of existing Unitholders. The dilution to existing Unitholders may be significant, depending on, among others, (if the Equity Fund Raising is undertaken by way of the Placement only) the size of the Placement, or (if the Equity Fund Raising is undertaken by way of the Placement and the Preferential Offering) the relative size of the Placement to the Preferential Offering.

Keppel may not be able to obtain approval from its shareholders for the Proposed KIHPL Placement and KIHPL's participation in the Preferential Offering

The Proposed KIHPL Placement and KIHPL's participation in the Preferential Offering are subject to the approval of Keppel's shareholders. In the event that such shareholders' approval is not obtained, KIHPL will not be able to take part in the Placement so as to maintain its percentage unitholding in KIT following the completion of the Placement or subscribe for its *pro rata* entitlement under the Preferential Offering. In the event that KIT undertakes the Equity Fund Raising without the Proposed KIHPL Placement, or (if and to the extent the Preferential Offering is undertaken) KIHPL does not subscribe for its *pro rata* entitlement under the Preferential Offering, KIHPL's proportionate ownership of KIT will be reduced and KIHPL may experience a dilution in the value of their Units. Please also refer to paragraph B7.3 of this Circular titled "*Risks Relating to the Acquisition – KIT may not be able to complete the Equity Fund Raising and hence KIT's aggregate leverage ratio may increase*" below.

Unitholders who do not or are not able to accept their provisional allotment of Units under the Preferential Offering will experience dilution

If the Preferential Offering is undertaken, KIT will have the discretion as to the procedure to be followed in making the provisional allotment of the Preferential Offering Units under the Preferential Offering available to Unitholders, including choosing not to offer such provisional allotment of Units to Unitholders having an address in a jurisdiction outside Singapore. If existing Unitholders do not or are not able to accept their provisional allotment of the Preferential Offering Units under the Preferential Offering, their proportionate ownership of KIT will be reduced. They may also experience a dilution in the value of their Units.

KIT may not be able to make distributions to Unitholders or the level of distribution may fall

Future distributions are subject to modification (including reduction or cancellation of any proposed distributions) at the Trustee-Manager's sole discretion. KIT may use operating cash to fund other acquisitions in the future, and this may result in a reduction in cash available for distributions.

Further, in order for KIT to make distributions from the income of the companies to be acquired pursuant to the Acquisition, KIT has to rely on the receipt of dividends from the relevant companies. There can be no assurances that these companies will have sufficient revenue and cash flows in any future period to pay dividends.

The level of revenue, distributable profits or reserves available to pay distributions or dividends by the Targets may be affected by a number of factors including, among others:

- their respective business and financial positions;
- the availability of distributable profits;
- sufficiency of cash flows received from such companies or businesses;
- applicable laws and regulations which may restrict the payment of distributions or dividends by them;
- operating losses incurred by them in any financial year;

- changes in accounting standards, taxation laws and regulations, laws and regulations in respect of foreign exchange and repatriation of funds, corporation laws and regulations in respect of statutory reserves required to be maintained in Australia;
- potential tax and/or legal liabilities; and
- the terms of agreements to which they are, or may become, a party.

There can be no assurance that the Targets will have sufficient revenue and cash flows in any future period to pay distributions or dividends.

Accordingly, there can be no assurances as to KIT's ability to pay or maintain distributions, nor is there any assurance that the level of distributions will increase over time, or that KIT's cash flow available for distribution to Unitholders may increase.

The Trustee-Manager is not obliged to redeem Units

Unitholders have no right to request that the Trustee-Manager redeem their Units while the Units are listed on the SGX-ST. Unitholders may only deal in their listed Units through trading on the SGX-ST. Accordingly, apart from selling their Units through trading on the SGX-ST, Unitholders may not be able to realise their investments in Units.

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

Although it is intended that the Units will remain listed on the SGX-ST, there is no guarantee of the continued listing of the Units. Accordingly, Unitholders will not be able to sell their Units through trading on the SGX-ST if the Units are no longer listed on the SGX-ST.

7.2 RISKS RELATING TO THE FINANCIAL INFORMATION IN THIS CIRCULAR

The effects of the Acquisition and the Equity Fund Raising may not be fully captured in the pro forma financial information included in this Circular and the unaudited pro forma financial information may not be indicative of the future financial performance of KIT

This Circular contains unaudited *pro forma* financial information of KIT, adjusted to reflect the effects of the Acquisition and the Equity Fund Raising for FY2023. The unaudited *pro forma* financial effects of the Acquisition and the Equity Fund Raising have been prepared based on the KIT Group's audited consolidated financial statements for FY2023 on the basis of certain bases and assumptions as set out in paragraph B6 of this Circular. KIT'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 in this Circular, after taking into account the Acquisition and the Equity Fund Raising.

While the unaudited *pro forma* financial information has been presented in an effort to show the effects of the Acquisition and Equity Fund Raising, there can be no assurance that the unaudited *pro forma* financial information fully captures the effects of such transactions, and the unaudited *pro forma* financial information may not be indicative of KIT's future financial performance. In particular, while the *pro forma* financial information in this Circular shows that following the Acquisition and the Equity Fund Raising, the KIT Group's FFO and DPU of the KIT Group are expected to increase on a *pro forma* basis, there can be no assurance that following the Acquisition and the Equity Fund Raising, the KIT Group's actual FFO and DPU will increase. Please refer to paragraph B6 of this Circular for more information.

7.3 RISKS RELATING TO THE ACQUISITION

Completion is subject to certain conditions precedent, and there is no assurance the Acquisition will be completed

Pursuant to the Share Sale Agreement, Completion is subject to all of the conditions precedent having been satisfied or waived, or including but not limited to, the receipt of certain notices and consents from the relevant governmental or regulatory authorities and certain third parties for the Acquisition, in each case on terms reasonably acceptable to the Purchaser, which include:

- (a) a written notice under the Foreign Acquisitions and Takeovers Act 1975 (cth) of Australia, by or on behalf of the Treasurer of the Commonwealth of Australia stating (or to the effect) that the Commonwealth Government does not object to the acquisition of the Sale Shares contemplated under the Share Sale Agreement, either on an unconditional basis or subject only to certain tax-related conditions or such other conditions as may be acceptable to the Purchaser, acting reasonably and in good faith, or the Treasurer of the Commonwealth of Australia ceases to be, or is not, empowered to make an order under the Act in relation to the transactions contemplated under the Share Sale Agreement; and
- (b) the consent for the change of control of the Ventura Group occurring under the Share Sale Agreement from (i) the Head, Transport for Victoria, in accordance with the terms of the MBSCs, the night bus services contracts and the contracts for bus route replacement services entered into by the Ventura Group; and (ii) the Public Transport Development Authority, in accordance with the contracts for provision of government school bus services entered into by the Ventura Group, in each case on terms reasonably acceptable to the Purchaser.

In the event that any of the conditions precedent are not satisfied or waived by the End Date, the Acquisition may not be completed and this may adversely affect KIT's financial condition, results of operations and prospects.

Further, while the Share Sale Agreement provides that the Earn Out Payments depend on, among others, the Ventura Group submitting a bid for, and is awarded, the Metropolitan Zero Emissions Bus Teal Franchise to commence operating on 1 July 2025, there is no assurance that such bid will be awarded to the Ventura Group. In the event that the Ventura Group is awarded the Metropolitan Zero Emissions Bus Teal Franchise, there is also no assurance that it will achieve its intended results.

The Acquisition may be subject to risks associated with the acquisition of companies

There can be no assurance that the assets held in connection with the Acquisition will not have defects or deficiencies including latent defects, requiring significant capital expenditure, repair or maintenance expenses, or that the Targets 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 Trustee-Manager has relied upon in relation to the Acquisition 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.

In addition, laws and regulations may have been breached and certain regulatory requirements in relation to the Acquisition may not have been complied with, which the Trustee-Manager's due diligence investigations did not uncover. As a result, the Targets may incur financial or other obligations in relation to such breaches or non-compliance. Furthermore, existing contracts entered into by the Targets may expose them to contractual liability.

In the event that the Targets 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 KIT's financial condition, results of operations and prospects.

KIT may not be able to complete the Equity Fund Raising and hence KIT's aggregate leverage ratio may increase

KIT intends to utilise the proceeds from the Equity Fund Raising to partially finance the Total Acquisition Cost (including, depending on the timing of the Equity Fund Raising and the timing of Completion, the full or partial repayment of such amounts drawn down under the Bridge Facility and/or the replenishment of working capital and internal cash which were used to initially finance the Total Acquisition Cost). However, uncertainties and instability in global market conditions could, among others, adversely affect KIT's ability to successfully complete the Equity Fund Raising. In the event that the Equity Fund Raising is not completed, KIT may be required to take on additional debt financing in place of the Equity Fund Raising to finance the Total Acquisition Cost, which would result in an increase in the Net Gearing of KIT. The increase in the Net Gearing may increase the exposure to interest rate fluctuations on KIT and/or may result in a breach of certain financial covenants in KIT's debt facilities. In the event that the Equity Fund Raising is not completed, and if KIT should then from time to time require further debt financing to achieve its investment strategy, such increase in its aggregate leverage ratio may adversely affect its ability to make further borrowings.

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

- an inability to fund capital expenditure requirements;
- cash flow shortages (including with respect to distributions) which KIT might otherwise be able to resolve by borrowing funds; and
- KIT 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 KIT's financial condition, results of operations, level of Distributable Income and Unit price.

The Ventura Group may not be successful in obtaining new contracts or renewing or retaining existing contracts for the provision of its commuter bus services

The Ventura Group provides bus commuter services in Victoria and over 80% of the Ventura Group's revenue is derived from long-term government contracts (based on the audited accounts of the Ventura Group for the financial year ended 30 June 2023). If the Ventura Group is unable to renew or retain all of the contracts on acceptable terms, their operating results, business and financial condition may be materially and adversely affected.

The Ventura Group also provides private bus services in Victoria, as well as bus services for regional areas, tourism destinations and general charter. Similarly, if the Ventura Group is unable to obtain new contracts for such bus services or renew or retain all existing contracts for bus services, their operating results, business and financial condition may be materially and adversely affected. Even if the Ventura Group is successful in obtaining, renewing or retaining its bus service contracts, it may not achieve the results expected from its operations under such bus service contracts. The foregoing may adversely affect KIT's financial condition, results of operations, level of Distributable Income and Unit price.

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

The past performance of the Targets is not indicative of their future performance. There can be no assurance that the Targets will continue to perform well. Any reduction in the performance of the Targets could materially and adversely affect the business, financial condition, results of operations and prospects of KIT and the level of distributions payable to Unitholders.

Changes to government policies, laws and regulations and changes in economic and market conditions in Australia could adversely affect the operations and businesses of the Targets

Changes to government policies, laws or regulations or their application and interpretation affecting the business activities of the Targets may adversely affect their 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 KIT. In addition, any change in government policies, laws or regulations which result in increased competition in a particular sector in which KIT may have an investment could adversely impact that business or make it more difficult for it to pursue possible acquisitions in that country.

The Targets are also subjected to exposure to the economic and market conditions, including increased competition, changes in demand and substitution risk, as well as changes in regulatory, social, political and economic, environmental and competitive conditions and other changes in Australia. Any such changes may have a disproportionate and/or material adverse effect on KIT's financial condition, results of operations and prospects and the level of distributions payable to Unitholders.

The Acquisition will be exposed to foreign currency fluctuations

Any fluctuations in foreign exchange rates between the respective reporting currency of the Targets and the currency in which KIT receives its revenues and incurs its costs could have a material adverse effect on the business, financial condition, results of operations and prospects of KIT.

The Trustee-Manager 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 can be no assurance that these hedging arrangements will be entered into or, if entered into, will have the desired beneficial impact on the business, financial condition or results of operations of KIT, or will completely insulate KIT from the risks associated with fluctuations in currency exchange rates, and such foreign currency fluctuations may result in a material and adverse effect on KIT's business, financial condition, results of operations and prospects and the level of distributions payable to Unitholders.

7.4 RISKS RELATING TO OUR BUSINESS

KIT is exposed to risks relating to growth and expansion, as well as risks in connection with past acquisitions, joint ventures and strategic partnerships

KIT's future operating results will depend on, among other things, the Trustee-Manager's ability to manage its growth. As part of KIT's investment strategy to build a well-diversified portfolio of infrastructure businesses and assets, KIT has in the past, and intends to continue to, expand its business, both geographically and operationally. Any such expansion carries with it inherent risks and uncertainties and requires significant management attention and company resources, and may not yield the results KIT expects.

In the past, KIT has acquired assets and businesses in order to expand its operations. Acquisitions, joint ventures, strategic partnerships and reorganisations entail risks resulting from the integration of employees, processes, technologies and products. Such transactions may give rise to substantial administrative and other expenses, and may also be subject to regulatory oversight, governmental or other approvals.

KIT is continually assessing opportunities for acquisitions or disposals, and may undertake such other acquisitions or disposals prior to, during or after the Equity Fund Raising.

8. STATEMENT OF THE AUDIT AND RISK COMMITTEE

Having considered the relevant factors, including the rationale for and terms of the Proposed KIHPL Placement, the Audit and Risk Committee (Mr Daniel Cuthbert Ee Hock Huat and Mr Adrian Chan Pengee abstaining as each of them is a director of certain subsidiaries of Temasek) is of the view that the Proposed KIHPL Placement is on normal commercial terms, and is not prejudicial to the interests of KIT and its minority Unitholders.

C. THE KMC CAPITAL RESTRUCTURING

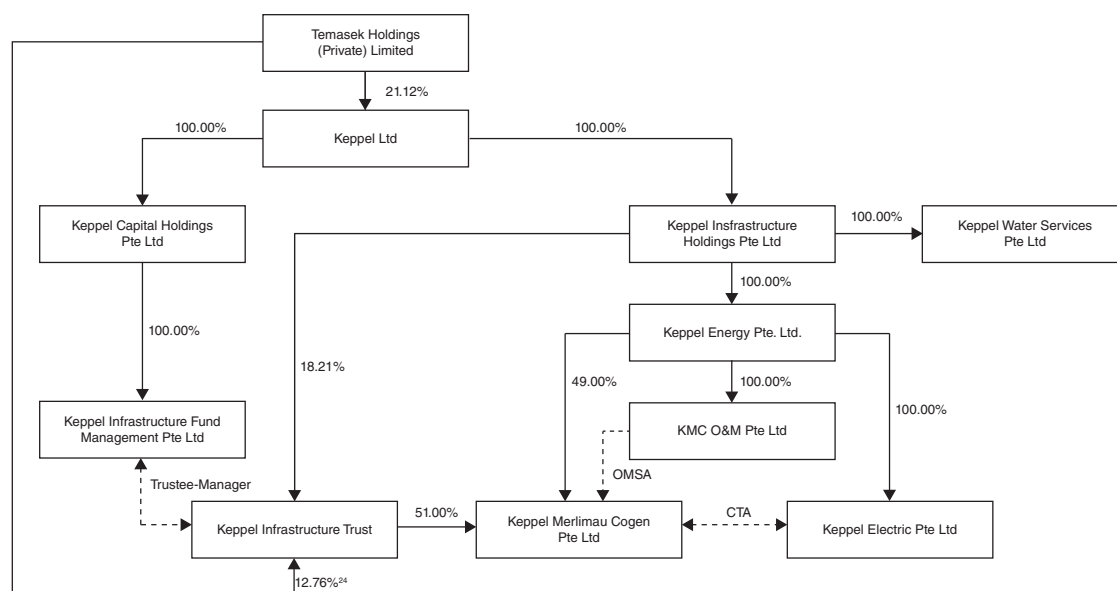
1. INFORMATION ON KMC

KIT had on 30 June 2015 acquired a 51% direct interest in Keppel Merlimau Cogen Pte Ltd (“**KMC**”, and the acquisition of KMC, the “**KMC Acquisition**”). In connection with the KMC Acquisition, KMC had also undergone a restructuring (the “**2015 KMC Restructuring**”), whereby, *inter alia*:

- (a) KMC, Keppel Electric Pte. Ltd (“**KE**”) and KIHPL had on 15 May 2015 entered into a capacity tolling agreement, as amended by a first supplemental agreement dated 11 February 2016, a second supplemental agreement dated 1 January 2022, and a third supplemental agreement dated 19 December 2023 (collectively, the “**CTA**”), as further elaborated in paragraph C1.1 below;
- (b) KMC, KMC O&M Pte. Ltd (“**KMC O&M**”) and KIHPL had on 15 May 2015 entered into an operations and maintenance services agreement (the “**OMSA**”), as further elaborated in paragraph C1.2 below; and
- (c) KMC had replaced its loans from its then related corporations with (i) the KMC Notes (as defined and further elaborated in paragraph C1.3 below) and (ii) the External Facility (as defined and further elaborated in paragraph C1.4 below).

As at the Latest Practicable Date, KIT has a 51% direct interest in KMC and Keppel Energy Pte. Ltd. (“**Keppel Energy**”) has a 49% direct interest in KMC. Keppel Energy is a wholly-owned subsidiary of Keppel.

Please refer to the below for a structure chart for KMC.



24 Other than through Keppel, Temasek Holdings (Private) Limited also has a deemed 12.76% interest in KIT through Tembusu, Bartley and other subsidiaries and/or associated companies of Temasek.

1.1 The Capacity Tolling Agreement

Pursuant to the terms of the CTA, KE will pay to KMC (a) an availability-based capacity fee (the “**Capacity Fee**”) in return for KMC making available the Keppel Merlimau Cogen Plant’s (“**KMC Plant**” or “**Power Plant**”) electricity generation capacity; and (b) a fixed operation and maintenance fee (“**O&M Fee**”) indexed to the Singapore CPI (together with the Capacity Fee, the “**Tolling Fee**”).

The duration of the CTA is for an initial contract term of 15 years from 1 July 2015 (being the first trading day after the completion of the acquisition of the 51% equity interest in KMC by the Trustee-Manager), with a 10-year extension option (the “**CTA Extension Option**”).

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. Other than costs arising from unexpected plant outages/equipment failure, KMC’s operating costs for maintenance, consumables and fuel are all passed through to KE, through a combination of the O&M Fee and costs to be directly reimbursed (as elaborated below) in accordance with the CTA. The Capacity Fee does not have any indexation mechanisms. The availability target is agreed between KE and KMC 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. Please refer to paragraphs 1 and 2 of Appendix B respectively for details on the calculations of the Tolling Fee and the amount of Tolling Fee received by KMC.

In addition to the O&M Fee, the terms of the CTA also provide for certain pass-through arrangements (the “**Pass-through Arrangements**”) between KMC and KE, including:

- (a) the reimbursement by KE for costs incurred by KMC relating to plant maintenance and major maintenance charges, computer hardware cost, inventory freight and transportation cost, inventory usage, diesel usage and fees related to maintaining the Electricity Licence (as defined in paragraph C1.5); and
- (b) the pass-through to KE of revenues received by KMC from the Energy Market Company Pte Ltd for the sale of electricity and the provision of backup generator services.

The terms of the 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 borne by KE. In addition, using the fixed O&M Fee received from KE, KMC will bear the economic costs of paying KMC O&M as the operator of the KMC Plant, and property taxes associated with owning the KMC Plant and costs of maintaining its property leases.

1.2 The Operations and Maintenance Services Agreement

Pursuant to the terms of the OMSA, KMC O&M shall, among other things, manage the day-to-day operations of the KMC Plant, manage the KMC Plant’s operating budget, produce an annual operating plan, manage the various sub-contractors and overall site management, procure inventory and consumables and calculate plant availability. Under the OMSA, KMC shall pay to KMC O&M a fixed operations and maintenance service fee (the “**Service Fee**”) which is indexed to the Singapore CPI. KMC will reimburse KMC O&M for the costs of planned maintenance and repair works included in the annual O&M plan and receive reimbursement for the same from KE. Please refer to paragraphs 1 and 2 of Appendix C respectively for details on the calculations of the Service Fee and the amount of Services Fees paid by KMC.

The duration of the OMSA is for an initial contract term of 20 years from 1 January 2015, with a 10-year extension option (the “**OMSA Extension Option**”).

1.3 The KMC Notes

As part of the 2015 KMC Restructuring, KMC had on 30 June 2015 issued S\$500 million in principal amount of notes (the “**KMC Notes**”) to KIT, Keppel Energy, KE and Keppel Water Services Pte Ltd (“**KWS**”) (formerly known as Keppel Infrastructure Services Pte. Ltd.), pursuant to a subscription deed dated 30 June 2015 (the “**KMC Notes Subscription Deed**”). As at the Latest Practicable Date, the KMC Notes are held by KIT, Keppel Energy, KE and KWS in the proportions of 51%, 39%, 5% and 5% respectively. Each of Keppel Energy, KE and KWS is a wholly-owned subsidiary of Keppel.

The KMC Notes bear interest at a fixed rate of 17.5% per annum (approximately S\$87.5 million in interest per annum), payable quarterly in arrear on 31 March, 30 June, 30 September and 31 December in each year. Unless previously redeemed or purchased and cancelled, the KMC Notes will be redeemed on 29 June 2040.

The KMC Notes have been approved by 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 (such tax incentives from qualifying as a QPDS, “**Tax Incentives**”).

1.4 The External Facility

In connection with the 2015 KMC Restructuring, KMC had on 15 May 2015 obtained credit facilities from commercial banks by entering into a five-year facility agreement for S\$700 million with financial institutions in Singapore. The original S\$700 million facility agreement was subsequently fully refinanced on 23 June 2020 and bears interest at a competitive base margin over the Singapore Overnight Rate Average (SORA) per annum (the “**External Facility**”).

The External Facility commenced amortisation from 30 June 2023 and will amortise by S\$87.5 million per year up to 30 June 2026, with the remaining principal amount of S\$350 million due and payable on 30 June 2027.

As at the Latest Practicable Date, the amount outstanding under the External Facility is S\$612.5 million. KIT intends to refinance the External Facility as and when the CTA is extended, in order to align the amortisation profile of the New External Facility (as defined below) with the extended CTA.

1.5 The KMC Plant

KMC presently owns the KMC Plant, a combined cycle gas turbine generation facility with a licenced generation capacity of approximately 1,300MW, as well as ancillary facilities on Jurong Island off the south-west coast of Singapore. 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 was constructed in two phases. Phase I of KMC (“**KMC I**”) has a generation capacity of 500MW and commenced commercial operations in April 2007. KMC completed an expansion of two power trains with a total generation capacity of 840MW (collectively, “**KMC II**”) which commenced commercial operations in March 2013 and July 2013 respectively. The current useful life of KMC I is up to 30 June 2032 and the useful life of KMC II is up to 30 June 2037. KMC will review the opportunities to retrofit KMC I and KMC II, which is expected to extend their useful lives up to 2045.

The KMC Plant has technology from its original equipment manufacturer that can enable it to use hydrogen blended with natural gas as fuel with certain modifications, allowing the plant to support Singapore’s commitment to decarbonise its power sector. The KMC Shareholders will continue to work with the Toller and the Operator to enhance KMC’s performance and efficiency.

KMC has obtained an electricity licence (the “**Electricity Licence**”) from the Energy Market Authority (“**EMA**”) under the Electricity Act 2001 of Singapore to (a) generate electricity and (b) trade in any wholesale electricity market operated by the Energy Market Company of Singapore, subject to the conditions set out in the Electricity Licence. The Electricity Licence is valid for a period of 30 years from 1 January 2003 to 31 December 2032.

2. BACKGROUND TO THE KMC CAPITAL RESTRUCTURING

Prior to the commencement of the amortisation of the External Facility, the cashflows generated from the Tolling Fees were utilised to pay the economic costs of the Service Fee, property taxes associated with owning the KMC Plant and costs of maintaining its property leases, interest payments pursuant to the External Facility, and the balance was utilised to pay the interest on the KMC Notes. The interest payments on the KMC Notes provided Distributable Income to KIT while preserving the Tax Incentives under the KMC Notes, and is the sole source of Distributable Income to KIT.

As the amortisation of the External Facility commenced on 30 June 2023, the cashflows generated from the Tolling Fees in the financial year ended 31 December 2023 were not sufficient to also cover the amortisation of the External Facility. This effectively negated any Distributable Income received by KIT from KMC through the interest payments on the KMC Notes for the financial year ended 31 December 2023. Please refer to paragraph C8.1 of this Circular for further details on the capital structure of KMC for the financial year ended 31 December 2023.

The table below sets out KMC’s revenue and Distributable Income contribution to KIT for the financial years ended 31 December 2021, 31 December 2022 and 31 December 2023.

Financial year ended 31 December	Revenue Contribution to KIT		Distributable Income Contribution to KIT	
	S\$’000	%	S\$’000	%
2021	116,940	7.42	43,847	22.81
2022	116,895	5.83	43,114	19.38
2023	115,612	5.68	nil	nil

Accordingly, KMC intends to undertake a capital restructuring exercise (the “**KMC Capital Restructuring**”) whereby:

- (a) the CTA will be amended (the “**CTA Amendment**”) to, *inter alia*, extend the contract term of the CTA by 10 years until 30 June 2040, as further elaborated in paragraph C4 below;
- (b) the OMSA will be amended (the “**OMSA Amendment**”) to, *inter alia*, extend the contract term of the OMSA by 10 years until 31 December 2044, as further elaborated in paragraph C5 below;

- (c) the External Facility will be refinanced with a new facility (the “**New External Facility**”) with an extended maturity and a longer amortisation period (the “**KMC Refinancing**”). In connection with the New External Facility, it is expected that KMC will enter into certain security documents with the lender(s) of the New External Facility (the “**New External Facility Lenders**”) and a security agent, and that parties to the CTA and OMSA may further enter into direct agreement(s) with the security agent to, among others, allow such security agent to appoint substitutes or additional obligors to assume KMC’s rights and obligations under the CTA and OMSA upon the occurrence of certain default events;
- (d) in connection with the KMC Refinancing and the New External Facility, and in the event that the New External Facility Lenders require KMC to establish a debt service reserve or maintenance reserve account, KIT and Keppel Energy (and/or its affiliates) will each procure one or more letter(s) of credit (the “**Letter of Credit**”) to be provided to the New External Facility Lenders in proportion to their respective shareholding in KMC for an aggregate amount of up to S\$30 million, as further elaborated in paragraph C6 below; and
- (e) KMC will, from time to time, issue shares in the capital of KMC (“**KMC Shares**”), to the KMC Shareholders in proportion to their respective shareholding in KMC (each such issuance of KMC Shares, a “**KMC Share Issuance**” and all KMC Share Issuances to raise capital for KMC, the “**Capital Injection**”), to raise capital for, among others, the (i) amortisation of the New External Facility (as may be refinanced from time to time) and/or (ii) to repay any fees related to the KMC Refinancing and/or to fund any debt service reserve or maintenance reserve account as may be required by the New External Facility Lenders. Subject to the periodic assessment by KMC, the aggregate amount to be raised from all KMC Share Issuances under the Capital Injection is expected to be up to approximately S\$656.5 million. Please refer to paragraph C7 below for further details.

3. RATIONALE FOR THE KMC CAPITAL RESTRUCTURING

The proposed KMC Capital Restructuring seeks to optimise KMC’s capital structure, allowing KMC to resume Distributable Income contributions to KIT. In particular:

- (a) the extension of the CTA until 30 June 2040 will allow KMC to refinance the External Facility and lengthen its debt amortisation profile, and the extended maturity of the New External Facility will also align KMC’s debt amortisation profile with the extended term of the CTA;
- (b) the CTA Amendment will allow KMC to continue to receive Capacity Fees of up to S\$108 million²⁵ per annum from 2030 to 2040, and up to an aggregate of S\$1,080 million in Capacity Fees over the additional 10 years, and will also ensure that the costs of planned maintenance of the KMC Plant, fuel costs and fuel availability risk to run the KMC Plant will continue to be borne by KE over the additional 10 years;
- (c) the OMSA Amendment will ensure the continuous and reliable operations of the KMC Plant during the extended CTA period, leveraging KMC O&M’s strong track record as the incumbent operator since 2007;

²⁵ On the basis that (i) for every month from 1 July 2030 to 30 June 2040, KMC meets its availability target and (ii) KMC I and KMC II are retrofitted such that they retain their original generation capacities of 500MW and 840MW respectively up to 2045, such that the quantum of the Capacity Fees from 1 July 2030 to 30 June 2040 remains unchanged.

- (d) in the event that the New External Facility Lenders require KMC to establish a debt service reserve or maintenance reserve account, the Letter of Credit will be utilised to meet any such debt service reserve or maintenance reserve account requirements. This will provide KMC the flexibility to manage and optimise its working capital and cashflows; and
- (e) the Capital Injection will enable KMC to maintain the existing Tax Incentives under the KMC Notes while supporting the amortisation of the New External Facility as well as provide KMC with the flexibility to manage and optimise its working capital and overall cashflow returns over the tenor of the New External Facility. For avoidance of doubt, KIT expects that its proportion of the Capital Injections will be fully funded from its operating cashflow, as required and not with the proceeds from the Equity Fund Raising.

As further elaborated in paragraph C9, the CTA Amendment, OMSA Amendment, Letter of Credit and Capital Injection (together, the “**Proposed IPTs**”) are interested person transactions (“**IPTs**”) and are subject to Unitholders’ approval at the EGM.

4. THE CTA AMENDMENT

Subject to Unitholders’ approval and subject to approval from Keppel’s shareholders being obtained, KMC, KE and KIHPL will enter into a fourth supplemental agreement (the “**Fourth CTA Supplemental Agreement**”) to amend the CTA, pursuant to which:

- (a) the contract term of the CTA shall be extended by 10 years until 30 June 2040;
- (b) the CTA Extension Option shall be removed; and
- (c) the calculation of the Tolling Fee shall be amended to account for the end of the useful life of KMC I and KMC II on 30 June 2032 and 30 June 2037 respectively. KMC will review the opportunities to retrofit KMC I and KMC II, which is expected to extend their useful lives up to 2045. In the event that KMC I and KMC II are retrofitted, it is expected that KMC I and KMC II may be able to retain their original generation capacities of 500MW and 840MW respectively and, subject to certification by the original equipment manufacturer of the Power Plant of the same, the quantum (after taking into account adjustments for availability factor and inflation rate) of the Tolling Fee may remain unchanged. Please refer to paragraph 3 of Appendix B for details of the amendment to the calculation of the Tolling Fee.

5. THE OMSA AMENDMENT

Subject to Unitholders’ approval and subject to approval from Keppel’s shareholders being obtained, KMC, KMC O&M and KIHPL will enter into a supplemental agreement (the “**OMSA Supplemental Agreement**”) to amend the terms of the OMSA pursuant to which:

- (a) the contract term shall be extended by 10 years until 31 December 2044;
- (b) the OMSA Extension Option shall be removed; and
- (c) the calculation of the Service Fee shall be amended to account for the end of the useful life of KMC I and KMC II on 30 June 2032 and 30 June 2037 respectively. KMC will review the opportunities to retrofit KMC I and KMC II, which is expected to extend their useful lives up to 2045. In the event that KMC I and KMC II are retrofitted, it is expected that KMC I and KMC II may be able to retain their original generation capacities of 500MW and 840MW respectively and, subject to certification by the original equipment manufacturer of the Power Plant of the same, the quantum (after taking into account adjustments for inflation rate) of the Service Fee may remain unchanged. Please refer to paragraph 3 of Appendix C for details of the amendment to the calculation of the Service Fee.

6. THE LETTER OF CREDIT

Subject to Unitholders' approval, in connection with the KMC Refinancing and the New External Facility, and in the event that the New External Facility Lenders require KMC to establish a debt service reserve or maintenance reserve account, KIT and Keppel Energy (and/or its affiliates) will each procure the Letter of Credit to be provided to the New External Facility Lender, in proportion to their respective shareholding in KMC for an aggregate amount of up to S\$30 million. The Letter of Credit will be utilised to meet any such debt service reserve or maintenance reserve account requirements.

In addition, it is also expected that KIT will incur up to approximately S\$230,000 per annum in costs and fees in connection with the procurement of the Letter of Credit.

While the specific terms of the Letter of Credit have not been determined as at the Latest Practicable Date, it is expected that the respective costs incurred by KIT and Keppel Energy (and/or their affiliates) in relation to the Letter of Credit will be fully passed on to KMC without any additional interest or fee charged to KMC.

7. THE CAPITAL INJECTION

Subject to Unitholders' approval at the EGM, KMC intends to, from time to time, issue KMC Shares to the KMC Shareholders to raise capital for, among others, the (i) amortisation of the New External Facility (as may be refinanced from time to time) and/or (ii) to repay any fees related to the KMC Refinancing and/or to fund any debt service reserve or maintenance reserve account as may be required by the New External Facility Lenders.

As at the Latest Practicable Date, the structure, timing and frequency of the Capital Injection has not been determined. KMC will periodically assess the amount required to be raised, having regard to, among others, the debt amortisation profile of KMC (including the terms of the New External Facility (as may be refinanced from time to time)) and the cash flow and working capital requirements of KMC, and KMC and the KMC Shareholders will, at their sole discretion from time to time, enter into share subscription agreement(s) or such other document(s) (the "**KMC Share Subscription Agreement**") to issue such number of KMC Shares to the KMC Shareholders in proportion to their respective shareholdings, at such issue price and on such terms as may be agreed between KMC and the KMC Shareholders. All KMC Share Issuances to the KMC Shareholders pursuant to the Capital Injection shall rank *pari passu* in all respects.

Subject to the periodic assessment by KMC, the aggregate amount to be raised from all KMC Share Issuances under the Capital Injection is expected to be up to approximately S\$656.5 million.

8. IMPACT OF THE KMC CAPITAL RESTRUCTURING ON UNITHOLDERS

The following tables and charts set out the unaudited *pro forma* financial effects of the KMC Capital Restructuring and have been prepared strictly for illustrative purposes only to show:

- (a) the capital structure of KMC for the financial year ended 31 December 2023 if the KMC Capital Restructuring was effected as at 1 January 2023;
- (b) what the Distributable Income of the KIT Group for FY2023 would have been if the KMC Capital Restructuring was effected as at 1 January 2023; and
- (c) what the DPU of the KIT Group for FY2023 would have been if the KMC Capital Restructuring was effected as at 1 January 2023.

The unaudited *pro forma* financial effects of the KMC Capital Restructuring set out in this paragraph C8 of this Circular are purely for illustration purposes only and are neither indicative nor do they represent any projection of the financial performance or position of the KIT Group after the KMC Capital Restructuring. KIT's future results of operations and financial condition may be substantially different from the results of operations and financial condition reflected in this paragraph C8, after taking into account the KMC Capital Restructuring.

While the unaudited *pro forma* financial information in this paragraph C8 has been presented in an effort to show the effects of the KMC Capital Restructuring, there can be no assurance that the unaudited *pro forma* financial information fully captures the effects of the KMC Capital Restructuring, and the unaudited *pro forma* financial information may not be indicative of KIT's or KMC's future financial performance. In particular, while the *pro forma* financial information in this paragraph C8 shows that following the KMC Capital Restructuring, the Distributable Income and the DPU of the KIT Group are expected to increase on a *pro forma* basis, there can be no assurance that following the KMC Capital Restructuring, the actual Distributable Income and DPU of the KIT Group will increase.

The *pro forma* financial effects of the KMC Capital Restructuring set out in paragraph C8 of this Circular have been prepared based on the KIT Group's audited consolidated financial statements for FY2023, and the following key bases and assumptions:

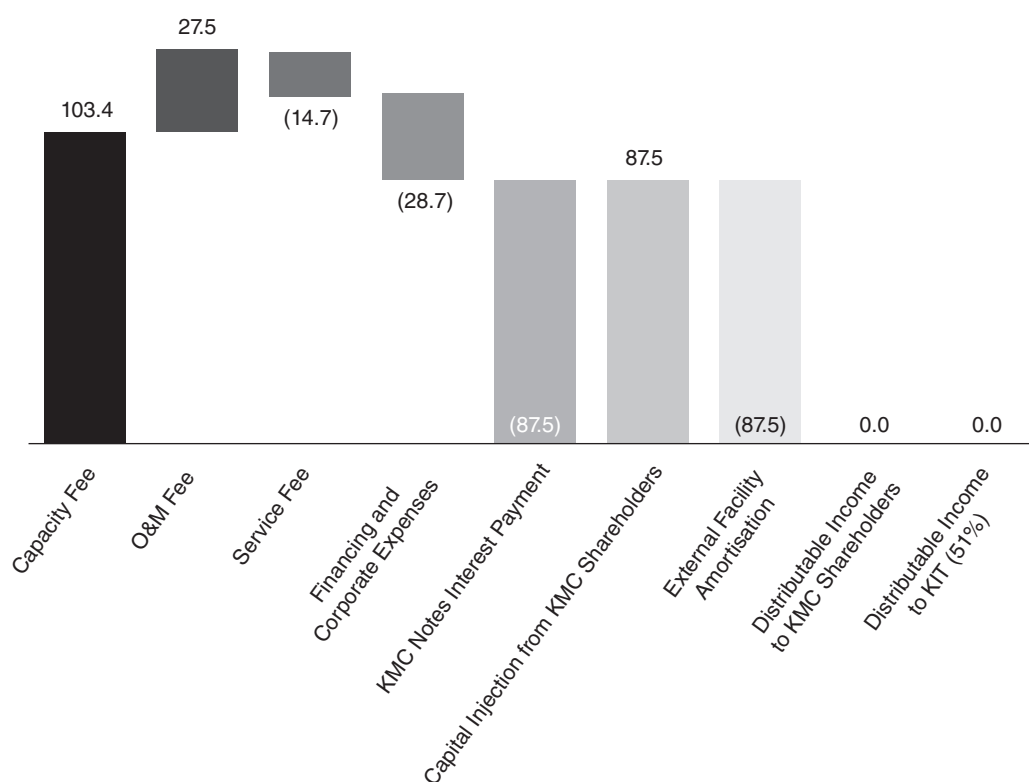
- (a) assuming that the New External Facility will be for an illustrative principal amount of S\$612.5 million amortised over 15 years, at S\$40.8 million per year²⁶;
- (b) excludes any professional and one-time fees incurred in connection with the KMC Capital Restructuring;
- (c) there are no changes to the Tolling Fees and Services Fees received, and no retrofitting of KMC I and KMC II was done, from 1 January 2023 to 31 December 2023;
- (d) additional Distributable Income generated of S\$23.8 million is computed as the difference between the KIT's share of loan amortisation of S\$44.6 million under the External Facility less KIT's share of the loan amortisation of S\$20.8 million under the New External Facility; and
- (e) assuming that all effective Distributable Income from KMC to KIT as a result of the KMC Capital Restructuring will be fully distributed to Unitholders.

8.1 KMC Capital Structure

As mentioned in paragraph C2, the amortisation of the External Facility commenced on 30 June 2023 and the cashflows generated from the Tolling Fees in the financial year ended 31 December 2023 were not sufficient to also cover the amortisation of the External Facility. This effectively negated any Distributable Income received by KIT from KMC through the interest payments on the KMC Notes for the financial year ended 31 December 2023. Please refer to the diagrams below for the actual capital structure of KMC for the financial year ended 31 December 2023, and the capital structure of KMC for the financial year ended 31 December 2023 if the KMC Capital Restructuring was effected as at 1 January 2023, and on the bases and assumptions set out above.

²⁶ The illustrative terms of the New External Facility are for illustrative purposes only and are neither indicative nor do they represent the actual terms of the New External Facility.

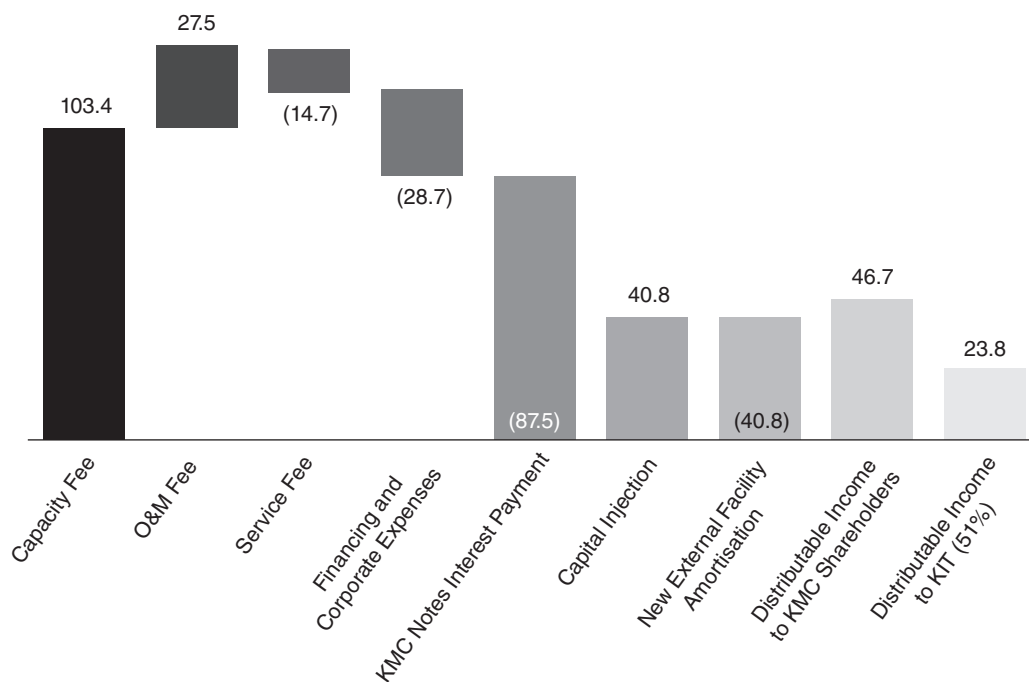
KMC Capital Structure for the Financial Year ended 31 December 2023 (S\$ million)



Note:

- (1) The amortisation of the External Facility was funded by a capital injection of S\$87.5 million from the KMC Shareholders, and the amount of capital injection provided by each KMC Shareholder is in proportion to their respective shareholding in KMC. The Distributable Income received by KIT from KMC for the financial year ended 31 December 2023 is calculated by subtracting KIT's portion of the capital injection from the interest paid to KIT under the KMC Notes. The amount of S\$87.5 million funded by capital injection from the KMC Shareholders in the financial year ended 31 December 2023 is the same as the interest paid under the KMC Notes for the financial year ended 31 December 2023. This resulted in nil Distributable Income from KMC to KIT for the financial year ended 31 December 2023, and the Trustee-Manager is of the view that the value to KIT of (a) KIT's portion of the abovementioned capital injection and (b) the interest received by KIT under the KMC Notes for the financial year ended 31 December 2023, taken as a whole, is nil.

KMC Capital Structure for the Financial Year ended 31 December 2023 if the KMC Capital Restructuring was effected as at 1 January 2023 (S\$ million)

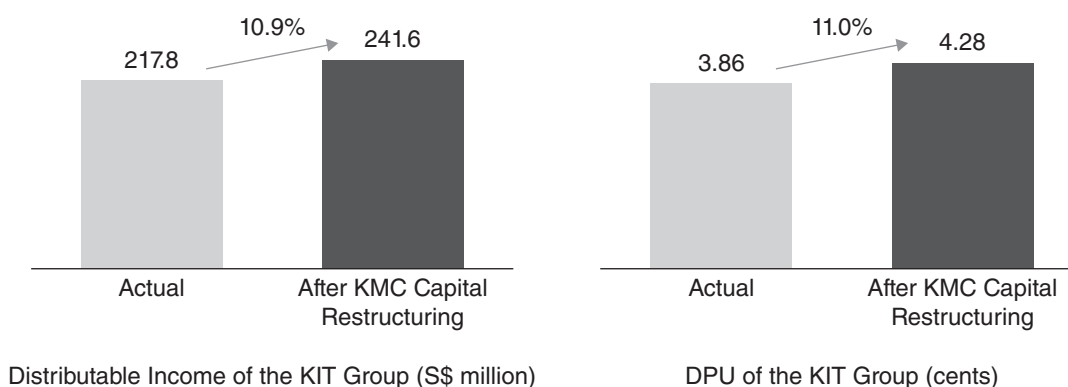


Note:

- (1) The *pro forma* amortisation of the New External Facility (on the assumption that the New External Facility is amortised over 15 years at S\$40.8 million per year) may be partially or fully funded by the Capital Injection. The operating cash flows received by KIT from the interest payment under the KMC Notes may be used by KIT to fund its share of the Capital Injection.

8.2 Pro Forma Distributable Income and DPU

	Pro Forma Effects for FY2023		
	Actual ⁽¹⁾	Adjusted for KMC Capital Restructuring	% Change
Distributable Income of the KIT Group (S\$ million)	217.8	241.6	10.9%
DPU of the KIT Group (cents)	3.86	4.28 ⁽²⁾	11.0%



Notes:

- (1) Based on audited consolidated financial statements of the KIT Group for FY2023 and excludes effects of the capital optimisation at Ixom.
- (2) Computed based on additional Distributable Income of S\$23.8 million over 5.6 billion outstanding Units as at 31 December 2023.

9. THE PROPOSED INTERESTED PERSON TRANSACTIONS

9.1 Interested Person Transactions

As KIT has a 51% equity interest in KMC, KMC is an entity at risk under the Listing Manual.

As at the Latest Practicable Date, KIHPL has a 18.21% direct interest in KIT and is accordingly a Controlling Unitholder of KIT. KE is a wholly-owned subsidiary of KIHPL and is therefore an associate of KIHPL within the meaning of the Listing Manual. Accordingly, KIHPL and KE are interested persons of KIT and the CTA Amendment is therefore an IPT within the meaning of Chapter 9 of the Listing Manual.

KMC O&M is a wholly-owned subsidiary of KIHPL and is accordingly an associate of KIHPL and interested person of KIT, and the OMSA Amendment is therefore an IPT.

Keppel Energy is a wholly-owned subsidiary of Keppel and is therefore an associate of Keppel and an interested person of KIT. The Capital Injection is therefore an IPT where KMC as the issuer of the KMC Shares is the entity at risk.

As at the Latest Practicable Date, Keppel, through KIHPL, has a 18.21% indirect interest in KIT and is accordingly a Controlling Unitholder and interested person of KIT. As Keppel (other than through its interest in KIT) holds a 49% interest in KMC, KMC is also an associate of Keppel and is therefore an interested person of KIT. Therefore, the Letter of Credit is an IPT where KIT as the applicant under the Letter of Credit (and the provider of financial assistance to KMC) is the entity at risk and the Capital Injection is also an IPT where KIT as the subscriber of the KMC Shares is the entity at risk.

For completeness, Unitholder's approval was sought at an extraordinary meeting held on 30 April 2015 for, among others, the KMC Acquisition as an IPT, and such approval was deemed to constitute approval of the CTA, the OMSA and the KMC Notes as an IPT.

9.2 Value of Proposed IPTs

Under Chapter 9 of the Listing Manual, where KIT and/or its entity(ies) at risk propose(s) to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of KIT's latest audited NTA, Unitholders' approval is required in respect of the transaction. Based on KIT's audited financial statements for FY2023, the NTA of KIT was S\$293 million as at 31 December 2023. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by KIT and/or its entity(ies) at risk with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S\$100,000) entered into with the same interested person during the current financial year, equal to or in excess of S\$14.6 million, such a transaction would be subject to Unitholders' approval.

Rule 909(1) of the Listing Manual provides that in the case of a partly-owned subsidiary or associate company, the value of the transaction to the issuer is the issuer's effective interest in that transaction.

It is anticipated that KMC will receive additional Capacity Fees of up to S\$1,080 million²⁷ over the additional 10 years, pursuant to the CTA Amendment. Based on an illustrative inflation rate of 1.5% per annum, it is anticipated that KMC will receive additional O&M Fees of up to S\$343 million²⁸ over the additional 10 years, pursuant to the CTA Amendment. As KIT has a 51% equity interest in KMC, based on the foregoing illustrations, bases and assumptions, the value to KIT of the CTA Amendment is approximately S\$726 million²⁹.

27 On the basis that (i) for every month from 1 July 2030 to 30 June 2040, KMC meets its availability target and (ii) KMC I and KMC II are retrofitted such that they retain their original generation capacities of 500MW and 840MW respectively up to 2045, such that the quantum of the Capacity Fees from 1 July 2030 to 30 June 2040 remains unchanged.

28 On the basis that (i) KMC I and KMC II are retrofitted such that they retain their original generation capacities of 500MW and 840MW respectively up to 2045, such that the quantum (taking into account adjustments for inflation rate) of the O&M Fee from 1 July 2030 to 30 June 2040 remains unchanged and (ii) of an illustrative inflation rate of 1.5% per annum. Unitholders should note that the inflation rate of 1.5% per annum is solely for illustrative purposes and should not be construed as a representation that the inflation rate for the relevant period will be 1.5% per annum.

29 The value to KIT of the CTA Amendment does not take into account the Pass-through Arrangements, which are variable costs and revenues which cannot be meaningfully determined until incurred or earned.

Based on an illustrative inflation rate of 1.5% per annum, it is anticipated that KMC will pay additional Service Fees of up to S\$195 million³⁰ over the extended period of the OMSA, pursuant to the OMSA Amendment. As KIT has a 51% equity interest in KMC, based on the foregoing illustrations, bases and assumptions, the value to KIT of the OMSA Amendment is approximately S\$99 million.

Subject to the periodic assessment by KMC, the aggregate amount to be raised from all KMC Share Issuances under the Capital Injection is expected to be up to approximately S\$656.5 million. Where KIT as the subscriber of the KMC Shares is the entity at risk, the value to KIT of KIT's proportion of the Capital Injection, is approximately up to S\$334.8 million. Where KMC as the issuer of the KMC Shares is the entity at risk, the value to KMC of Keppel Energy's proportion of the Capital Injection is approximately up to S\$321.7 million. Accordingly, the value to KIT of Keppel Energy's proportion of the Capital Injection is approximately up to S\$164.1 million.

KIT's proportion of the Letter of Credit is expected to be approximately up to S\$15.3 million. In addition, it is also expected that KIT will incur up to approximately S\$230,000 per annum in costs and fees in connection with the procurement of the Letter of Credit. On the assumption that the Letter of Credit will be for a tenor of 15 years, the total costs and fees in connection with the procurement of the Letter of Credit is expected to be up to approximately S\$3.5 million. Accordingly, based on the foregoing illustration, basis and assumption, the value to KIT of the Letter of Credit is approximately up to S\$18.8 million.

Based on the foregoing illustrations, bases and assumptions in this paragraph C9.2, the aggregate value to KIT of the Proposed IPTs is expected to be approximately S\$1,342.7 million, which represents approximately 458% of KIT's latest audited NTA. The Proposed IPTs are accordingly subject to Unitholder's approval at the EGM.

9.3 Other Interested Person Transactions

The aggregate value of all IPTs entered into by KIT and/or its entity(ies) at risk with Keppel and its subsidiaries and associates (including KIHPL, KMC O&M and KMC) for the current financial year ending 31 December 2024 as at the Latest Practicable Date is S\$164.4 million. The aggregate value of all IPTs entered into by KIT and/or its entity(ies) for the current financial year ending 31 December 2024 as at the Latest Practicable Date (excluding transactions less than S\$100,000) is S\$189.7 million.

10. IFA ADVICE

10.1 Summary of IFA Advice

The directors of the Trustee-Manager ("**Directors**") who are considered independent of the Proposed IPTs (the "**Independent Directors**") have appointed SAC Capital Private Limited as an independent financial adviser ("**IFA**") to advise on whether the terms of the Proposed IPTs:

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

³⁰ On the basis (i) that KMC I and KMC II are retrofitted such that they retain their original generation capacities of 500MW and 840MW respectively up to 2045 such that the quantum of the Services Fees from 1 January 2035 to 31 December 2044 remains unchanged and (ii) of an illustrative inflation rate of 1.5% per annum. Unitholders should note that the inflation rate of 1.5% per annum is solely for illustrative purposes and should not be construed as a representation that the inflation rate for the relevant period will be 1.5% per annum.

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

“In arriving at our opinion in respect of the CTA Amendment and the OMSA Amendment as interested person transactions, we have considered, *inter alia*, the following factors summarised below which we considered to be pertinent in our assessment:

- (a) rationale for the CTA Amendment and the OMSA Amendment, as set out in paragraph 5.1.1 of this letter;
- (b) comparison of the proposed amendments in the Fourth CTA Supplemental Agreement to the principal terms of the CTA, as well as the proposed amendments in the OMSA Supplemental Agreement to the principal terms of the OMSA, as set out in paragraph 5.1.2 of this letter; and
- (c) comparison of agreements that are comparable to the CTA, as set out in paragraph 5.1.3 of this letter; and
- (d) other relevant considerations as follows:
 - (i) the CTA being the sole source of revenue for KMC, as set out in paragraph 5.1.4.1 of this letter; and
 - (ii) the experience of KMC O&M in maintaining the KMC Plant, as set out in paragraph 5.1.4.2 of this letter.”

“In arriving at our opinion in respect of the Letter of Credit and the Capital Injection as interested person transactions, we have considered, *inter alia*, the following factors summarised below which we considered to be pertinent in our assessment:

- (a) rationale for the Letter of Credit and the Capital Injection, as set out in paragraph 5.2.1 of this letter;
- (b) KMC’s historical financial performance, as set out in paragraph 5.2.2 of this letter;
- (c) impact of the KMC Capital Restructuring on Unitholders, as set out in paragraph 5.2.3 of this letter;
- (d) assessment of the Letter of Credit, as set out in paragraph 5.2.4 of this letter; and
- (e) assessment of the Capital Injection, as set out in paragraph 5.2.5 of this letter.

Having carefully considered the information above and subject to the assumptions and qualifications set out in this letter, we are of the opinion that, on balance, the Proposed IPTs are on normal commercial terms and are not prejudicial to the interests of KIT and its minority Unitholders. Accordingly, we advise the Independent Directors and the ARC of the Trustee-Manager to recommend independent Unitholders to vote in favour of the Proposed IPTs.”

Please read and consider the IFA Advice in its entirety as set out in Appendix D to this Circular.

10.2 Audit and Risk Committee's Opinion

The Audit and Risk Committee currently comprises Mr Mark Andrew Yeo Kah Chong, Mr Daniel Cuthbert Ee Hock Huat and Mr Adrian Chan Pengee. Mr Mark Andrew Yeo Kah Chong is an Independent Director and shares the same view as the IFA, namely that the terms of each of the Proposed IPTs:

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

Mr Daniel Cuthbert Ee Hock Huat is a director of a subsidiary of Temasek. Mr Adrian Chan Pengee is a director of certain subsidiaries of Temasek. Accordingly, Mr Daniel Cuthbert Ee Hock Huat and Mr Adrian Chan Pengee have abstained from providing an opinion to the Audit and Risk Committee in respect of the Proposed IPTs.

D. GENERAL DISCLOSURES

1. DIRECTORS' AND SUBSTANTIAL UNITHOLDERS' INTERESTS

1.1 Directors' Interests in Units

As at the date of this Circular, the Directors' direct or deemed interests in the Units are as follows:

Directors	Direct Interest		Deemed Interest	
	Number of Units	% ⁽¹⁾	Number of Units	% ⁽¹⁾
Daniel Cuthbert Ee Hock Huat	450,531	0.008	–	–
Mark Andrew Yeo Kah Chong	400,500	0.007	–	–
Chong Suk Shien	122,200	0.002	–	–
Adrian Chan Pengee	58,500	0.001	–	–
Ng Kin Sze	215,300	0.004	–	–
Christina Tan Hua Mui	–	–	–	–

Note:

(1) As at the date of this Circular, there are 5,626,719,128 Units in issue.

1.2 Substantial Unitholders' Interests in Units

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

Substantial Unitholders	Direct Interest		Deemed Interest	
	Number of Units	% ⁽¹⁾	Number of Units	% ⁽¹⁾
KIHPL	1,024,360,090	18.21	–	–
Keppel ⁽²⁾	–	–	1,024,360,090	18.21
Bartley	449,749,957	7.99	–	–
Tembusu ⁽³⁾	–	–	718,361,560	12.76
Temasek ⁽⁴⁾	–	–	1,749,651,021	31.10

Notes:

(1) Based on total Units in issue of 5,625,785,886 as at the Latest Practicable Date. As at the date of this Circular, there are 5,626,719,128 Units in issue.

(2) Keppel is deemed to have an interest in the Units which its wholly-owned subsidiary, KIHPL, has an interest.

(3) Tembusu is deemed to have an interest in the Units in which Bartley and its other subsidiaries have interests.

(4) Temasek is deemed to have an interest in the Units in which Tembusu, Bartley, Keppel and other subsidiaries and/or associated companies of Temasek hold or have deemed interests.

2. EGM

The EGM will be held, in a wholly physical format, at Suntec Singapore Convention and Exhibition Centre, Summit 2, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 23 April 2024 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the AGM to be held at 10.30 a.m. on the same day and at the same venue), for the purpose of considering and, if thought fit, passing with or without modifications the Ordinary Resolutions set out in the Notice of EGM, which is set out on pages E-1 to E-7 of this Circular.

At the EGM, the following Ordinary Resolutions will be proposed for the approval of Unitholders:

- (a) the issuance of up to 1,061,571,125 New Units pursuant to (i) the Placement or (ii) the Placement and the Preferential Offering (“**Ordinary Resolution 1**”);
- (b) the Proposed KIHPL Placement (“**Ordinary Resolution 2**”); and
- (c) the Proposed IPTs (“**Ordinary Resolution 3**”).

Please refer to the Notice of EGM set out on pages E-1 to E-7 of this Circular for further details.

3. ABSTENTION FROM VOTING

3.1 The Proposed KIHPL Placement

By virtue of their interest in the Proposed KIHPL Placement, Keppel, KIHPL, Temasek and the Temasek Entities will abstain and have undertaken to ensure that their respective associates (as defined in the Listing Manual) will abstain from voting on Ordinary Resolution 2. KIHPL, Temasek and the Temasek Entities will also decline to accept appointment as proxy for any Unitholder to vote on Ordinary Resolution 2 unless that Unitholder concerned shall have given specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of Ordinary Resolution 2.

Mr Daniel Cuthbert Ee Hock Huat is a director of a subsidiary of Temasek and an investment committee member of certain subsidiaries of Keppel Capital Holdings Pte. Ltd. Mr Adrian Chan Pengee is a director of certain subsidiaries of Temasek. Mr Ng Kin Sze is a part-time private equity advisor to a subsidiary of Temasek and an investment committee member of certain subsidiaries of Keppel Capital Holdings Pte. Ltd. Ms Christina Tan Hua Mui is the Chief Executive Officer, Fund Management and Chief Investment Officer of Keppel, and a director of several other subsidiaries of Keppel.

Accordingly, each of Mr Daniel Cuthbert Ee Hock Huat, Mr Adrian Chan Pengee, Mr Ng Kin Sze, Ms Christina Tan Hua Mui and their respective associates (as defined in the Listing Manual) will abstain from voting on Ordinary Resolution 2, and will also decline to accept appointment as proxy for any Unitholder to vote on Ordinary Resolution 2 unless that Unitholder concerned shall have given specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of Ordinary Resolution 2.

Save for the foregoing, the Trustee-Manager will disregard any votes cast at the EGM on Ordinary Resolution 2 by Mr Daniel Cuthbert Ee Hock Huat, Mr Adrian Chan Pengee, Mr Ng Kin Sze, Ms Christina Tan Hua Mui and their respective associates (as defined in the Listing Manual).

3.2 The KMC Capital Restructuring

By virtue of their interest in the Proposed IPTs, Keppel, KIHPL, Temasek and the Temasek Entities will abstain and have undertaken to ensure that their respective associates (as defined in the Listing Manual) will abstain from voting on Ordinary Resolution 3. Each of Keppel, KIHPL, Temasek and the Temasek Entities will also decline to accept appointment as proxy for any Unitholder to vote on Ordinary Resolution 3 unless that Unitholder concerned shall have given specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of Ordinary Resolution 3. Save for the foregoing, the Trustee-Manager will disregard any votes cast at the EGM on Ordinary Resolution 3 by Keppel, KIHPL, Temasek and the Temasek Entities and their associates (as defined in the Listing Manual).

Mr Daniel Cuthbert Ee Hock Huat is a director of a subsidiary of Temasek and an investment committee member of certain subsidiaries of Keppel Capital Holdings Pte. Ltd. Mr Adrian Chan Pengee is a director of certain subsidiaries of Temasek. Mr Ng Kin Sze is a part-time private equity advisor to a subsidiary of Temasek and an investment committee member of certain subsidiaries of Keppel Capital Holdings Pte. Ltd. Ms Christina Tan Hua Mui is the Chief Executive Officer, Fund Management and Chief Investment Officer of Keppel, and a director of several other subsidiaries of Keppel.

Accordingly, each of Mr Daniel Cuthbert Ee Hock Huat, Mr Adrian Chan Pengee, Mr Ng Kin Sze, Ms Christina Tan Hua Mui and their respective associates (as defined in the Listing Manual) will abstain from voting on Ordinary Resolution 3, and will also decline to accept appointment as proxy for any Unitholder to vote on Ordinary Resolution 3 unless that Unitholder concerned shall have given specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of Ordinary Resolution 3. Save for the foregoing, the Trustee-Manager will disregard any votes cast at the EGM on Ordinary Resolution 3 by Mr Daniel Cuthbert Ee Hock Huat, Mr Adrian Chan Pengee, Mr Ng Kin Sze, Ms Christina Tan Hua Mui and their respective associates (as defined in the Listing Manual).

Please refer to paragraph D1.1 above for the relevant Directors' direct or deemed interests in the Units as at Latest Practicable Date and paragraph D1.2 above for the relevant Substantial Unitholders' direct or deemed interests in the Units as at the Latest Practicable Date.

Save as disclosed in this Circular, none of the Directors or Controlling Unitholders have any direct or indirect interest in the Equity Fund Raising, the Proposed KIHPL Placement or the KMC Capital Restructuring.

4. DIRECTORS' RECOMMENDATIONS

4.1 Issuance of up to 1,061,571,125 New Units pursuant to (i) the Placement or (ii) the Placement and the Preferential Offering

Having considered the relevant factors, including the rationale for the issuance of up to 1,061,571,125 New Units pursuant to (i) the Placement or (ii) the Placement and the Preferential Offering, the Directors are of the opinion that the issuance of up to 1,061,571,125 New Units pursuant to (i) the Placement or (ii) the Placement and the Preferential Offering is in the best interests of KIT. Accordingly, they recommend that Unitholders vote in favour of Ordinary Resolution 1 as set out in the Notice of EGM.

4.2 Proposed KIHPL Placement

Having considered the relevant factors, including the rationale for the Proposed KIHPL Placement, the Directors (save for Mr Daniel Cuthbert Ee Hock Huat, Mr Adrian Chan Pengee, Mr Ng Kin Sze, Ms Christina Tan Hua Mui, all of whom are not making a recommendation in respect of Ordinary Resolution 2, for the reasons set out in paragraph D3.1 of this Circular) are of the opinion that the Proposed KIHPL Placement is in the best interests of KIT. Accordingly, the Directors (save for Mr Daniel Cuthbert Ee Hock Huat, Mr Adrian Chan Pengee, Mr Ng Kin Sze, and Ms Christina Tan Hua Mui) recommend that Unitholders vote in favour of Ordinary Resolution 2.

4.3 KMC Capital Restructuring

The Independent Directors are Mr Mark Andrew Yeo Kah Chong and Ms Chong Suk Shien.

Having considered the relevant factors, including the rationale for the KMC Capital Restructuring and the Proposed IPTs, the Independent Directors are of the opinion that the KMC Capital Restructuring is in the best interests of KIT. Accordingly, the Independent Directors recommend that Unitholders vote in favour of Ordinary Resolution 3 as set out in the Notice of EGM.

5. **DIRECTORS' SERVICE CONTRACTS**

No person is proposed to be appointed as a director of the Trustee-Manager in connection with the Equity Fund Raising, the Proposed KIHPL Placement, the KMC Capital Restructuring or any other transactions contemplated in relation to the Equity Fund Raising the Proposed KIHPL Placement or the KMC Capital Restructuring. Accordingly, no service contract is proposed to be entered into between the Trustee-Manager and any such person in connection with the Equity Fund Raising, the Proposed KIHPL Placement or the KMC Capital Restructuring.

6. **IFA CONSENT**

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name and all references thereto and (ii) the IFA Advice as set out in Appendix D to this Circular as summarised in paragraph C10, in the form and context in which they appear in this Circular.

7. **ACTION TO BE TAKEN BY UNITHOLDERS**

7.1 Appointment of Proxies

Unitholders can vote at the EGM themselves or through duly appointed proxy(ies). Unitholders who wish to appoint a proxy(ies) to attend, speak and vote at the EGM on their behalf will find attached to this Circular a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event (a) if submitted by post, be lodged with the Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 HarbourFront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or (b) if submitted electronically, be submitted via email to keppel@boardroomlimited.com, in either case, not later than by 11.00 a.m. on 21 April 2024, being 48 hours before the EGM.

7.2 When Depositor regarded as Unitholder

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

8. MATERIAL LITIGATION

Save as disclosed in the announcements released by the Trustee-Manager via SGXNet, as at the Latest Practicable Date, neither KIT 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 KIT or the KIT Group.

9. INSPECTION OF DOCUMENTS

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

- (i) the CTA (including the first supplemental agreement dated 11 February 2016, second supplemental agreement dated 1 January 2022 and third supplemental agreement dated 19 December 2023);
- (ii) the OMSA;
- (iii) the KMC Notes Subscription Deed;
- (iv) the IFA Advice; and
- (v) the letter of consent by the IFA referred to in paragraph D6 above.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Equity Fund Raising, the Proposed KIHPL Placement, the KMC Capital Restructuring and KIT and its subsidiaries which are relevant to the Equity Fund Raising, the Proposed KIHPL Placement and the KMC Capital Restructuring, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

Yours faithfully

Keppel Infrastructure Fund Management Pte. Ltd.
(Company Registration Number 200803959H)
(as Trustee-Manager of Keppel Infrastructure Trust)

Mr Daniel Cuthbert Ee Hock Huat
Chairman of the Board

DEFINITIONS

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

- “2015 KMC Restructuring”** : The restructuring of KMC in connection with the KMC Acquisition, as described in paragraph C1
- “Acquisition”** : The proposed acquisition by the Purchaser of the entire issued and paid-up share capital of each of Ventura and RBPL from the Vendors, on the terms and conditions of the Share Sale Agreement, as described in paragraph B1.1 of this Circular
- “Acquisition Announcement”** : The announcement dated 5 February 2024 released by the Trustee-Manager in respect of the Acquisition
- “AGM”** : The annual general meeting of KIT
- “AGPC”** : Aramco Gas Pipelines Company, a company incorporated in the Kingdom of Saudi Arabia, in which KIT (through a wholly-owned special purpose vehicle) and certain other investors have an indirect shareholding interest of 49%
- “Audit and Risk Committee”** : The audit and risk committee of the Trustee-Manager comprising Mr Mark Andrew Yeo Kah Chong, Mr Daniel Cuthbert Ee Hock Huat and Mr Adrian Chan Pengee
- “AUM”** : Assets under management
- “AUM Portfolio Valuation”** : The portfolio valuation of KIT’s AUM of S\$8.1 billion as at 2 January 2024 is based on:
- (i) independent valuation conducted by Ernst & Young LLP, of KIT’s equity stake in the enterprise value of its investments (excluding the Acquisition and the first closing of the German Solar Portfolio Acquisition), of S\$7.4 billion as at 31 December 2023; and
 - (ii) KIT’s equity stake in the enterprise value of the German Solar Portfolio after the first closing of the of the German Solar Portfolio Acquisition. The enterprise value of the German Solar Portfolio has not been independently valued.
- “Bartley”** : Bartley Investments Pte. Ltd., a company incorporated in the Republic of Singapore, and a Substantial Unitholder of KIT
- “BKR2 WF”** : Borkum Riffgrund 2 Offshore Wind Farm GmbH & Co. Ohg (Offshore wind farms), a company incorporated in Germany in which KIT has a 20.5% shareholding interest

“BKR2 WF Wind Farm”	:	The offshore wind farm owned by BKR2 WF located 59km off the coast of Lower Saxony in the North Sea, Germany
“Bridge Facility”	:	The bridge facility of up to S\$450 million, as described in paragraph B1.2 of this Circular
“BTA”	:	The Business Trusts Act 2004 of Singapore (including all subsidiary legislation made thereunder) as modified, supplemented or amended from time to time
“Capacity Fee”	:	The availability-based capacity fee to be paid to KMC by KE pursuant to the CTA, as described in paragraph C1.1 and Appendix B of this Circular
“Capital Injection”	:	All KMC Share Issuances, for an aggregate amount of up to approximately S\$656.5 million, as described in paragraphs C2 and C7 of this Circular
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Unitholders dated 1 April 2024 in relation to the Equity Fund Raising and the KMC Capital Restructuring
“City Energy”	:	City Energy Trust, a wholly-owned subsidiary of KIT
“Completion”	:	The completion of the Acquisition
“Completion Date”	:	The date of Completion, being 14 business days after all of the conditions precedent in the Share Sale Agreement have been satisfied or waived, or such other date as the Vendors and the Purchaser may agree in writing
“Controlling Unitholder”	:	A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15% or more of the total voting rights in KIT (unless the SGX-ST has determined such person not to be a Controlling Unitholder); or (b) in fact exercises control over KIT
“CPI”	:	Consumer price index
“CTA Amendment”	:	The proposed amendments to the CTA set out in the Fourth CTA Supplemental Agreement
“CTA Extension Option”	:	The option given to KE to extend the duration of the CTA by a 10-year period from the expiry of the CTA at the same terms, as described in paragraphs C1.1 of this Circular

“CTA”	:	Capacity tolling agreement entered into between KMC, KE and KIHPL, as amended by a first supplemental agreement dated 11 February 2016, a second supplemental agreement dated 1 January 2022 and a third supplemental agreement dated 19 December 2023, and where the context requires, as amended by the CTA Amendment
“DIPU”	:	Distributable Income Per Unit
“Directors”	:	The directors of the Trustee-Manager, as at the date of this Circular
“Distributable Income”	:	FFO less mandatory debt repayment and other charges, credits or adjustments as deemed appropriate by the Trustee-Manager, for the relevant period
“DPU”	:	Distribution Per Unit
“Earn Out Payments”	:	Payment of the earn out amounts (if any) of up to A\$20.0 million (approximately S\$18.0 million) in accordance with the terms of the Share Sale Agreement, as described in paragraphs B1.1 and B5.4(e) of this Circular
“EBITDA”	:	Earnings before interest, taxes, depreciation and amortisation
“EGFH”	:	Enpal Green Future Holding GmbH, a company incorporated in Germany
“EGM”	:	The extraordinary general meeting of KIT to be held at Suntec Singapore Convention and Exhibition Centre, Summit 2, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 23 April 2024 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of KIT to be held at 10.30 a.m. on the same day and at the same venue), notice of which is given in the Notice of EGM set out on pages E-1 to E-7 of this Circular (or any adjournment thereof)
“EGSH”	:	Enpal Green Solutions Holding GmbH, a company incorporated in Germany
“Electricity Licence”	:	The electricity licence granted to KMC from the EMA under the Electricity Act 2001, as described in paragraph C1.5 of this Circular
“EMA”	:	Energy Market Authority
“EMKH”	:	Eco Management Korea Holdings Co., Ltd., a company incorporated in South Korea

“End Date”	:	The date which is six (6) months after the date of the Share Sale Agreement, or such other date as is agreed by the Purchaser and the Vendors in writing, as described in paragraph B5.4(d) of this Circular
“Enpal”	:	Enpal B.V., a company incorporated in Germany
“Equity Fund Raising”	:	An equity fund raising, by way of the issuance of up to 1,061,571,125 New Units, which may comprise: <p>(a) the Placement; or</p> <p>(b) the Placement and the Preferential Offering,</p> <p>in each case, pursuant to the approvals sought under Ordinary Resolution 1</p>
“ESG”	:	Environmental, social, and corporate governance
“Expiry Date”	:	Has the meaning defined in paragraph B2.9 of this Circular
“External Facility”	:	Credit facilities obtained by KMC from commercial banks by signing a facility agreement for S\$700 million with financial institutions in Singapore, as described in paragraph C1.4 of this Circular
“FFO”	:	Funds from operations, calculated as profit after tax adjusted for reduction in concession or lease receivables, transaction costs, non-cash interest and current cash tax, maintenance capital expenditure, non-cash adjustments and non-controlling interest adjustments
“Fourth CTA Supplemental Agreement”	:	The fourth supplemental agreement to be entered into between KMC, KE and KIHPL to amend the CTA
“FY2023”	:	In respect of the KIT Group, the financial year ended 31 December 2023
“General Mandate”	:	The general mandate for the Trustee-Manager to issue, among others, New Units, for which Unitholders’ approval will be sought at the AGM to be held on 23 April 2024 at 10.30 a.m.
“German Solar Portfolio”	:	EGFH and EGSB
“German Solar Portfolio Acquisition”	:	The acquisition by actus 2160. GmbH, a wholly-owned subsidiary of cor 93. GmbH & Co. KG, a joint venture vehicle established between Radiant Infra Holdings Pte. Ltd. (an indirect wholly-owned subsidiary of KIT) and Equitix European II Holdco B S.à r.l. of approximately 90% of the share capital of EGFH and EGSB

“Illustrative Issue Price”	:	S\$0.471 per New Unit
“IFA”	:	SAC Capital Private Limited
“IFA Advice”	:	The advice from the IFA in relation to the Proposed IPTs, as set out in Appendix D to this Circular
“Independent Directors”	:	Directors of the Trustee-Manager who are considered independent of the Proposed IPTs
“IPT”	:	Interested person transaction within the meaning of Chapter 9 of the Listing Manual
“Ixm”	:	Ixm HoldCo Pty Ltd, a company incorporated in Australia
“KE”	:	Keppel Electric Pte. Ltd, a company incorporated in the Republic of Singapore, and a wholly-owned subsidiary of Keppel
“Keppel”	:	Keppel Ltd., a company incorporated in the Republic of Singapore, and a Controlling Unitholder of KIT
“Keppel Energy”	:	Keppel Energy Pte. Ltd., a company incorporated in the Republic of Singapore, and a wholly-owned subsidiary of Keppel, and which has a 49% equity interest in KMC
“KIHPL”	:	Keppel Infrastructure Holdings Pte. Ltd., a company incorporated in the Republic of Singapore, and a wholly-owned subsidiary of Keppel
“KIT”	:	Keppel Infrastructure Trust, a business trust constituted in the Republic of Singapore pursuant to the Trust Deed and registered with MAS
“KIT Group”	:	KIT and its subsidiaries
“KMC”	:	Keppel Merlimau Cogen Pte Ltd, a company incorporated in the Republic of Singapore, in which KIT holds a 51% equity interest and Keppel Energy holds a 49% equity interest
“KMC I”	:	Phase I of KMC, which has a generation capacity of 500MW and commenced commercial operations in April 2007, as described in paragraph C1.5 of this Circular
“KMC II”	:	Phase II of KMC, involving the expansion of two power trains with total generation capacity of 840MW, which commenced commercial operations in March 2013 and July 2013 respectively, as described in paragraph C1.5 of this Circular

“KMC Acquisition”	:	The acquisition by KIT of a 51% direct interest in KMC on 30 June 2015
“KMC Capital Restructuring”	:	The CTA Amendment, OMSA Amendment, KMC Refinancing, Letter of Credit and Capital Injection
“KMC Notes”	:	The S\$500 million principal amount of notes issued by KMC to KIT, Keppel Energy, KE and KWS in the proportions of 51%, 39%, 5% and 5% respectively
“KMC Notes Subscription Deed”	:	The subscription deed dated 30 June 2015 constituting the KMC Notes between KMC, KIT, Keppel Energy, KE and KWS
“KMC O&M”	:	KMC O&M Pte. Ltd, a company incorporated in the Republic of Singapore, and a wholly-owned subsidiary of KIHPL
“KMC Plant” or “Power Plant”	:	Keppel Merlimau Cogen Plant
“KMC Refinancing”	:	The refinancing exercise to be undertaken by KMC, whereby the External Facility will be refinanced with the New External Facility, as described in paragraph C2 of this Circular
“KMC Shareholders”	:	The shareholders of KMC from time to time. As at the Latest Practicable Date, the shareholders of KMC are KIT and Keppel Energy
“KMC Share Issuance”	:	Each proposed issuance of KMC Shares to the KMC Shareholders in proportion to their respective shareholding in KMC, as described in paragraphs C2 and C7 of this Circular
“KMC Shares”	:	Ordinary shares in the capital of KMC
“KMC Share Subscription Agreement”	:	The share subscription agreement(s) or such other document(s) to be entered into by KMC and the KMC Shareholders pursuant to the Capital Injection, as described in paragraph C7 of this Circular
“KWS”	:	Keppel Water Services Pte Ltd (formerly known as Keppel Infrastructure Services Pte. Ltd.)
“Latest Practicable Date”	:	14 March 2024, being the latest practicable date prior to the printing of this Circular
“Letter of Credit”	:	The letter(s) of credit to be procured by each of KIT and Keppel Energy to be provided to the New External Facility Lenders in proportion to their respective shareholding in KMC for an aggregate amount of up to S\$30 million

“Listing Manual”	:	The listing manual of the SGX-ST, as modified, supplemented or amended from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“MAS”	:	The Monetary Authority of Singapore
“MBSCs”	:	Metropolitan Bus Services Contracts, as described in paragraph B5.3(a) of this Circular
“Millview Manor”	:	Millview Manor Pty. Ltd. (as trustee for the Andrew Cornwall Family Settlement)
“NAV”	:	Net asset value of the KIT Group
“Net Gearing”	:	Net debt of the KIT Group divided by the total assets of the KIT Group
“New External Facility”	:	The new external facility to be entered into pursuant to the KMC Refinancing, as described in paragraph C2
“New External Facility Lenders”	:	The lender(s) under the New External Facility
“New Units”	:	The new Units to be issued pursuant to the Equity Fund Raising
“Normalised EBITDA”	:	The EBITDA of the Ventura Group calculated in accordance with the relevant provisions of the Share Sale Agreement, as described in paragraph B5.4(e) of this Circular
“Notice of EGM”	:	The notice of EGM which is set out on pages E-1 to E-7 of this Circular
“NTA”	:	The net tangible assets of the KIT Group
“O&M Fee”	:	The fixed operation and maintenance fee under the CTA
“OMSA”	:	Operations and Maintenance Services Agreement entered into between KMC, KMC O&M and KIHPL on 15 May 2015
“OMSA Amendment”	:	The proposed amendments to the OMSA set out in the OMSA Supplemental Agreement
“OMSA Extension Option”	:	An option to extend OMSA by a period of 10 years, exercisable on top of initial contract term of 20 years from 1 January 2015
“OMSA Supplemental Agreement”	:	The supplemental agreement to be entered into between KMC, KMC O&M and KIHPL to amend the terms of the OMSA

“Operator”	:	KMC O&M
“Ordinary Resolution 1”	:	The Ordinary Resolution in relation to the issuance of up to 1,061,571,125 New Units pursuant to (i) the Placement or (ii) the Placement and the Preferential Offering
“Ordinary Resolution 2”	:	The Ordinary Resolution in relation to the Proposed KIHPL Placement
“Ordinary Resolution 3”	:	The Ordinary Resolution in relation to the Proposed IPTs
“Owner”	:	KMC
“Pass-through Arrangements”	:	The pass-through arrangements between KMC and KE pursuant to the CTA, as described in paragraph C1.1 of this Circular
“Philippine Coastal”	:	Philippine Coastal Storage & Pipeline Corporation, a company incorporated in the Philippines, in which KIT has an indirect shareholding interest of approximately 50%
“Placement”	:	The proposed private placement of New Units to institutional and other investors, pursuant to the approvals sought under Ordinary Resolution 1, which forms part of the Equity Fund Raising
“Placement Settlement Date”	:	The date of issuance of the Placement Units
“Placement Units”	:	The New Units to be issued pursuant to the Placement
“Preferential Offering”	:	The proposed non-renounceable preferential offering of New Units to eligible Unitholders on a <i>pro rata</i> basis, pursuant to the approvals sought under Ordinary Resolution 1, which may form part of the Equity Fund Raising
“Preferential Offering Settlement Date”	:	The date of issuance of the Preferential Offering Units (if and to the extent the Preferential Offering is undertaken)
“Preferential Offering Units”	:	The New Units to be issued pursuant to the Preferential Offering (if and to the extent the Preferential Offering is undertaken)
“Proposed IPTs”	:	The CTA Amendment, OMSA Amendment, Letter of Credit and Capital Injection
“Proposed Placement”	:	The proposed private placement of New Units to KIHPL as part of the Placement

“Purchase Consideration”	:	The estimated consideration of A\$328.2 million (approximately S\$295.3 million) which will be payable in cash by the Purchaser on the Completion Date, as described in paragraphs B1.1 and B5.4(b) of this Circular. The Purchase Consideration excludes the Rollover Aggregate Amount
“Purchaser”	:	Fawkes Infrastructure Bidco Pty Ltd, an indirect subsidiary of KIT
“QPDS”	:	Qualifying project debt securities 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
“RBPL”	:	Richard Barnett Pty Ltd, a company registered in Victoria, Australia
“RBPL Shares”	:	Ordinary shares representing 100% of the issued and paid-up share capital of RBPL
“RBPL Vendors”	:	Frankincense Pty Ltd (as Trustee for the Geoffrey Cornwall Family Settlement), Millview Manor Pty. Ltd. (as trustee for the Andrew Cornwall Family Settlement) and Twohooks Pty. Ltd. (as trustee for the John Cornwall Family Trust)
“Register”	:	The register of Unitholders kept in accordance with the Trust Deed
“Rollover Amount”	Aggregate :	The amount of A\$6.0 million (approximately S\$5.4 million), being the portion of the Total Consideration elected by Millview Manor to be received in Rollover Shares in Topco on the Completion Date, as described in paragraph B5.4(b) of this Circular
“Rollover Shares”	:	The shares in the capital of Topco
“Sale Shares”	:	The Ventura Shares and the RBPL Shares
“Securities Account”	:	Securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
“Senoko WTE Plant”	:	Senoko Waste-to-Energy Plant, which KIT holds a 100% interest in and forms part of KIT’s portfolio as at the Latest Practicable Date
“Service Fee”	:	The fixed O&M service fee indexed to the CPI to be paid to KMC O&M by KMC, under the OMSA, as described in paragraph C1.2 and Appendix C of this Circular

“SGXNet”	:	The SGXNet Corporate Announcement System
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Sale Agreement”	:	The share sale agreement entered into between the Purchaser, the Vendors and Andrew Cornwall on 5 February 2024 for the Acquisition, as described in paragraphs B1.1 and B5.4 of this Circular
“SingSpring Plant”	:	SingSpring Desalination Plant, which KIT holds a 100% interest in and forms part of KIT’s portfolio as at the Latest Practicable Date
“Substantial Unitholder”	:	A person who has an interest or interests in Units representing not less than 5% of the total voting rights of all the Unitholders
“Targets”	:	Ventura and RBPL, and each a “Target”
“Tax Incentives”	:	The tax incentives for the KMC Notes, which have been approved by the MAS on 11 November 2014 to qualify as 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
“Temasek”	:	Temasek Holdings (Private) Limited, a company incorporated in the Republic of Singapore, and a Substantial Unitholder of KIT
“Temasek Entities”	:	Temasek’s subsidiaries who are Unitholders
“Tembusu”	:	Tembusu Capital Pte. Ltd., a company incorporated in the Republic of Singapore, and a Substantial Unitholder of KIT
“Toller”	:	KE
“Tolling Fee”	:	The Capacity Fee and fixed O&M Fee to be paid to KMC by KE pursuant to the CTA, as described in paragraphs C1.1 and Appendix B of this Circular
“Topco”	:	Fawkes Infrastructure Topco Pty. Ltd., a company incorporated in Australia, and an indirect wholly-owned subsidiary of KIT

“Total Acquisition Cost”	:	The estimated total amount and costs relating to the Acquisition being approximately S\$570.6 million, which includes the estimated Purchase Consideration, the existing loans taken up by the Ventura Group and other amounts payable under the Share Sale Agreement, to be repaid or paid (as the case may be) at Completion, and fees and expenses relating to the Acquisition (excluding estimated costs in connection with the Equity Fund Raising), as described in paragraph B1.1 of this Circular
“Total Consideration”	:	The total consideration for the Acquisition payable to the Ventura Vendors and the RBPL Vendors on Completion in their respective proportions as set out in the Share Sale Agreement, as described in paragraphs B1.1 and B5.4(b) of this Circular
“Trust Deed”	:	The trust deed dated 5 January 2007 constituting KIT, as amended and restated by an Amendment and Restatement Deed dated 18 May 2015, as supplemented by a First Supplemental Deed dated 17 April 2018, a Second Supplemental Deed dated 28 April 2022, and a Third Supplemental Deed dated 18 April 2023
“Trustee-Manager”	:	Keppel Infrastructure Fund Management Pte. Ltd., acting in its capacity as trustee-manager for KIT
“Tuas WTE Plant”	:	Keppel Seghers Tuas Waste-to-Energy Plant, which KIT holds a 100% interest in and forms part of KIT’s portfolio as at the Latest Practicable Date
“Ulu Pandan NEWater Plant”	:	Keppel Seghers Ulu Pandan NEWater Plant, which KIT holds a 100% interest in and forms part of KIT’s portfolio as at the Latest Practicable Date
“Underwriter(s)”	:	The bank(s) to be appointed as underwriter(s) for the Equity Fund Raising
“Underwriting Agreement”	:	The underwriting agreement to be entered into between the Trustee-Manager and the Underwriter(s) in relation to the Equity Fund Raising
“Unit”	:	An undivided interest in KIT, as provided for in the Trust Deed
“Unitholders”	:	Persons who are registered as holders of Units in the Register including persons so registered as joint holders, except that where the registered holder is CDP, the term “Unitholders” shall, in relation to such Units, mean the persons named as depositors in the Depository Register and whose Securities Account are credited with Units
“Vendors”	:	The Ventura Vendors and the RBPL Vendors, each a “Vendor”

“Ventura”	:	Ventura Motors Pty Limited, a company registered in Victoria, Australia
“Ventura Group”	:	Ventura and its subsidiaries
“Ventura Shares”	:	Ordinary shares representing approximately 64.4% of the issued and paid-up share capital of Ventura
“Ventura Vendors”	:	Dedico Dion Nominees Pty Ltd (as trustee for the Galloway Family Trust) and Faldam Pty Ltd (as trustee for the Cornwall Family Trust)
“WTE”	:	Waste-to-Energy
“ZEBs”	:	Zero-Emission Buses, as described in paragraphs B5.2 and B5.3(b) of this Circular

Currencies and Units of Measurement

“SGD” or “S\$” and “cents”	:	Singapore dollars and cents, being the lawful currency of the Republic of Singapore
“USD” or “US\$”	:	United States dollars, being the lawful currency of the United States
“AUD” or “A\$”	:	Australian dollars, being the lawful currency of Australia
“km”	:	Kilometre
“%”	:	Per centum or percentage

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

The terms **“Depositor”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001 of Singapore.

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

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

Unless otherwise stated, all A\$:S\$ exchange rates set out in this Circular are based on an illustrative exchange rate of A\$1.0000:S\$0.90000, which is the illustrative exchange rate used in the Acquisition Announcement. The exchange rate of A\$1.0000:S\$0.90000 is solely for illustrative purposes and should not be construed as a representation that the relevant amounts referred to could have been, or could be, converted into Singapore dollars, as the case may be, at that or any other rate or at all.

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

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

APPENDIX A INFORMATION ON KIT

KIT reported its businesses and assets under the core operating segments (1) Energy Transition, (2) Distribution and Storage and (3) Environmental Services in its audited financial statements for FY2023.

- (a) Energy Transition: includes infrastructure investments that support the transition to a low-carbon economy. As at the Latest Practicable Date, KIT's portfolio in the Energy Transition segment comprises a 100% interest in City Energy Trust and a 51% interest in KMC, a 20.5% interest in Borkum Riffgrund 2 Offshore Wind Farm GmbH & Co. Ohg (Offshore wind farms) ("**BKR2 WF**"), a 13.4% interest in four operating wind farm assets in Sweden and Norway ("**Wind Fund Portfolio**") and an indirect minority and non-controlling interest in Aramco Gas Pipelines Company ("**AGPC**").
- (b) Environmental Services: includes infrastructure investments that provide essential services which protect human health and safeguard the environment. As at the Latest Practicable Date, KIT's portfolio in the Environmental Services segment comprises a 100% interest in Senoko Waste-to-Energy ("**WTE**") Plant, Keppel Seghers Tuas WTE Plant, Keppel Seghers Ulu Pandan NEWater Plant and SingSpring Desalination Plant ("**SingSpring Plant**"), and a 52% interest in Eco Management Korea Holdings Co., Ltd ("**EMKH**").
- (c) Distribution and Storage: includes infrastructure investments that support the circular economy and drive economic growth. As at the Latest Practicable Date, KIT's portfolio in the Distribution and Storage segment comprises a 100% interest in Ixom HoldCo Pty Ltd ("**Ixom**") and an approximately 50% interest in Philippine Coastal Storage & Pipeline Corporation ("**Philippine Coastal**").

The Trustee-Manager had on 21 December 2023 announced that aptus 2160. GmbH, a wholly owned subsidiary of cor 93. GmbH & Co. KG, a joint venture vehicle established between Radiant Infra Holdings Pte. Ltd. (an indirect wholly-owned subsidiary of KIT) and Equitix European II Holdco B S.à r.l., has entered into a share purchase agreement and related documentation with Enpal B.V. ("**Enpal**") to acquire approximately 90% of the share capital of Enpal Green Future Holding GmbH ("**EGFH**") and Enpal Green Solutions Holding GmbH ("**EGSH**"), and together with EGFH, the "**German Solar Portfolio**" and such acquisition of the German Solar Portfolio, the "**German Solar Portfolio Acquisition**". Enpal, an installer of solar photovoltaic systems for residential homeowners in Germany, currently wholly owns EGFH and EGSH and will retain the remaining approximately 10% stake in each of EGFH and EGSH after the completion of the German Solar Portfolio Acquisition. The German Solar Portfolio Acquisition will take place in four phases. On 3 January 2024 and 18 March 2024, the Trustee-Manager announced the first and second closing of the German Solar Portfolio Acquisition respectively. The remaining phases of the German Solar Portfolio Acquisition are expected to be completed by the end of June 2024.

An overview of KIT's existing portfolio is set out below:

		Description	Customer and contract terms	Primary source of cash flows
Energy Transition	City Energy	Sole producer and retailer of piped town gas expanded into liquified petroleum gas business, as well as electronic vehicle charging and smart home solutions	Approximately 900,000 commercial and residential customers	Fixed margin per unit of gas sold, with fuel and electricity costs passed through to consumers
	KMC	1,300MW combined cycle gas turbine power plant	Capacity Tolling Agreement with Keppel Electric until 2030 with option for 10-year extension (land lease till 2035, with 30-year extension)	Fixed payments for meeting availability targets
	AGPC	Holds a 20-year lease and leaseback agreement over the usage rights of Saudi Aramco's gas pipelines network	Saudi Aramco, one of the largest listed companies globally (A1 credit rating)	Quarterly tariff payments backed by a minimum volume commitment for 20 years with built in escalation
	Wind Fund Portfolio	Four wind farm assets in Sweden and Norway with operational capacity of 275MW	All electricity produced sold to local grid	Sale of electricity to the local grid
	BKR2 WF Wind Farm	A 491MW operating offshore wind farm located in the North Sea off the coast of Germany	20-year power purchase agreement with Ørsted till 2038	Operates under the German Erneuerbare-Energien-Gesetz – German Renewable Energy Sources Act 2014 with an attractive Feed-in-Tariff and guaranteed floor price till 2038
	German Solar Portfolio (EGSH and EGFH)	Over 60,000 bundled solar photovoltaic systems with a projected combined generation capacity of 585MW	20-year lease contracts with German households	Receive fixed monthly rental fees for rental of solar photovoltaic systems

		Description	Customer and contract terms	Primary source of cash flows
Environmental Services	Senoko WTE Plant	Waste-to-Energy plant with 2,310 tonnes/day waste incineration concession	NEA, Singapore government agency – concession until 2027 (Singapore – AAA credit rating)	Fixed payments for availability of incineration capacity
	Tuas WTE Plant	Waste-to-Energy plant with 800 tonnes/day waste incineration concession	NEA, Singapore government agency – concession until 2034 (Singapore – AAA credit rating)	Fixed payments for availability of incineration capacity
	Ulu Pandan NEWater Plant	One of Singapore's largest NEWater plants, capable of producing 162,800m ³ /day	PUB, Singapore government agency – concession until 2027 (Singapore – AAA credit rating)	Fixed payments for the provision of NEWater production capacity
	SingSpring Plant	Singapore's first large-scale seawater desalination plant, capable of producing 136,380m ³ /day of potable water	PUB, Singapore government agency – concession until 2025 (land lease till 2033) (Singapore – AAA credit rating)	Fixed payments for availability of output capacity
	EMKH	Leading integrated waste management services player in South Korea, serving the national market	Variety of customers including government municipalities and large industrial conglomerates	Payment from customers for provisions of services based on agreed terms

		Description	Customer and contract terms	Primary source of cash flows
Distribution & Storage	Ixom	Industrial infrastructure business in Australia and New Zealand, supplying and distributing key water treatment chemicals, as well as industrial and specialty chemicals	Over 30,000 customers, including municipals and blue-chip companies	Payments from customers for delivery of products and provision of services based on agreed terms.
	Philippine Coastal	The largest independent petroleum products storage facility in the Philippines, located in Subic Bay	Blue-chip customers	USD-denominated "take-or-pay" contracts with no direct exposure to petroleum price and volume risk

APPENDIX B
INFORMATION REGARDING THE TOLLING FEES UNDER THE CTA

1. Calculation of Tolling Fee for the CTA

The Tolling Fee for each Month shall comprise of:

- (a) a Capacity Fee * Availability Factor; and
- (b) a Fixed O&M Fee * Singapore CPI_y,

Where:

Capacity Fee for each Month = nine million Singapore Dollars (S\$9,000,000) * Measured Generation Capacity / Generation Capacity

Capacity Fee for any Month shall not exceed nine million Singapore Dollars (S\$9,000,000), except for the last Month of a Contract Year where the Capacity Fee shall be the Reconciliation Amount. The aggregate Capacity Fees for any Contract Year shall not exceed S\$108,000,000.

Measured Generation Capacity shall equal the Initial Generation Capacity from the Start Date until the first Performance Test.

Fixed O&M Fee for each Month = S\$2,103,600

The Fixed O&M Fee and Capacity Fee for a particular Month which is not a full calendar month shall be adjusted *pro rata* for the number of days in such Month.

Singapore CPI_y =
$$\frac{\text{Singapore Consumer Price Index (current contract year)}}{\text{Singapore Consumer Price Index (base contract year)}}$$

Singapore Consumer Price Index (base contract year) means the simple average of the Consumer Price Index as reported by the Department of Statistics Singapore for the immediately preceding Year from the Effective Date.

Singapore Consumer Price Index (current contract year) means, with respect to a Contract Year, the simple average of the Consumer Price Index as reported by the Department of Statistics Singapore for the immediately preceding Contract Year.

y means the relevant Contract Year.

The Toller and the Owner may at any time mutually agree to use another escalation factor to replace the Singapore CPI used to compute the Fixed O&M Fees payable by the Toller to the Owner for a particular Month.

Availability Factor	=	$\sum_{j=1}^N AF_j * \text{Weighting Factor}_j$
AF_j	=	$1 - (1 - \text{MMA AF}_j) - (1 - \text{Non-MMA AF}_j)$
MMA AF_j	=	$\frac{\text{MMA Availability}_j}{\text{MMA Target Availability}_j}$
Non-MMA AF_j	=	$\frac{\text{Non-MMA Availability}_j}{\text{Non-MMA Target Availability}_j}$
Weighting Factor_j	=	$\frac{\text{Generation Capacity of Generating Unit } j}{\sum_{j=1}^N \text{Generation Capacity of Generating Unit } j}$
Reconciliation Amount	=	Annual Capacity Fee – aggregate Capacity Fees received in a Contract Year prior to the last Month of such Contract Year
Annual Capacity Fee	=	Aggregate Capacity Fee * Annual Availability Factor
Aggregate Capacity Fee	=	Aggregate of Capacity Fee for each Month in a Contract Year
Annual Availability Factor	=	$\sum_j^N \text{Annual AF}_j * \text{Annual Weighting Factor}_j$
Annual AF_j	=	$1 - (1 - \text{Annual MMA AF}_j) - (1 - \text{Annual Non-MMA AF}_j)$
Annual MMA AF_j	=	$\frac{\text{Annual MMA Availability}_j}{\text{Annual MMA Target Availability}_j}$
Annual Non-MMA AF_j	=	$\frac{\text{Annual Non-MMA Availability}_j}{\text{Annual Non-MMA Target Availability}_j}$
Annual Weighting Factor_j	=	Sum of all Weighting Factor _j in a Contract Year, divided by the number of months in such Contract Year

N denotes the number of Generating Units at the Power Plant

j denotes a particular Generating Unit at the Power Plant

MMA AF_j, Non-MMA AF_j, Annual MMA AF_j and Annual Non-MMA AF_j shall not exceed 100%

AF_j and Annual AF_j, shall not be less than zero

The Operator (or any replacement appointment by the Owner and approved by the Toller) shall calculate the AF_j of each Generating Unit in accordance with the OMSA.

2. Amount of Tolling Fee received by KMC

Period	Availability Factor	Capacity Fees Received (S\$)	O&M Fees Received (S\$)
Jul 2015 – Dec 2015	100.00%	54,000,000.00	12,621,600.00
Jan 2016 – Dec 2016	98.47%	106,344,556.42	25,116,984.00
Jan 2017 – Dec 2017	99.95%	107,948,921.52	24,965,524.80
Jan 2018 – Dec 2018	98.90%	106,865,203.93	25,116,984.00
Jan 2019 – Dec 2019	96.00%	103,680,025.66	25,217,956.80
Jan 2020 – Dec 2020	98.00%	105,817,685.70	25,217,956.80
Jan 2021 – Dec 2021	99.60%	107,612,295.44	25,319,310.12
Jan 2022 – Dec 2022	97.84%	105,663,187.69	25,902,821.28
Jan 2023 – Dec 2023	95.78% ⁽¹⁾	103,442,157.96	27,501,134.52
Jan 2024 – Feb 2024	100.00%	18,000,000.00	4,803,396.18
Total (as at 29 February 2024)	–	919,374,034.32	221,783,668.50

Note:

(1) The KMC Plant recorded an availability factor of 95.78% during the period from January 2023 to December 2023 due to an unplanned outage. The KMC Plant has resumed its operations as at December 2023.

3. Amendment to the Calculation of the Tolling Fee

The calculations of the Tolling Fee shall be amended as follows:

- (a) The definition of “**Capacity Fee for each Month**” in the CTA as set out in paragraph 1 above shall be replaced by the following:

“**Capacity Fee for each Month** = nine million Singapore Dollars (S\$9,000,000) * (Revised Generation Capacity / Generation Capacity)

(Revised Generation Capacity / Generation Capacity) for any Month shall not exceed one (1), except for the last Month of a Contract Year where the Capacity Fee shall be the Reconciliation Amount. The aggregate Capacity Fees for any Contract Year shall not exceed S\$108,000,000 multiplied by (Revised Generation Capacity / Generation Capacity), subject to the value of (Revised Generation Capacity / Generation Capacity) not exceeding one (1). For the avoidance of doubt, if the value of (Revised Generation Capacity / Generation Capacity) exceeds one (1), it shall be deemed as one (1).”

- (b) The definition of “**Fixed O&M Fee for each Month**” in the CTA as set out in paragraph 1 above shall be replaced by the following:

“The **Fixed O&M Fee for each Month from Start Date to 30 June 2032** shall be S\$2,103,600.

The **Fixed O&M Fee for each Month from 1 July 2032 to the End Date** shall be S\$2,103,600 multiplied by (Revised Generation Capacity / Generation Capacity), subject to the value of (Revised Generation Capacity / Generation Capacity) not exceeding one (1). For the avoidance of doubt, if the value of (Revised Generation Capacity / Generation Capacity) exceeds one (1), it shall be deemed as one (1).

The Fixed O&M Fee and Capacity Fee for a particular Month which is not a full calendar month shall be adjusted *pro rata* for the number of days in such Month.”

- (c) The definition of “**Generation Capacity**” in clause 1.1 of the CTA as set out in paragraph 4 below shall be deleted in its entirety and replaced by the following:

“**Generation Capacity**” means the maximum power (expressed in megawatt) that either a Generating Unit or all the Generating Units can produce, as the context may require, provided that the Generation Capacity of all the Generating Units shall be the Initial Generation Capacity on and from the Start Date until the Toller requests that Performance Tests be conducted and Section 7.3 of the CTA shall then apply. In the event that the Electricity Licence ceases to apply to any Generating Unit(s), the Generation Capacity of such Generating Unit(s) shall be deemed to be the latest available Generation Capacity of such Generating Unit(s) one (1) Business Day prior to the Electricity Licence ceasing to apply to such Generating Unit(s).

- (d) For the purposes of the Fourth CTA Supplemental Agreement, the OMSA Supplemental Agreement, Appendix B and Appendix C of the Circular, “**Revised Generation Capacity**” means

(i) from the Start Date to 30 June 2032, the Measured Generation Capacity;

(ii) from 1 July 2032 to 30 June 2037, the lowest of

(A) 840MW, save that if the original equipment manufacturer of the Power Plant has certified that the generation capacity of all the Generating Units is higher than 840MW under life extension upgrades, and subject to the acceptance of such certification by the Owner and the Toller, the generation capacity shall be deemed to be that MW as certified by the original equipment manufacturer;

(B) the generation capacity of all the Generating Units as per Schedule A of the Electricity Licence for Generation Licensee granted under the Electricity Act 2001 of Singapore to the Owner; and

(C) the Measured Generation Capacity of all the Generating Units in respect of which the Electricity License applies;

(iii) from 1 July 2037 until the End Date, the lowest of

(A) 0MW, save that if the original equipment manufacturer of the Power Plant has certified that the generation capacity of all the Generating Units is higher than 0MW under life extension upgrades, and subject to the acceptance of such certification by the Owner and the Toller, the generation capacity shall be deemed to be that MW as certified by the original equipment manufacturer;

(B) the generation capacity of all the Generating Units as per Schedule A of the Electricity Licence for Generation Licensee granted under the Electricity Act 2001 of Singapore to the Owner; and

(C) the Measured Generation Capacity of all the Generating Units in respect of which the Electricity License applies.

Please refer to the table below for a summary of the amendments to the calculation of the Tolling Fee.

	CTA	CTA Amendment
Capacity Fee for each Month	<p>“Nine million Singapore Dollars (S\$9,000,000) * Measured Generation Capacity / Generation Capacity</p> <p>Capacity Fee for any Month shall not exceed nine million Singapore Dollars (S\$9,000,000), except for the last Month of a Contract Year where the Capacity Fee shall be the Reconciliation Amount. The aggregate Capacity Fees for any Contract Year shall not exceed S\$108,000,000.</p> <p>Measured Generation Capacity shall equal the Initial Generation Capacity from the Start Date until the first Performance Test.”</p>	<p>“Nine million Singapore Dollars (S\$9,000,000) * (<u>Revised Generation Capacity / Generation Capacity</u>)</p> <p>(<u>Revised Generation Capacity / Generation Capacity</u>) for any Month shall not exceed 1, except for the last Month of a Contract Year where the Capacity Fee shall be the Reconciliation Amount. The aggregate Capacity Fees for any Contract Year shall not exceed S\$108,000,000 multiplied by (<u>Revised Generation Capacity / Generation Capacity</u>), subject to the value of (<u>Revised Generation Capacity / Generation Capacity</u>) not exceeding one (1). For the avoidance of doubt, if the value of (<u>Revised Generation Capacity / Generation Capacity</u>) exceeds one (1), it shall be deemed as one (1).”</p>
Fixed O&M Fee for each Month	<p>S\$2,103,600</p> <p>The Fixed O&M Fee and Capacity Fee for a particular Month which is not a full calendar month shall be adjusted <i>pro rata</i> for the number of days in such Month.</p>	<p>“The Fixed O&M Fee for each Month from <u>Start Date to 30 June 2032</u> shall be S\$2,103,600.</p> <p>The Fixed O&M Fee for each Month from 1 July 2032 to the <u>End Date</u> shall be S\$2,103,600 multiplied by (<u>Revised Generation Capacity / Generation Capacity</u>), subject to the value of (<u>Revised Generation Capacity / Generation Capacity</u>) not exceeding one (1). For the avoidance of doubt, if the value of (<u>Revised Generation Capacity / Generation Capacity</u>) exceeds one (1), it shall be deemed as one (1).</p> <p>The Fixed O&M Fee and Capacity Fee for a particular Month which is not a full calendar month shall be adjusted <i>pro rata</i> for the number of days in such Month.”</p>

	CTA	CTA Amendment
“Generation Capacity”	the maximum power (expressed in megawatt) that either a Generating Unit or all the Generating Units can produce, as the context may require, provided that the Generation Capacity of all Generating Units shall be the Initial Generation Capacity on and from the Start Date until the Toller requests that Performance Tests be conducted and Section 7.3 of the CTA shall apply.	the maximum power (expressed in megawatt) that either a Generating Unit or all the Generating Units can produce, as the context may require, provided that the Generation Capacity of all the Generating Units shall be the Initial Generation Capacity on and from the Start Date until the Toller requests that Performance Tests be conducted and Section 7.3 of the CTA shall then apply. <u>In the event that the Electricity Licence ceases to apply to any Generating Unit(s), the Generation Capacity of such Generating Unit(s) shall be deemed to be the latest available Generation Capacity of such Generating Unit(s) one (1) Business Day prior to the Electricity Licence ceasing to apply to such Generating Unit(s).</u>
“Revised Generation Capacity”	–	<p>(i) “from the Start Date to 30 June 2032, the Measured Generation Capacity;</p> <p>(ii) from 1 July 2032 to 30 June 2037, the lowest of</p> <p>(A) 840MW, save that if the original equipment manufacturer of the Power Plant has certified that the generation capacity of all the Generating Units is higher than 840MW under life extension upgrades, and subject to the acceptance of such certification by the Owner and the Toller, the generation capacity shall be deemed to be that MW as certified by the original equipment manufacturer;</p>

	CTA	CTA Amendment
		<p>(B) the generation capacity of all the Generating Units as per Schedule A of the Electricity Licence for Generation Licensee granted under the Electricity Act 2001 of Singapore to the Owner; and</p> <p>(C) the Measured Generation Capacity of all the Generating Units in respect of which the Electricity License applies;</p> <p>(iii) from 1 July 2037 until the End Date, the lowest of</p> <p>(A) 0MW, save that if the original equipment manufacturer of the Power Plant has certified that the generation capacity of all the Generating Units is higher than 0MW under life extension upgrades, and subject to the acceptance of such certification by the Owner and the Toller, the generation capacity shall be deemed to be that MW as certified by the original equipment manufacturer;</p> <p>(B) the generation capacity of all the Generating Units as per Schedule A of the Electricity Licence for Generation Licensee granted under the Electricity Act 2001 of Singapore to the Owner; and</p> <p>(C) the Measured Generation Capacity of all the Generating Units in respect of which the Electricity License applies.”</p>

4. Definitions

For the purposes of this Appendix B, the following definitions apply:

“Annual Non-MMA Availability_j” means, with respect to Generating Unit_j, the aggregate of Non-MMA availability for all Months in a Contract Year.

“Annual Operation and Maintenance Plan” means the annual operation and maintenance plan for each Contract Year, to be developed and implemented in respect of the Power Plant pursuant to Clause 13.2 of the OMSA.

“Competent Authority” shall include any court of competent jurisdiction and any local, national or supra-national agency, stock exchange, inspectorate, minister, ministry, official or public or statutory person (whether autonomous or not) of, or the government of, the Republic of Singapore.

“Contract Year” means in the case of the first Contract Year, the period beginning on Start Date and ending at 2400 hours on the last day of the year in which such Start Date occurred; and in the case of subsequent Contract Years, each successive Year, provided that the final Contract Year shall end on End Date.

“Dispatch” means a Generating Unit’s ability to provide Physical Services (as defined in the Market Rules) under the Market Rules (or other similar services under similar agreements as requested by the Toller) using (or committing to use) all or part of its Generation Capacity.

“Effective Date” means 30 June 2015.

“EMC” means the company referred to in the Electricity Act as the “Market Company”, which holds an electricity licence authorizing it to operate any wholesale electricity market.

“End Date” means 30 June 2030 or 30 June 2040, as the case may be.

A **“Force Majeure”** event means, in relation to either Party, any event or circumstance, or combination of events or circumstances:

- (a) that is beyond the reasonable control of the Party;
- (b) that adversely affects the performance by the Party of its obligations under this Agreement or the Market Rules, the Market Manual or the System Operation Manual; and
- (c) the adverse effects of which could not have been prevented, overcome, remedied or mitigated in whole or in part by the Party through the exercise of diligence and reasonable care, and includes, but is not limited to, acts of war (whether declared or undeclared), invasion, armed conflict or act of a foreign enemy, blockade, embargo, revolution, riot, insurrection, civil disobedience or disturbances, vandalism or act of terrorism; strikes, lockouts, restrictive work practices or other labour disturbances; unlawful arrests or restraints by governments or governmental, administrative or regulatory agencies or authorities; orders, regulations or restrictions imposed by governments or governmental, administrative or regulatory agencies or authorities unless the result of a violation by the Person of a permit, licence or other authorisation or of any applicable law; and acts of God including lightning, earthquake, fire, flood, landslide, unusually heavy or prolonged rain or lack of water arising from weather or environmental problems;

provided however, for greater certainty, that:

- (i) a failure to make payment, the lack, insufficiency or non-availability of funds shall not constitute a Force Majeure event;
- (ii) an act of the EMA, EMC or the PSO effected in accordance with the Market Rules, the Market Manual or the System Operation Manual, each as revised from time to time, shall not constitute a Force Majeure event; and
- (iii) the EMA, EMC and the PSO shall not, for the purposes of this definition, be considered a governmental, administrative or regulatory agency or authority.

“Gas Network Code” means the Gas Network Code as issued by the EMA and as amended, supplement, modified or replace from time to time and shall include the standards, procedures, directors, contracts and codes of practice issued by the EMA and/or the Transporter from time to time.

“Generating Unit” means each gas turbine and generator block of the Power Plant.

“Generation Capacity” means the maximum power (expressed in megawatt) that either a Generating Unit or all the Generating Units can produce, as the context may require, provided that the Generation Capacity of all Generating Units shall be the Initial Generation Capacity on and from the Start Date until the Toller requests that Performance Tests be conducted and Section 7.3 of the CTA shall then apply.

“Initial Generation Capacity” means 1227.6MW.

“Market Manuals” has the meaning given in the Market Rules.

“Market Rules” means the rules made or modified pursuant to Section 46 of the Securities and Futures Act 2001 of Singapore.

“Measured Generation Capacity” means the generation capacity used to calculate the Tolling Fee as revised based on the results of the latest Performance Tests carried out.

“MMA” or **“Major Maintenance Agreement”** means any of the major maintenance agreements listed in item 2 of Schedule 2 of the CTA and **“MMAs”** or **“Major Maintenance Agreements”** means all of the foregoing agreements.

“MMA Availability_j” means, with respect to Generating Unit_j and for a particular Month, the total number of hours in such Month, minus the aggregate number of hours during which the Generating Unit_j is not available for Dispatch as a result of an action or omission of the MMA Contractors or limitations resulting from the derating of Power Train equipment for which the MMA Contractors are responsible, as agreed with the MMA Contractors. **“Annual MMA Availability_j”** means, with respect to Generating Unit_j, the aggregate of MMA Availability_j for all Months in a Contract Year.

“MMA Contractors” or **“Major Maintenance Contractors”** means (a) GE Power (Singapore) Ltd and General Electric Global Service GmbH, acting together as a consortium in the MMA for a Combined Cycle Power Plant, KMCIIA dated 21 October 2010, as amended from time to time and Major Maintenance Agreement for a Combined Cycle Power Plant, KMCIIIB (and together with KMCIIA, **“KMCII”**) dated 20 April 2011, as amended from time to time; and (b) Keppel Merlimau Cogen O&M Pte Ltd. in the Major Maintenance Contract for Combined Cycle Power Plant KMCI dated 1 January 2022, as amended from time to time.

“MMA Outage Allowance” means, in respect of

- (a) each Generating Unit of KMC I,
 - (i) Two hundred ninety-one (291) hours per year, or the corresponding prorated value, between the effective date of current Second Supplemental Agreement and the commencement of the third (3rd) C Inspection on each Generation Unit of KMCI
 - (ii) Two hundred and fifty five (255) hours per year, or the corresponding prorated value, from the commencement of the third (3rd) C Inspection on each Generation Unit of KMCI till the End Date of the CTA
- (b) each Generating Unit of KMCII, one hundred and thirty two (132) hours for each Contract Year,

save for a Contract Year which is not a full calendar year where the MMA Outage Allowance shall be adjusted *pro rata* for the number of days in that Contract Year. For the avoidance of doubt, there will be no carrying forward of unused MMA Outage Allowance beyond the current Contract Year.

“MMA Planned Maintenance” for each Month will be as stated in the applicable Annual Operation and Maintenance Plan in respect of which such Month falls under.

“MMA Target Availability_j” means, with respect to Generating Unit_j and for a particular Month, the total number of hours in such Month, minus the aggregate number of planned outage hours due to MMA Planned Maintenance and the Remaining MMA Outage Allowance. **“Annual MMA Target Availability_j”** means, with respect to Generating Unit_j, the total number of hours in a Contract Year minus the aggregate number of planned outage hours due to MMA Planned Maintenance in such Contract Year and the MMA Outage Allowance.

“Month” means in the case of the first Month, the period beginning upon the Start Date and ending at 2400 hours on the last day of the calendar month in which the Start Date occurs; in the case of subsequent Months, a period commencing at 0000 hours on the first day of that calendar month and ending at 2400 hours on the last day of the applicable calendar month; and in the case of the last Month, the period commencing at 0000 hours on the first day of the calendar month in which the End Date occurs and ending at 2400 hours on the End Date.

“Natural Gas” means any hydrocarbons or mixture of hydrocarbons and other gases consisting primarily of methane which at a temperature of fifteen (15) Degrees Celsius and at an absolute pressure of one decimal zero one three two five (1.01325) Bar, is or are predominantly in the gaseous state and meets the standards of the Gas Network Code.

“Non-MMA Availability_j” means, with respect to Generating Unit_j and for a particular Month, the total number of hours in such Month, minus the aggregate number of hours during which the Generating Unit_j is not available for Dispatch as a result of but not limited to the following events (but not including events caused by an action or omission of the MMA Contractors or limitations resulting from the derating of Power Train equipment for which the MMA Contractors are responsible):

- (a) a Force Majeure event affecting the Owner;
- (b) tests at the Power Plant required to be performed by a Competent Authority which are neither provided for nor included in the applicable Annual Operation and Maintenance Plan; and

(c) maintenance at the Power Plant;

provided that (A) each Generating Unit_j shall be considered to be available for Dispatch at all times where notice of an outage has not been given to the PSO; and (B) the hours the Generating Unit_j is not available for Dispatch caused by the following events shall be ignored and such Generating Unit shall be considered available for Dispatch throughout such events:

- (aa) outages caused by any defects in the Generating Unit_j which are subject to warranty claims under the relevant Generating Unit's construction contract, or due to any repairs on such Generating Unit by the relevant construction contractor as a result of such warranty claims;
- (bb) Performance Tests for the Generating Unit_j are being undertaken at the sole request of the Toller;
- (cc) a Generating Unit_j is not available for Dispatch due to the Toller's actions or omissions or a Force Majeure affecting Toller or the PSO; and
- (dd) a Generating Unit_j is not available for Dispatch due to: (1) insufficient supply of Natural Gas to the Power Plant; (2) the supply of Off-specification Gas; (3) the supply of Natural Gas to the Power Plant not being at the required pressure under the Gas Network Code; (4) any switchover between Natural Gas and diesel; (5) the start-up of a Generating Unit after such Generating Unit is shutdown (other than where any such events are caused by Owner's actions or omissions).

"Non-MMA Outage Allowance" means one hundred and forty-four (144) hours for each Generating Unit for each Contract Year, save for a Contract Year which is not a full calendar year where the Non-MMA Outage Allowance beyond the current Contract Year.

"Non-MMA Planned Maintenance" for each Month will be as stated in the applicable Annual Operation and Maintenance Plan in respect of which such Month falls under.

"Non-MMA Target Availability_j" means, with respect to Generating Unit_j and for a particular Month, the total number of hours in such Month, minus the aggregate number of planned outage hours due to Non-MMA Planned Maintenance and the Remaining Non-MMA Outage Allowance. **"Annual Non-MMA Target Availability_j"** means, with respect to Generating Unit_j, the total number of hours in a Contract Year, minus the aggregate number of planned outage hours due to Non-MMA Planned Maintenance in such Contract Year and the Non-MMA Outage Allowance.

"Off-specification Gas" means natural gas that fails to meet the Singapore Gas Specifications.

"Parties" means the Owner and the Toller and **"Party"** means the Owner or the Toller and, as the context requires, the successors and permitted assigns of the Owner or the Toller (as the case may be).

"Performance Tests" means in respect of any Generating Unit or the Power Plant (as applicable), tests to determine any performance characteristics of such Generating Unit, the Power Plant and/or equipment and apparatus of the Power Plant (as applicable) to be carried out by the Operator.

"Power Train" has the meaning defined in the respective MMAs as applicable to each Generating Unit.

“**PSO**” has the meaning given in the Market Rules.

“**Remaining MMA Outage Allowance**” for each Month will be the balance of the previous Month’s allowance which would account for cumulative additions or deductions arising from the preceding Months in the same Contract Year. The number of hours by which the actual outage hours due to MMA Planned Maintenance exceed the planned outage hours due to MMA Planned Maintenance, and the actual outage hours due to unplanned maintenance caused by the MMA Contractors would be a deduction. The number of hours by which planned outage hours due to MMA Planned Maintenance exceed the actual outage hours due to MMA Planned Maintenance would be an addition.

“**Remaining Non-MMA Outage Allowance**” for each Month will be the balance of the previous Month’s allowance which would account for cumulative deductions arising from the preceding Months in the same Contract Year. The number of hours by which the actual outage hours due to Non-MMA Planned Maintenance exceed planned outage hours due to Non-MMA Planned Maintenance and actual outage hours due to unplanned maintenance which are not caused by the MMA Contractors would be a deduction.

“**Singapore Gas Specifications**” means the gas specification imposed by the Transporter from time to time for the purpose of allowing gas to be injected into the Transmission Network.

“**Start Date**” means 1 July 2015.

“**System Operation Manual**” has the meaning given in the Market Rules.

“**Transmission Network**” has the meaning given to it in the Gas Network Code.

“**Transporter**” means PowerGas Ltd or any other transporter that may be appointed by the EMA.

“**Year**” means a calendar year.

APPENDIX C
INFORMATION REGARDING THE SERVICE FEE UNDER THE OMSA

1. Calculation of Service Fee for the OMSA

Service Fee Adjustment

- (a) The Service Fee in respect of each Contract Year after the first Contract Year shall be subject to an escalation adjustment in accordance with the following formula for the period of time commencing from the commencement of the second Contract Year

$$\text{Service Fee}_n = \text{Service Fee}_{(\text{base contract year})} * \text{Singapore CPI}_y$$

Where:

“**Service Fee** _(base contract year)ⁿ” is equal to S\$13,500,000 (on the basis of S\$1,125,000 per month).

$$\text{Singapore CPI}_y = \frac{\text{Singapore Consumer Price Index (current contract year)}}{\text{Singapore Consumer Price Index (base contract year)}}$$

“n” means the relevant Contract Year after the first Contract Year.

“**Singapore Consumer Price Index (base contract year)**” means the simple average of the Consumer Price Index as reported by the Department of Statistics Singapore for the immediately preceding Year from the effective date of the OMSA.

“**Singapore Consumer Price Index (current contract year)**” means, with respect to a Contract Year (after the first Contract Year) the simple average of the Consumer Price Index as reported by the Department of Statistics Singapore for the immediately preceding Contract Year.

y means the relevant Contract Year.

- (b) In respect of the final Billing Period for each Contract Year, in respect of each Generating Unit where the Annual Recorded Operator Outage Hours for a Generating Unit exceeds the Annual Operator Outage Allowance, then the Service Fee for that Contract Year shall be reduced by the following amount of in respect of such Generating Unit:

$$\text{Service Fee Reduction} = \text{S\$1,200} * (\text{Annual Recorded Operator Outage Hours} - \text{Annual Operator Outage Allowance})$$

Provided that Service Fee Reduction shall be zero if Annual Recorded Operator Outage Hours is less than Annual Operator Outage Allowance and provided that the aggregate reduction of the Service Fee in any Contract Year shall not exceed ten per cent. (10%) of the Service Fee.

2. Amount of Service Fee paid by KMC

Period	Service Fee paid by KMC to KMC O&M (S\$)
Jan 2015 – Dec 2015	6,750,000.00
Jan 2016 – Dec 2016	13,432,500.00
Jan 2017 – Dec 2017	13,351,500.00
Jan 2018 – Dec 2018	13,432,500.00
Jan 2019 – Dec 2019	13,486,500.00
Jan 2020 – Dec 2020	13,567,500.00
Jan 2021 – Dec 2021	13,540,703.52
Jan 2022 – Dec 2022	13,852,763.76
Jan 2023 – Dec 2023	14,707,537.68
Jan 2024 – Feb 2024	2,568,844.22
Total (as at 29 February 2024)	118,690,349.18

3. Amendment to the Calculation of the Service Fee

The calculations of the Service Fee in the OMSA as set out in paragraph 1(a) above shall be amended and replaced with the following:

“The Service Fee in respect of each Contract Year after the first Contract Year shall be subject to an escalation adjustment in accordance with the following formula for the period of time commencing from the commencement of the second Contract Year.

$$\text{Service Fee}_n = \text{Service Fee}_{(\text{base contract year})} * \text{Term Adjustment} * \text{Singapore CPI}_y$$

Where:

“**Service Fee** _(base contract year)” is equal to S\$13,500,000 (on the basis of S\$1,125,000 per month).

“**Term Adjustment**” shall be (i) one (1) from the Start Date to 30 June 2032; and (ii) (Revised Generation Capacity / Generation Capacity) from 1 July 2032 to the End Date, subject to the value of (Revised Generation Capacity / Generation Capacity) not exceeding one (1), and for the avoidance of doubt, if the value of (Revised Generation Capacity / Generation Capacity) exceeds one (1), it shall be deemed as one (1).

“**Revised Generation Capacity**” and “**Generation Capacity**” shall have their respective meanings as defined in the CTA (as amended by the Fourth CTA Supplemental Agreement).

$$\text{Singapore CPI}_y = \frac{\text{Singapore Consumer Price Index (current contract year)}}{\text{Singapore Consumer Price Index (base contract year)}}$$

“**n**” means the relevant Contract Year after the first Contract Year.

“**Singapore Consumer Price Index (base contract year)**” means the simple average of the Consumer Price Index as reported by the Department of Statistics Singapore for the immediately preceding Year from the effective date of the OMSA.

“Singapore Consumer Price Index (current contract year)” means, with respect to a Contract Year (after the first Contract Year) the simple average of the Consumer Price Index as reported by the Department of Statistics Singapore for the immediately preceding Contract Year.

“y” means the relevant Contract Year.”

The calculations of the Service Fee as set out in paragraph 1(b) above shall be amended and replaced with the following:

“In respect of the final Billing Period for each Contract Year, in respect of each Generating Unit where the Annual Recorded Operator Outage Hours for a Generating Unit exceeds the Annual Operator Outage Allowance, then the Service Fee for that Contract Year shall be reduced by the following amount of in respect of such Generating Unit:

Service Fee Reduction = S\$1,200 * (Annual Recorded Operator Outage Hours – Annual Operator Outage Allowance) * Term Adjustment

Provided that Service Fee Reduction shall be zero if Annual Recorded Operator Outage Hours is less than Annual Operator Outage Allowance and provided that the aggregate reduction of the Service Fee in any Contract Year shall not exceed ten percent (10%) of the Service Fee.”

Please refer to the table below for a summary of the amendments to the calculation of the Service Fee.

	OMSA	OMSA Amendment
Service Fee	<p>“Service Fee_n = Service Fee_(base contract year) * Singapore CPI_y</p> <p>Where:</p> <p>“Service Fee_(base contract year)ⁿ is equal to S\$13,500,000 (on the basis of S\$1,125,000 per month).”</p>	<p>“Service Fee_n = Service Fee_(base contract year) * <u>Term Adjustment</u> * Singapore CPI_y</p> <p>Where:</p> <p>“Service Fee_(base contract year)” is equal to S\$13,500,000 (on the basis of S\$1,125,000 per month).</p> <p><u>“Term Adjustment” shall be (i) one (1) from the Start Date to 30 June 2032; and (ii) (Revised Generation Capacity / Generation Capacity) from 1 July 2032 to the End Date, subject to the value of (Revised Generation Capacity / Generation Capacity) not exceeding one (1), and for the avoidance of doubt, if the value of (Revised Generation Capacity / Generation Capacity) exceeds one (1), it shall be deemed as one (1).”</u></p>

	OMSA	OMSA Amendment
		<p><u>“Revised Generation Capacity” and “Generation Capacity” shall have their respective meanings as defined in the CTA (as amended by the Fourth CTA Supplemental Agreement).</u></p>
<p>Final Billing Period for each Contract Year</p>	<p>“In respect of the final Billing Period for each Contract Year, in respect of each Generating Unit where the Annual Recorded Operator Outage Hours for a Generating Unit exceeds the Annual Operator Outage Allowance, then the Service Fee for that Contract Year shall be reduced by the following amount of in respect of such Generating Unit:</p> <p>Service Fee Reduction = S\$1,200 * (Annual Recorded Operator Outage Hours – Annual Operator Outage Allowance)</p> <p>Provided that Service Fee Reduction shall be zero if Annual Recorded Operator Outage Hours is less than Annual Operator Outage Allowance and provided that the aggregate reduction of the Service Fee in any Contract Year shall not exceed ten per cent. (10%) of the Service Fee.”</p>	<p>“In respect of the final Billing Period for each Contract Year, in respect of each Generating Unit where the Annual Recorded Operator Outage Hours for a Generating Unit exceeds the Annual Operator Outage Allowance, then the Service Fee for that Contract Year shall be reduced by the following amount of in respect of such Generating Unit:</p> <p>Service Fee Reduction = S\$1,200 * (Annual Recorded Operator Outage Hours – Annual Operator Outage Allowance) * <u>Term Adjustment</u></p> <p>Provided that Service Fee Reduction shall be zero if Annual Recorded Operator Outage Hours is less than Annual Operator Outage Allowance and provided that the aggregate reduction of the Service Fee in any Contract Year shall not exceed ten percent (10%) of the Service Fee.”</p>

4. Definitions

For the purposes of the Appendix C, the following definitions apply:

“Annual Recorded Operator Outage Hours” means the aggregate number of outage hours determined by the Operator in such manner in respect of each Generating Unit for a Contract Year.

“Annual Operator Outage Allowance” means 144 hours.

“Billing Period” means:

- (a) the period commencing from the Start Date until 15 May 2015;
- (b) the period commencing from the day after 15 May 2015 to the last day of May 2015;
- (c) each successive period on one Month thereafter; and

- (d) the period from the first day of the last Month of the Contract Period to the last day of the Contract Period, or, or the OMSA is terminated earlier, from the first day of the Month in which the OMSA is terminated until the day after termination.

“Contract Period” means the period from 0000 hours on the Start Date until 2400 hours on the End Date.

“Contract Year” means in the case of the first Contract Year, the period beginning upon Start Date and ending at 2400 hours on the last day of the year in which such Start Date occurred; and in the case of subsequent Contract Years, each successive Year, provided that the final Contract Year shall end on End Date.

“End Date” means 31 December 2034 or 31 December 2044, as the case may be.

“Generating Unit” means each gas turbine and generator block of the Power Plant.

“Start Date” means 1 January 2015.

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APPENDIX D
LETTER FROM IFA TO INDEPENDENT DIRECTORS

1 April 2024

To: The directors of Keppel Infrastructure Fund Management Pte. Ltd. (in its capacity as the Trustee-Manager of Keppel Infrastructure Trust) who are considered independent of the Proposed IPTs (as defined below) (the “Independent Directors”)

Mr Mark Andrew Yeo Kah Chong (Independent Director)

Ms Chong Suk Shien (Independent Director)

Dear Sir/Madam,

INTERESTED PERSON TRANSACTIONS IN RELATION TO:

- (I) **THE AMENDMENT OF THE CAPACITY TOLLING AGREEMENT BETWEEN KEPPEL MERLIMAU COGEN PTE LTD, KEPPEL ELECTRIC PTE. LTD AND KEPPEL INFRASTRUCTURE HOLDINGS PTE. LTD.;**
- (II) **THE AMENDMENT OF THE OPERATIONS AND MAINTENANCE SERVICES AGREEMENT BETWEEN KEPPEL MERLIMAU COGEN PTE LTD, KMC O&M PTE. LTD AND KEPPEL INFRASTRUCTURE HOLDINGS PTE. LTD.;**
- (III) **ONE OR MORE LETTER(S) OF CREDIT TO BE PROCURED BY EACH OF KEPPEL INFRASTRUCTURE TRUST AND KEPPEL ENERGY PTE. LTD. (AND/OR ITS AFFILIATES) IN PROPORTION TO THEIR RESPECTIVE SHAREHOLDING IN KEPPEL MERLIMAU COGEN PTE LTD FOR AN AGGREGATE AMOUNT OF UP TO S\$30 MILLION IN CONNECTION WITH KEPPEL MERLIMAU COGEN PTE LTD’S REFINANCING OF ITS EXTERNAL BANK FACILITY; AND**
- (IV) **THE ISSUANCE OF SHARES IN THE CAPITAL OF KEPPEL MERLIMAU COGEN PTE LTD FROM TIME TO TIME, FOR AN AGGREGATE AMOUNT OF UP TO S\$656.5 MILLION TO THE SHAREHOLDERS OF KEPPEL MERLIMAU COGEN PTE LTD FROM TIME TO TIME IN PROPORTION TO THEIR RESPECTIVE SHAREHOLDING IN KEPPEL MERLIMAU COGEN PTE LTD.**

Unless otherwise defined or the context otherwise requires, all terms defined in the circular to holders of the units (the “Unitholders”) in Keppel Infrastructure Trust dated 1 April 2024 (the “Circular”) shall have the same meanings herein.

1. INTRODUCTION

1.1 Information and Background

KIT had on 30 June 2015 acquired a 51% direct interest in Keppel Merlimau Cogen Pte Ltd (“KMC”, and the acquisition of KMC, the “**KMC Acquisition**”). In connection with the KMC Acquisition, KMC had also undergone a restructuring (the “**2015 KMC Restructuring**”), whereby, *inter alia*:

- (a) KMC, Keppel Electric Pte. Ltd (“**KE**”) and Keppel Infrastructure Holdings Pte. Ltd. (“**KIHPL**”) had on 15 May 2015 entered into a capacity tolling agreement, as amended by a first supplemental agreement dated 11 February 2016, a second supplemental agreement dated 1 January 2022, and a third supplemental agreement dated 19 December 2023 (collectively, the “**CTA**”);

- (b) KMC, KMC O&M Pte. Ltd (“**KMC O&M**”) and KIHPL had on 15 May 2015 entered into an operations and maintenance services agreement (the “**OMSA**”); and
- (c) KMC had replaced its loans from its then related corporations with (i) the KMC Notes (as defined below); and (ii) the credit facilities obtained by KMC from commercial banks (the “**External Facility**”).

As at 14 March 2024, being the latest practicable date prior to the printing of the Circular (the “**Latest Practicable Date**”), KIT has a 51% direct interest in KMC and Keppel Energy Pte. Ltd. (“**Keppel Energy**”) has a 49% direct interest in KMC (the shareholders of KMC from time to time, the “**KMC Shareholders**”). Keppel Energy is a wholly-owned subsidiary of Keppel Ltd. (“**Keppel**”).

Further details of KMC are set out in paragraph C-1 of the section titled “Information on KMC” of the Circular.

1.2 Overview of the KMC Capital Restructuring

KMC intends to undertake a capital restructuring exercise (the “**KMC Capital Restructuring**”), whereby:

- (a) the CTA will be amended (the “**CTA Amendment**”) to, *inter alia*, extend the contract term of the CTA by 10 years until 30 June 2040;
- (b) the OMSA will be amended (the “**OMSA Amendment**”) to, *inter alia*, extend the contract term of the OMSA by 10 years until 31 December 2044;
- (c) the External Facility will be refinanced with a new facility (the “**New External Facility**”) with an extended maturity and a longer amortisation period (the “**KMC Refinancing**”). In connection with the New External Facility, it is expected that KMC will enter into certain security documents with the lender(s) of the New External Facility (the “**New External Facility Lenders**”) and a security agent, and that parties to the CTA and OMSA may further enter into direct agreement(s) with the security agent to, among others, allow such security agent to appoint substitutes or additional obligors to assume KMC’s rights and obligations under the CTA and OMSA upon the occurrence of certain default events;
- (d) in connection with the KMC Refinancing and the New External Facility, and in the event that the New External Facility Lenders require KMC to establish a debt service reserve or maintenance reserve account, KIT and Keppel Energy (and/or its affiliates) will each procure one or more letter(s) of credit (the “**Letter of Credit**”) to be provided to the New External Facility Lenders in proportion to their respective shareholding in KMC for an aggregate amount of up to S\$30 million; and
- (e) KMC will, from time to time, issue shares in the capital of KMC (“**KMC Shares**”), to the KMC Shareholders in proportion to their respective shareholding in KMC (each such issuance of KMC Shares, a “**KMC Share Issuance**” and all KMC Share Issuances to raise capital for KMC, the “**Capital Injection**”), to raise capital for, among others, the (i) amortisation of the New External Facility (as may be refinanced from time to time) and/or (ii) to repay any fees related to the KMC Refinancing and/or to fund any debt service reserve or maintenance reserve account as may be required by the New External Facility Lenders. Subject to the periodic assessment by KMC, the aggregate amount to be raised from all KMC Share Issuances under the Capital Injection is expected to be up to approximately S\$656.5 million.

1.3 The Interested Persons and the Proposed IPTs

As KIT has a 51% equity interest in KMC, KMC is an entity at risk under the listing manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

As at the Latest Practicable Date, we noted that:

- (a) KIHPL has a 18.21% direct interest in KIT and is accordingly a Controlling Unitholder of KIT. Keppel, through KIHPL, has a 18.21% indirect interest in KIT and is accordingly a Controlling Unitholder of KIT. Accordingly, KIHPL and Keppel are interested persons of KIT; and
- (b) KE, KMC O&M and Keppel Energy are wholly-owned subsidiaries of KIHPL and/or Keppel and are accordingly associates of KIHPL and/or Keppel and interested persons of KIT.

As at the Latest Practicable Date, Keppel, through KIHPL, has a 18.21% indirect interest in KIT and is accordingly a Controlling Unitholder and interested person of KIT. As Keppel (other than through its interest in KIT) holds a 49% interest in KMC, KMC is also an associate of Keppel and is therefore an interested person of KIT. Therefore, the Letter of Credit is an IPT where KIT as the applicant under the Letter of Credit (and the provider of financial assistance to KMC) is the entity at risk and the Capital Injection is also an IPT where KIT as the subscriber of the KMC Shares is the entity at risk.

1.4 Value of the Proposed IPTs

Rule 906(1)(a) of the Listing Manual provides that an issuer must obtain unitholder approval for any IPT of a value equal to or more than 5% of the Group’s net tangible assets (“**NTA**”). Based on KIT’s audited financial statements for financial year ended 31 December 2023, the NTA of KIT was S\$293 million as at 31 December 2023. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by KIT and/or its entity(ies) at risk with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S\$100,000) entered into with the same interested person during the current financial year, equal to or in excess of S\$14.6 million, such a transaction would be subject to Unitholders’ approval.

As set out in paragraph C-9.2 of the section titled “Value of Proposed IPTs” of the Circular, based on the illustrations, bases and assumptions set out therein, the aggregate value to KIT of the Proposed IPTs is expected to be approximately S\$1,342.7 million, which represents approximately 458% of KIT’s latest audited NTA.

Accordingly, the CTA Amendment, OMSA Amendment, Letter of Credit and Capital Injection (together, the “**Proposed IPTs**”) are interested person transactions (“**IPT**”) under Chapter 9 of the Listing Manual, and are subject to Unitholders’ approval at the extraordinary general meeting (“**EGM**”).

1.5 Independent Financial Adviser

In connection with the above, SAC Capital Private Limited (“**SAC Capital**”) has been appointed as the independent financial adviser (“**IFA**”) to advise on whether the terms of the Proposed IPTs are on normal commercial terms and are not prejudicial to the interests of KIT and its minority Unitholders.

This letter, which sets out our opinion and advice, has been prepared for the use of the Directors of Keppel Infrastructure Fund Management Pte. Ltd., acting in its capacity as trustee-manager for KIT (“**Trustee-Manager**”) who are considered independent of the Proposed IPTs (the “**Independent Directors**”), the Audit and Risk Committee (the “**ARC**”) of the Trustee-Manager and the Trustee-Manager in connection with the Proposed IPTs and their recommendation to the minority Unitholders arising thereof.

2. TERMS OF REFERENCE

We have been appointed as the IFA to advise as to whether the Proposed IPTs are on normal commercial terms and not prejudicial to the interests of KIT and its minority Unitholders.

Our opinion is prepared pursuant to Rule 921(4)(a) of the Listing Manual as well as for the use of the Independent Directors, the ARC and the Trustee-Manager on the Proposed IPTs, before arriving at a decision on the merits and demerits thereof, and where relevant, in making any recommendations to the independent Unitholders. We are not and were not involved in any aspect of the negotiations entered into by the Trustee-Manager in connection with the Proposed IPTs or in the deliberations leading up to the decision of the Trustee-Manager to undertake the Proposed IPTs. Accordingly, we do not, by this letter, warrant the merits of the Proposed IPTs, other than to express an opinion on whether the Proposed IPTs are on normal commercial terms and are not prejudicial to KIT and its minority Unitholders.

We have not conducted a comprehensive review of the business, operations or financial conditions of the KIT Group. We have not evaluated the strategic, legal or commercial merits or risks of the Proposed IPTs or the future growth prospects or earnings potential of KIT after the completion of the Proposed IPTs. It is also not within our terms of reference to compare the merits of the Proposed IPTs to any alternative transactions that were made or may have been available to KIT. Such comparison and consideration remain the sole responsibility of the Directors and the management of the Trustee-Manager (the “**Management**”) and their advisors, although we may draw upon their views or make comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this letter. Accordingly, we do not express any view as to the prices at which the Units may trade upon completion of the Proposed IPTs or on the future growth prospects, financial position and earnings potential of KIT.

In the course of our evaluation, we have held discussions with the Directors and the Management and have relied on the information and representations, whether written or verbal, provided to us by the Directors and the Management, including the information contained in the Circular. The Directors (including those who may have delegated detailed supervision of the Circular) have confirmed, 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 in relation to the Proposed IPTs and KIT, and the Directors are not aware of any facts the omission of which would make any statement in the Circular misleading. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified the information or representations. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information or representations. We have, however, made reasonable enquiries and exercised our judgement (as deemed necessary) in assessing the reasonable use of such information and representations, and have found no reason to doubt the accuracy or reliability of such information or representations. We are not, and do not hold ourselves to be legal, regulatory or tax experts. We are the independent financial adviser only and have relied on, without independent verification, the assessment made by advisers to KIT with respect to such issues.

We would like to highlight that, save as disclosed, all information relating to the KIT Group and the Proposed IPTs that we have relied upon in arriving at our opinion and advice has been obtained from the Circular, publicly available information, and the Directors and/or the Management. We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the KIT Group at any time or as at the Latest Practicable Date. We have not made an independent evaluation or appraisal of the assets (including property, plant and equipment) and liabilities of the KIT Group and we have not been furnished with any such evaluation or appraisal.

The scope of our appointment does not require us to express, and we do not express, any view on the future growth prospects, financial position and earnings potential of KIT. We have not been provided with, nor do we have access to, any business plan or financial projections of the future performance of KIT and we did not conduct any discussions with the Independent Directors and the Management on any such business plan or financial projections of KIT.

Our opinion and advice, as set out in this letter, are based on the market, economic, industry, monetary and other applicable conditions prevailing on, and the information made available to us as of the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time and we assume no responsibility to update, revise or reaffirm our opinion and advice in the light of any subsequent development after the Latest Practicable Date that may affect our opinion and advice contained herein.

In arriving at our opinion and advice, we have not had regard to the specific investment objectives, financial situation, tax position and/or unique needs and constraints of any individual Unitholder or any specific group of Unitholders. As each Unitholder would have different investment objectives and profiles, we would advise the Independent Directors to recommend that any individual Unitholder or group of Unitholders who may require specific advice in relation to his, her or their Units should consult his, her or their stockbroker, bank manager, solicitor, accountant or other professional advisers.

Our opinion and advice in relation to the Proposed IPTs should be considered in the context of the entirety of this letter and the Circular.

The Trustee-Manager has been separately advised by its own advisers in the preparation of the Circular (other than this letter or the relevant disclosures in the Circular which relate to us or this letter). We have had no role or involvement and have not provided any advice, financial or otherwise, in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this letter or the relevant disclosures in the Circular which relate to us or this letter).

3. OVERVIEW OF THE EXTERNAL FACILITY, KMC NOTES, LETTER OF CREDIT AND CAPITAL INJECTION

3.1 Information and Background on the External Facility

In connection with the 2015 KMC Restructuring, KMC had on 15 May 2015 obtained credit facilities from commercial banks by entering into a five-year facility agreement for S\$700 million with financial institutions in Singapore. The original S\$700 million facility agreement was subsequently fully refinanced on 23 June 2020 and bears interest at a competitive base margin over the Singapore Overnight Rate Average (SORA) per annum (the “**External Facility**”).

The External Facility commenced amortisation from 30 June 2023 and will amortise by S\$87.5 million per year up to 30 June 2026, with the remaining principal amount of S\$350 million due and payable on 30 June 2027.

As at the Latest Practicable Date, the amount outstanding under the External Facility is S\$612.5 million. KIT intends to refinance the External Facility as and when the CTA is extended, in order to align the amortisation profile of the New External Facility with the extended CTA.

Further details of the External Facility are set out in paragraphs C-1.4 of the section titled “The External Facility” of the Circular.

3.2 Information and Background of the KMC Notes

As part of the 2015 KMC Restructuring, KMC had on 30 June 2015 issued S\$500 million in principal amount of notes (the “**KMC Notes**”) to KIT, Keppel Energy, KE and Keppel Water Services Pte Ltd (“**KWS**”) (formerly known as Keppel Infrastructure Services Pte. Ltd.), pursuant to a subscription deed dated 30 June 2015 (the “**KMC Notes Subscription Deed**”). As at the Latest Practicable Date, the KMC Notes are held by KIT, Keppel Energy, KE and KWS in the proportions of 51%, 39%, 5% and 5% respectively. Each of Keppel Energy, KE and KWS is a wholly-owned subsidiary of Keppel.

The KMC Notes bear interest at a fixed rate of 17.5% per annum (approximately S\$87.5 million in interest per annum), payable quarterly in arrear on 31 March, 30 June, 30 September and 31 December in each year. Unless previously redeemed or purchased and cancelled, the KMC Notes will be redeemed on 29 June 2040.

The KMC Notes have been approved by 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 (such tax incentives from qualifying as a QPDS, “**Tax Incentives**”).

Further details of the KMC Notes are set out in paragraph C-1.3 of the section titled “The KMC Notes” of the Circular.

3.3 The Letter of Credit

Subject to Unitholders’ approval, in connection with the KMC Refinancing and the New External Facility, and in the event that the New External Facility Lenders require KMC to establish a debt service reserve or maintenance reserve account, KIT and Keppel Energy (and/or its affiliates) will each procure the Letter of Credit to be provided to the New External Facility Lenders, in proportion to their respective shareholding in KMC for an aggregate amount of up to S\$30 million. The Letter of Credit will be utilised to meet any such debt service reserve or maintenance reserve account requirements.

In addition, it is also expected that KIT will incur up to approximately S\$230,000 per annum in costs and fees in connection with the procurement of the Letter of Credit.

While the specific terms of the Letter of Credit have not been determined as at the Latest Practicable Date, it is expected that the respective costs incurred by the KMC Shareholders (and/or their affiliates) in relation to the Letter of Credit will be fully passed on to KMC without any additional interest or fee charged to KMC.

Further details of the Letter of Credit are set out in paragraph C-6 of the section titled “The Letter of Credit” of the Circular.

3.4 The Capital Injection

Subject to Unitholders’ approval at the EGM, KMC intends to, from time to time, issue KMC Shares to the KMC Shareholders to raise capital for, among others, the (i) amortisation of the New External Facility (as may be refinanced from time to time) and/or (ii) to repay any fees related to the KMC Refinancing and/or to fund any debt service reserve or maintenance reserve account as may be required by the New External Facility Lenders.

As at the Latest Practicable Date, the structure, timing and frequency of the Capital Injection has not been determined. KMC will periodically assess the amount required to be raised, having regard to, among others, the debt amortisation profile of KMC (including the terms of the New External Facility (as may be refinanced from time to time)) and the cash flow and working capital requirements of KMC, and KMC and the KMC Shareholders will, at their sole discretion from time to time, enter into share subscription agreement(s) or such other document(s) (the “**KMC Share Subscription Agreement**”) to issue such number of KMC Shares to the KMC Shareholders in proportion to their respective shareholdings, at such issue price and on such terms as may be agreed between KMC and the KMC Shareholders. All KMC Shares Issuances to the KMC Shareholders pursuant to the Capital Injection shall rank *pari passu* in all respects.

Subject to the periodic assessment by KMC, the aggregate amount to be raised from all KMC Share Issuances under the Capital Injection is expected to be up to approximately S\$656.5 million.

Further details of the Capital Injection are set out in paragraph C-7 of the section titled “The Capital Injection” of the Circular.

4. OVERVIEW OF THE CTA AND OMSA

4.1 Background of the CTA

On 15 May 2015, KMC (as the owner of the KMC plant (the “**KMC Plant**”)), KE (as the tollor) and KIHPL (as guarantor for the tollor) entered into the CTA pursuant to which KE will pay to KMC (a) an availability-based capacity fee (the “**Capacity Fee**”) in return for KMC making available the KMC Plant’s electricity generation capacity; and (b) a fixed operation and maintenance fee (the “**O&M Fee**”) indexed to the Singapore consumer price index (“**CPI**”) (together with the Capacity Fee, the “**Tolling Fee**”).

The duration of the CTA is for an initial contract term of 15 years from 1 July 2015 (being the first trading day after the completion of the KMC Acquisition), with a 10-year extension option (the “**CTA Extension Option**”).

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. Other than costs arising from unexpected plant outages/equipment failure, KMC's operating costs for maintenance, consumables and fuel are all passed through to KE, through a combination of the O&M Fee and costs to be directly reimbursed (as elaborated below) in accordance with the CTA. The Capacity Fee does not have any indexation mechanisms. The availability target is agreed between KE and KMC 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.

The terms of the 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 borne by KE. In addition, using the fixed O&M Fee received from KE, KMC will bear the economic costs of paying KMC O&M as the operator of the KMC Plant, and property taxes associated with owning the KMC Plant and costs of maintaining its property leases.

Further details of the CTA are set out in paragraph C-1.1 of the section titled "The Capacity Tolling Agreement" of the Circular and Appendix B to the Circular, and Unitholders are advised to read the information carefully.

4.2 The CTA Amendment

Subject to Unitholders' approval and subject to approval from Keppel's shareholders being obtained, KMC, KE and KIHPL will enter into a fourth supplemental agreement (the "**Fourth CTA Supplemental Agreement**") to amend the CTA, pursuant to which:

- (a) the contract term of the CTA shall be extended by 10 years until 30 June 2040;
- (b) the CTA Extension Option shall be removed in its entirety from the CTA; and
- (c) the calculation of the Tolling Fee shall be amended to account for the end of the useful life of phase I of KMC ("**KMC I**") and phase II of KMC ("**KMC II**") on 30 June 2032 and 30 June 2037 respectively. KMC will review the opportunities to retrofit KMC I and KMC II, which is expected to extend their useful lives up to 2045. In the event that KMC I and KMC II are retrofitted, it is expected that KMC I and KMC II may be able to retain their original generation capacities of 500MW and 840MW respectively and, subject to certification by the original equipment manufacturer of the KMC Plant of the same, the quantum (after taking into account adjustments for availability factor and inflation rate) of the Tolling Fee may remain unchanged.

We note that the CTA Amendment mainly relates to the calculation of the Tolling Fee. The table below sets out the proposed amendments to the calculation of the Tolling Fee between the CTA and the Fourth CTA Supplemental Agreement:

Unless otherwise defined or the context otherwise requires, all terms used in the comparison table below shall have the same meanings set out in Appendix B to the Circular.

Key Terms	CTA	Fourth CTA Supplemental Agreement
Capacity Fee for each Month	<p>“Nine million Singapore Dollars (S\$9,000,000) * Measured Generation Capacity/Generation Capacity</p> <p>Capacity Fee for any Month shall not exceed nine million Singapore Dollars (S\$9,000,000), except for the last Month of a Contract Year where the Capacity Fee shall be the Reconciliation Amount. The aggregate Capacity Fees for any Contract Year shall not exceed S\$108,000,000.</p> <p>Measured Generation Capacity shall equal the Initial Generation Capacity from the Start Date until the first Performance Test.”</p>	<p>“Nine million Singapore Dollars (S\$9,000,000) * <u>(Revised Generation Capacity/Generation Capacity)</u></p> <p><u>(Revised Generation Capacity/Generation Capacity)</u> for any Month shall not exceed 1, except for the last Month of a Contract Year where the Capacity Fee shall be the Reconciliation Amount. The aggregate Capacity Fees for any Contract Year shall not exceed S\$108,000,000 <u>multiplied by (Revised Generation Capacity/Generation Capacity), subject to the value of (Revised Generation Capacity/Generation Capacity) not exceeding one (1).</u> For the avoidance of doubt, if the value of <u>(Revised Generation Capacity/Generation Capacity) exceeds one (1), it shall be deemed as one (1).</u>”</p>
Fixed O&M Fee for each Month	<p>S\$2,103,600</p> <p>The Fixed O&M Fee and Capacity Fee for a particular Month which is not a full calendar month shall be adjusted <i>pro rata</i> for the number of days in such Month.</p>	<p>“The Fixed O&M Fee for each Month from <u>Start Date to 30 June 2032</u> shall be S\$2,103,600.</p> <p>The Fixed O&M Fee for each Month from 1 July 2032 to the End Date shall be S\$2,103,600 <u>multiplied by (Revised Generation Capacity/Generation Capacity), subject to the value of (Revised Generation Capacity/Generation Capacity) not exceeding one (1).</u> For the avoidance of doubt, if the value of <u>(Revised Generation Capacity/Generation Capacity) exceeds one (1), it shall be deemed as one (1).</u></p> <p>The Fixed O&M Fee and Capacity Fee for a particular Month which is not a full calendar month shall be adjusted <i>pro rata</i> for the number of days in such Month.”</p>

Key Terms	CTA	Fourth CTA Supplemental Agreement
“Generation Capacity”	the maximum power (expressed in megawatt) that either a Generating Unit or all the Generating Units can produce, as the context may require, provided that the Generation Capacity of all Generating Units shall be the Initial Generation Capacity on and from the Start Date until the Toller requests that Performance Tests be conducted and Section 7.3 of the CTA shall apply.	the maximum power (expressed in megawatt) that either a Generating Unit or all the Generating Units can produce, as the context may require, provided that the Generation Capacity of all the Generating Units shall be the Initial Generation Capacity on and from the Start Date until the Toller requests that Performance Tests be conducted and Section 7.3 of the CTA shall then apply. <u>In the event that the Electricity Licence ceases to apply to any Generating Unit(s), the Generation Capacity of such Generating Unit(s) shall be deemed to be the latest available Generation Capacity of such Generating Unit(s) one (1) Business Day prior to the Electricity Licence ceasing to apply to such Generating Unit(s).</u>
“Revised Generation Capacity”	–	<ul style="list-style-type: none"> (i) “from the Start Date to 30 June 2032, the Measured Generation Capacity; (ii) from 1 July 2032 to 30 June 2037, the lowest of <ul style="list-style-type: none"> (A) 840MW, save that if the original equipment manufacturer of the Power Plant has certified that the generation capacity of all the Generating Units is higher than 840MW under life extension upgrades, and subject to the acceptance of such certification by the Owner and the Toller, the generation capacity shall be deemed to be that MW as certified by the original equipment manufacturer; (B) the generation capacity of all the Generating Units as per Schedule A of the Electricity Licence for Generation Licensee granted under the Electricity Act 2001 of Singapore to the Owner; and

- (C) the Measured Generation Capacity of all the Generating Units in respect of which the Electricity License applies;
- (iii) from 1 July 2037 until the End Date, the lowest of
- (A) 0MW, save that if the original equipment manufacturer of the Power Plant has certified that the generation capacity of all the Generating Units is higher than 0MW under life extension upgrades, and subject to the acceptance of such certification by the Owner and the Toller, the generation capacity shall be deemed to be that MW as certified by the original equipment manufacturer;
 - (B) the generation capacity of all the Generating Units as per Schedule A of the Electricity Licence for Generation Licensee granted under the Electricity Act 2001 of Singapore to the Owner; and
 - (C) the Measured Generation Capacity of all the Generating Units in respect of which the Electricity License applies.”

For purpose of this letter, the above-mentioned periods from (i) Start Date to 30 June 2032, (ii) 1 July 2032 to 30 June 2037, and (iii) 1 July 2037 until the End Date, being the **“Relevant CTA Periods”**.

Further details of the CTA Amendment are set out in paragraph C-4 of the section titled “The CTA Amendment” of the Circular and Appendix B to the Circular, and Unitholders are advised to read the information carefully.

4.3 Background of the OMSA

Pursuant to the terms of the OMSA, KMC O&M shall, among other things, manage the day-to-day operations of the KMC Plant, manage the KMC Plant’s operating budget, produce an annual operating plan, manage the various sub-contractors and overall site management, procure inventory and consumables and calculate plant availability. Under the OMSA, KMC shall pay to KMC O&M a fixed operation and maintenance service fee (the “**Service Fee**”) which is indexed to the Singapore CPI. KMC will reimburse KMC O&M for the costs of planned maintenance and repair works included in the annual operation and maintenance plan and receive reimbursement for the same from KE. The duration of the OMSA is for an initial contract term of 20 years from 1 January 2015, with a 10-year extension option (the “**OMSA Extension Option**”).

Further details of the OMSA are set out in paragraph C-1.2 of the section titled “The Operations and Maintenance Services Agreement” of the Circular and Appendix C to the Circular, and Unitholders are advised to read the information carefully.

4.4 The OMSA Amendment

Subject to Unitholders’ approval and subject to approval from Keppel’s shareholders being obtained, KMC, KMC O&M and KIHPL will enter into a supplemental agreement (the “**OMSA Supplemental Agreement**”) to amend the terms of the OMSA pursuant to which:

- (a) the contract term shall be extended by 10 years until 31 December 2044;
- (b) the OMSA Extension Option shall be removed; and
- (c) the calculation of the Service Fee shall be amended to account for the end of the useful life of KMC I and KMC II on 30 June 2032 and 30 June 2037 respectively. KMC will review the opportunities to retrofit KMC I and KMC II, which is expected to extend their useful lives up to 2045. In the event that KMC I and KMC II are retrofitted, it is expected that KMC I and KMC II may be able to retain their original generation capacities of 500MW and 840MW respectively and, subject to certification by the original equipment manufacturer of the KMC Plant of the same, the quantum (after taking into adjustments for inflation rate) of the Service Fee may remain unchanged.

We note that the OMSA Amendment mainly relates to the calculation of the Service Fee. The table below sets out the proposed amendments to the calculation of the Service Fee between the OMSA and the OMSA Supplemental Agreement:

Unless otherwise defined or the context otherwise requires, all terms used in the comparison table below shall have the same meanings set out in Appendix C to the Circular.

Key Terms	OMSA	OMSA Supplemental Agreement
Service Fee	<p>“Service Fee_n = Service Fee_(base contract year) * Singapore CPI_y”</p> <p>Where:</p> <p>“Service Fee_{(base contract year)^m” is equal to S\$13,500,000 (on the basis of S\$1,125,000 per month).”}</p>	<p>“Service Fee_n = Service Fee_(base contract year) * <u>Term Adjustment</u> * Singapore CPI_y”</p> <p>Where:</p> <p>“Service Fee_(base contract year)” is equal to S\$13,500,000 (on the basis of S\$1,125,000 per month).”</p>

“Term Adjustment” shall be (i) one (1) from the Start Date to 30 June 2032; and (ii) (Revised Generation Capacity/Generation Capacity) from 1 July 2032 to the End Date, subject to the value of (Revised Generation Capacity/Generation Capacity) not exceeding one (1), and for the avoidance of doubt, if the value of (Revised Generation Capacity/Generation Capacity) exceeds one (1), it shall be deemed as one (1).”

“Revised Generation Capacity” and “Generation Capacity” shall have their respective meanings as defined in the CTA (as amended by the Fourth CTA Supplemental Agreement).

**Final
Billing
Period for
each
Contract
Year**

“In respect of the final Billing Period for each Contract Year, in respect of each Generating Unit where the Annual Recorded Operator Outage Hours for a Generating Unit exceeds the Annual Operator Outage Allowance, then the Service Fee for that Contract Year shall be reduced by the following amount of in respect of such Generating Unit:

Service Fee Reduction = S\$1,200 * (Annual Recorded Operator Outage Hours – Annual Operator Outage Allowance)

Provided that Service Fee Reduction shall be zero if Annual Recorded Operator Outage Hours is less than Annual Operator Outage Allowance and provided that the aggregate reduction of the Service Fee in any Contract Year shall not exceed ten per cent. (10%) of the Service Fee.”

“In respect of the final Billing Period for each Contract Year, in respect of each Generating Unit where the Annual Recorded Operator Outage Hours for a Generating Unit exceeds the Annual Operator Outage Allowance, then the Service Fee for that Contract Year shall be reduced by the following amount of in respect of such Generating Unit:

Service Fee Reduction = S\$1,200 * (Annual Recorded Operator Outage Hours – Annual Operator Outage Allowance) * Term Adjustment

Provided that Service Fee Reduction shall be zero if Annual Recorded Operator Outage Hours is less than Annual Operator Outage Allowance and provided that the aggregate reduction of the Service Fee in any Contract Year shall not exceed ten percent (10%) of the Service Fee.”

Further details of the OMSA Amendment are set out in paragraph C-5 of the section titled “The OMSA Amendment” of the Circular and Appendix C to the Circular, and Unitholders are advised to read the information carefully.

5. EVALUATION OF THE PROPOSED IPTS

5.1 Evaluation of the CTA Amendment and OMSA Amendment

In the course of our evaluation for the CTA Amendment and OMSA Amendment, we have given due consideration to, *inter alia*, the following factors:

- (a) rationale for the CTA Amendment and OMSA Amendment;
- (b) comparison of the proposed amendments in the Fourth CTA Supplemental Agreement to the principal terms of the CTA, as well as the proposed amendments in the OMSA Supplemental Agreement to the principal terms of the OMSA;
- (c) comparison of agreements that are comparable to the CTA; and
- (d) other relevant considerations.

The factors above are discussed in further detail in the following sections.

We understand that Unitholders' approval was sought at an EGM on 30 April 2015 for, among others, the KMC Acquisition as an IPT, and such approval was deemed to constitute approval of the CTA, OMSA and the KMC Notes as an IPT. Accordingly, for the purpose of our analysis and opinion, our evaluation of the CTA Amendment and OMSA Amendment will only relate to the proposed amendments to the CTA and OMSA.

5.1.1 Rationale for the CTA Amendment and OMSA Amendment

It is not within our terms of reference to comment or express an opinion on the merits of the CTA Amendment and OMSA Amendment or the future prospect of KIT after the CTA Amendment and OMSA Amendment. Nonetheless, we have reviewed the background and rationale for the CTA Amendment and OMSA Amendment as set out in paragraphs C-2 and C-3 of the sections titled "Background to the KMC Capital Restructuring" and "Rationale for the KMC Capital Restructuring" of the Circular, which is reproduced in italics below:

BACKGROUND TO THE KMC CAPITAL RESTRUCTURING

Prior to the commencement of the amortisation of the External Facility, the cashflows generated from the Tolling Fees were utilised to pay the economic costs of the Service Fee, property taxes associated with owning the KMC Plant and costs of maintaining its property leases, interest payments pursuant to the External Facility, and the balance was utilised to pay the interest on the KMC Notes. The interest payments on the KMC Notes provided Distributable Income to KIT while preserving the Tax Incentives under the KMC Notes, and is the sole source of Distributable Income to KIT.

As the amortisation of the External Facility commenced on 30 June 2023, the cashflows generated from the Tolling Fees in the financial year ended 31 December 2023 were not sufficient to also cover the amortisation of the External Facility. This effectively negated any Distributable Income received by KIT from KMC through the interest payments on the KMC Notes for the financial year ended 31 December 2023. Please refer to paragraph C8.1 of this Circular for further details on the capital structure of KMC for the financial year ended 31 December 2023.

The below table sets out KMC's revenue and Distributable Income contribution to KIT for the financial years ended 31 December 2021, 31 December 2022 and 31 December 2023.

Financial year ended 31 December	Revenue Contribution to KIT		Distributable Income Contribution to KIT	
	S\$'000	%	S\$'000	%
2021	116,940	7.42	43,847	22.81
2022	116,895	5.83	43,114	19.38
2023	115,612	5.68	nil	nil

Accordingly, KMC intends to undertake a capital restructuring exercise (the "**KMC Capital Restructuring**") whereby:

- (a) the CTA will be amended (the "**CTA Amendment**") to, inter alia, extend the contract term of the CTA by 10 years until 30 June 2040, as further elaborated in paragraph C4 below;
- (b) the OMSA will be amended (the "**OMSA Amendment**") to, inter alia, extend the contract term of the OMSA by 10 years until 31 December 2044, as further elaborated in paragraph C5 below;
- (c) the External Facility will be refinanced with a new facility (the "**New External Facility**") with an extended maturity and a longer amortisation period (the "**KMC Refinancing**"). In connection with the New External Facility, it is expected that KMC will enter into certain security documents with the lender(s) of the New External Facility (the "**New External Facility Lenders**") and a security agent, and that parties to the CTA and OMSA may further enter into direct agreement(s) with the security agent to, among others, allow such security agent to appoint substitutes or additional obligors to assume KMC's rights and obligations under the CTA and OMSA upon the occurrence of certain default events;
- (d) in connection with the KMC Refinancing and the New External Facility, and in the event that the New External Facility Lenders require KMC to establish a debt service reserve or maintenance reserve account, KIT and Keppel Energy (and/or its affiliates) will each procure one or more letter(s) of credit (the "**Letter of Credit**") to be provided to the New External Facility Lenders in proportion to their respective shareholding in KMC for an aggregate amount of up to S\$30 million, as further elaborated in paragraph C6 below;
- (e) KMC will, from time to time, issue shares in the capital of KMC ("**KMC Shares**"), to the KMC Shareholders in proportion to their respective shareholding in KMC (each such issuance of KMC Shares, a "KMC Share Issuance" and all KMC Share Issuances to raise capital for KMC, the "**Capital Injection**"), to raise capital for, among others, the (i) amortisation of the New External Facility (as may be refinanced from time to time) and/or (ii) to repay any fees related to the KMC Refinancing and/or to fund any debt service reserve or maintenance reserve account as may be required by the New External Facility Lenders. Subject to the periodic assessment by KMC, the aggregate amount to be raised from all KMC Share Issuances under the Capital Injection is expected to be up to approximately S\$656.5 million. Please refer to paragraph C7 below for further details.

RATIONALE FOR THE KMC CAPITAL RESTRUCTURING

The proposed KMC Capital Restructuring seeks to optimise KMC's capital structure, allowing KMC to resume Distributable Income contributions to KIT. In particular:

- (a) the extension of the CTA until 30 June 2040 will allow KMC to refinance the External Facility and lengthen its debt amortisation profile, and the extended maturity of the New External Facility will also align KMC's debt amortisation profile with the extended term of the CTA;*
- (b) the CTA Amendment will allow KMC to continue to receive Capacity Fees of up to S\$108 million²⁵ per annum from 2030 to 2040, and up to an aggregate of S\$1,080 million in Capacity Fees over the additional 10 years, and will also ensure that the costs of planned maintenance of the KMC Plant, fuel costs and fuel availability risk to run the KMC Plant will continue to be borne by KE over the additional 10 years;*
- (c) the OMSA Amendment will ensure the continuous and reliable operations of the KMC Plant during the extended CTA period, leveraging KMC O&M's strong track record as the incumbent operator since 2007;*
- (d) in the event that the New External Facility Lenders require KMC to establish a debt service reserve or maintenance reserve account, the Letter of Credit will be utilised to meet any such debt service reserve or maintenance reserve account requirements. This will provide KMC the flexibility to manage and optimise its working capital and cashflows; and*
- (e) the Capital Injection will enable KMC to maintain the existing Tax Incentives under the KMC Notes while supporting the amortisation of the New External Facility as well as provide KMC with the flexibility to manage and optimise its working capital and overall cashflow returns over the tenor of the New External Facility. For avoidance of doubt, KIT expects that its proportion of the Capital Injection will be fully funded from its operating cashflow, as required and not with the proceeds from the Equity Fund Raising.*

²⁵ On the basis that (i) for every month from 1 July 2030 to 30 June 2040, KMC meets its availability target and (ii) KMC I and KMC II are retrofitted such that they retain their original generation capacities of 500MW and 840MW respectively up to 2045, such that the quantum of the Capacity Fees from 1 July 2030 to 30 June 2040 remains unchanged.

5.1.2 Comparison of the proposed amendments in the Fourth CTA Supplemental Agreement to the principal terms of the CTA, as well as the proposed amendments in the OMSA Supplemental Agreement to the principal terms of the OMSA

We have compared the proposed amendments in the Fourth CTA Supplemental Agreement with the principal terms of the CTA, the summary of which has been set out in as set out in paragraph 4.2 of this letter, and compared the proposed amendments in the OMSA Supplemental Agreement with the principal terms of the OMSA, the summary of which has been set out in as set out in paragraph 4.4 of this letter. We noted the following:

CTA Amendment

- (a) the CTA Amendment mainly relates to the calculation of the Tolling Fee, which introduced a newly defined term “Revised Generation Capacity”, setting out the computation of the generation capacity of the KMC Plant for the Relevant CTA Periods. The calculation of the Capacity Fee and O&M Fee under the Fourth CTA Supplemental Agreement has therefore been amended to account for an availability factor by comparing the Revised Generation Capacity against the Generation Capacity of the KMC Plant. We understand that the CTA has been structured as an availability-based fee contract for which the capacity is made available to KE, and the initial computation of the Tolling Fee under the CTA takes into account the original generation capacities of the KMC Plant. We noted that the reason for the amended computation of the Tolling Fee (which considers the availability factor) is to account for the end of the useful life of KMC I and KMC II on 30 June 2032 and 30 June 2037 respectively, in the event there is a reduction in their respective original generation capacities of 500MW and 840MW. Accordingly, we noted that the proposed amendments to the calculation of the Tolling Fee do not deviate from the initial structure of the CTA, which is premised on the generation capacities of the KMC Plant.

We further understand that the Revised Generation Capacity will be determined by the original equipment manufacturer (“OEM”), being an independent party;

- (b) the CTA Amendment will allow KMC to continue to receive Capacity Fees of up to S\$108 million¹ per annum from 2030 to 2040, and up to an aggregate of S\$1,080 million in Capacity Fees over the additional 10 years, and will also ensure that the costs of planned maintenance of the KMC Plant, fuel costs and fuel availability risk to run the KMC Plant will continue to be borne by KE over the additional 10 years.

¹ On the basis that (i) for every month from 1 July 2030 to 30 June 2040, KMC meets its availability target and (ii) KMC I and KMC II are retrofitted such that they retain their original generation capacities of 500MW and 840MW respectively up to 2045, such that the quantum of the Capacity Fees from 1 July 2030 to 30 June 2040 remains unchanged.

The table below sets out the historical availability factor, Capacity Fees and O&M Fees received by KMC up to February 2024:

Period	Availability Factor	Capacity Fees Received (S\$)	O&M Fees Received (S\$)
July 2015 – December 2015	100.00%	54,000,000.00	12,621,600.00
January 2016 – December 2016	98.47%	106,344,556.42	25,116,984.00
January 2017 – December 2017	99.95%	107,948,921.52	24,965,524.80
January 2018 – December 2018	98.90%	106,865,203.93	25,116,984.00
January 2019 – December 2019	96.00%	103,680,025.66	25,217,956.80
January 2020 – December 2020	98.00%	105,817,685.70	25,217,956.80
January 2021 – December 2021	99.60%	107,612,295.44	25,319,310.12
January 2022 – December 2022	97.84%	105,663,187.69	25,902,821.28
January 2023 – December 2023	95.78% ⁽¹⁾	103,442,157.96	27,501,134.52
January 2024 – February 2024	100.00%	18,000,000.00	4,803,396.18
Total (as at 29 February 2024)	–	919,374,034.32	221,783,668.50

Note:

(1) The KMC Plant recorded an availability factor of 95.78% during the period from January 2023 to December 2023 due to an unplanned outage. The KMC Plant has resumed its operations as at December 2023.

Based on the table above, we noted that the average availability factor of the KMC Plant was approximately 98.45% and as at the Latest Practicable Date, the Management has indicated that the KMC Plant is currently in good working condition, and that KE, as the single customer of KMC had not in the past experienced any material operation disruption.

We also understand that KMC will review the opportunities to retrofit KMC I and KMC II, which is expected to extend their useful lives up to 2045. In the event that KMC I and KMC II are retrofitted, it is expected that KMC I and KMC II may be able to retain their original generation capacities of 500MW and 840MW respectively and, subject to certification by the OEM of the KMC Plant of the same, the quantum (after taking into account adjustments for availability factor and inflation rate) of the Tolling Fee may remain unchanged;

- (c) the CTA Amendment, if effected, will extend the contract term of the CTA by 10 years until 30 June 2040, thus the removal of the CTA Extension Option. Effectively, this is aligned with the overall duration of the CTA where the initial contract term of 15 years from 1 July 2015, with a 10-year extension option under the CTA Extension Option (i.e. until 30 June 2024);

OMSA Amendment

- (d) on a similar note to the CTA Amendment, the OMSA Amendment mainly relates to the calculation of the Service Fee, which introduced a newly defined term “Term Adjustment” and essentially mirrors the amendments to the calculation of the O&M Fee under the CTA Amendment to account for the availability factor of the KMC Plant. Similarly, we understand that the reason for the amended computation of the Service Fee (which considers the Term Adjustment) is to account for the end of the useful life of KMC I and KMC II on 30 June 2032 and 30 June 2037 respectively, in the event there is a reduction in their respective original generation capacities of 500MW and 840MW. Thus, the Term Adjustment provides KMC a downwards adjustment to the Service Fee in the event there is a reduction of the original generation capacities of the KMC Plant, to reflect the lower costs to be incurred by KMC O&M; and
- (e) in connection with the proposed extension to the contract term of the CTA, the OMSA Amendment, if effected, will extend the contract term of the OMSA by 10 years until 31 December 2044, thus the removal of the OMSA Extension Option. Effectively, this is aligned with the overall duration of the OMSA where the initial contract term of 20 years from 1 January 2015, with a 10-year extension option under the OMSA Extension Option (i.e. until 31 December 2044).

5.1.3 Comparison of agreements that are comparable to the CTA

5.1.3.1 Other infrastructure assets of KIT's portfolio

KIT's portfolio comprises three (3) core operating segments, namely (i) energy transition; (ii) distribution and storage and (iii) environmental services. Based on our enquiries with the Management, we understand that each of the infrastructure assets under the KIT's portfolio has different commercial arrangements with their respective customers. The terms in the other agreements of KIT's portfolio may not be directly comparable to the CTA (as amended by the Fourth CTA Supplemental Agreement), given the differences in their asset and business nature, geographical locations, customer profile and primary source of cash flows from their respective customers.

Notwithstanding the above, for the purpose of evaluating the CTA Amendment, we have considered the commercial arrangements of the other infrastructure assets under KIT's portfolio which have similar agreements and/or arrangements whereby payment structure is that of an availability-based and are essentially tagged to the capacities of the respective infrastructure assets. A summary is set out below:

Asset	Key Description	Customer and Contract Terms	Primary Source of Cash Flows
Senoko waste-to-energy ("WTE") plant	WTE plant with 2,310 tonnes/day waste incineration concession.	Single customer – National Environment Agency ("NEA"), Singapore government agency. Concession until 2027 (Singapore – AAA credit rating).	Fixed payments for availability of incineration capacity.
Tuas WTE plant	WTE plant with 800 tonnes/day waste incineration concession.	Single customer – NEA, Singapore government agency. Concession until 2034 (Singapore – AAA credit rating).	Fixed payments for availability of incineration capacity.
Ulu Pandan NEWater plant	One of Singapore's largest NEWater plants, capable of producing 162,800m ³ /day.	Single customer – Public Utilities Board ("PUB"), Singapore government agency. Concession until 2027 (Singapore – AAA credit rating)	Fixed payments for availability of NEWater production capacity.
SingSpring plant	Singapore's first large-scale seawater desalination plant, capable of producing 136,380m ³ /day of potable water.	Single customer – PUB, Singapore government agency. Concession until 2025 (land lease till 2033) (Singapore – AAA credit rating).	Fixed payments for availability of output capacity.

5.1.3.2 Other infrastructure assets of SGX-ST listed companies

On a similar note, we have also referred to listed companies on the SGX-ST who have entered into similar electricity agreements and/or arrangements, to give an indication of the typical terms of similar agreements and/or arrangements with the CTA, where such information are publicly available. A summary is set out below:

Asset	Description	Customer and Contract Terms	Primary Source of Cash Flows
SembCorp Industries Ltd			
Power generation plants	Design, build and operate gas-fired power plants in various countries such as India, Myanmar and China.	Service concession contracts with local government or governing agencies such as Electricity Power Generation Enterprise, Electricity of Vietnam and Bangladesh Power Development Board. Contract terms ranging from 22 years to 25 years.	Payments based on availability of output capacity.
Avarga Limited (formerly known as UPP Holdings Limited)			
Gas-fired electricity generating power plant	50MW gas-fired power plant in Yangon, Myanmar.	Service concession arrangement with Electric Power Generation Enterprise, a governmental body of the Republic of the Union of Myanmar. 30 years duration commencing from the commercial operation date of the first unit of the power plant.	Take or pay basis with a guaranteed annual minimum capacity.

Sources: Respective company's announcements and annual reports

We noted that it is not uncommon for the comparable agreements and/or arrangements set out in the tables above to be structured to comprise a capacity or availability-based contract for which the capacity are made available to the customer. Effectively, such observation is aligned with that of the CTA Amendment, where the amended computations of the Tolling Fee primarily take into account the generation capacities of the KMC Plant in light of the useful lives of KMC I and KMC II.

We wish to highlight that the comparable agreements highlighted in this paragraph are not exhaustive and may not be identical to the CTA (as amended by the CTA Amendment) in terms of, *inter alia*, asset and business nature, capacity of the assets, scale of operations, risk profile, geographical spread, risk profile, regulatory requirements and others. As such, any comparison made herein is strictly limited in scope and merely serves as an illustrative guide to the Unitholders.

5.1.4 Other relevant considerations

5.1.4.1 The CTA being the sole source of revenue for KMC

KMC presently owns and operates the KMC Plant, which is a combined cycle gas turbine generation facility with a gross capacity of approximately 1,300MW and ancillary facilities on Jurong Island off the south-west coast of Singapore. KMC had, on 15 May 2015, entered into the 15-year CTA with KE and KIHPL, pursuant to which KMC will contract its full generation capacity exclusively to KE. The CTA is the sole source of revenue for KMC throughout the 15-year duration of the CTA. Under the CTA, the maximum capacity fee payable by KE to KMC is S\$108 million per annum as long as KMC meets the availability and capacity test targets. The CTA Amendment under the Fourth CTA Supplemental Agreement allows KMC to earn regular and stable Capacity Fee from KE throughout the extended duration of the CTA.

As set out in paragraph 5.1.2(b) of this letter, the average availability factor of the KMC Plant is approximately 98.45% and the average Tolling Fee received by KMC from KE arising from the CTA was approximately S\$132.2 million annually.

The table below sets out the revenue and distribution income contribution of KMC to KIT for the financial years ended 31 December 2021, 31 December 2022 and 31 December 2023 (“FY2021”, “FY2022” and “FY2023” respectively).

	Revenue Contribution		Distributable Income Contribution	
	S\$'000	%	S\$'000	%
FY2021	116,940	7.42	43,847	22.81
FY2022	116,895	5.83	43,114	19.38
FY2023	115,612	5.68	Nil ⁽¹⁾	Nil ⁽¹⁾

Note:

(1) The distributable income of KMC for FY2023 is negated due to the mandatory debt amortisation repayment of the External Facility of S\$87.5 million in FY2023.

Based on the above, we note that KMC has been generating stable revenue from KE for FY2021 to FY2023 through the CTA. The CTA Amendment will allow KMC to continue to receive Capacity Fees of up to S\$108 million² per annum from 2030 to 2040, and up to an aggregate of S\$1,080 million in Capacity Fees over the additional 10 years, and will also ensure that the costs of planned maintenance of the KMC Plant, fuel costs and fuel availability risk to run the KMC Plant will continue to be borne by KE over the additional 10 years.

² On the basis that (i) for every month from 1 July 2030 to 30 June 2040, KMC meets its availability target and (ii) KMC I and KMC II are retrofitted such that they retain their original generation capacities of 500MW and 840MW respectively up to 2045, such that the quantum of the Capacity Fees from 1 July 2030 to 30 June 2040 remains unchanged.

5.1.4.2 Experience of KMC O&M in maintaining the KMC Plant

We note that KMC O&M has been managing the day-to-day operations of the KMC Plant since 2007. As such, the OMSA Amendment will ensure the continuous and reliable operations of the KMC Plant during the extended CTA period, leveraging KMC O&M's strong track record as the incumbent operator since 2007.

5.2 Evaluation of the Letter of Credit and the Capital Injection

In our evaluation of the Letter of Credit and the Capital Injection, we have given due consideration to, *inter alia*, the following factors:

- (a) the rationale for the Letter of Credit and the Capital Injection;
- (b) the historical financial performance of KMC;
- (c) impact of the KMC Capital Restructuring on Unitholders;
- (d) assessment of the Letter of Credit; and
- (e) assessment of the Capital Injection.

The factors above are discussed in further detail in the following sections.

5.2.1 Rationale for the Letter of Credit and the Capital Injection

It is not within our terms of reference to comment or express an opinion on the merits of the Letter of Credit and the Capital Injection, or the future prospect of KIT after the completion of the Letter of Credit and the Capital Injection. Nonetheless, we have reviewed the background and rationale for the Letter of Credit and the Capital Injection as set out in paragraphs C-2 and C-3 of the sections titled "Background to the KMC Capital Restructuring" and "Rationale for the KMC Capital Restructuring" of the Circular, which has also been reproduced in italics in paragraph 5.1.1 of this letter.

5.2.2 The historical financial performance of KMC

The salient historical financial information of KMC for FY2021, FY2022 and FY2023 is set out below:

Summary of Profit or Loss

(S\$'000)	FY2021	F2022	FY2023
	Audited	Audited	Unaudited
Revenue	116,940	116,895	115,612
Gross profit	35,563	34,459	18,173
EBITDA ⁽¹⁾	105,836	105,383	93,009

Summary of Revenue Contribution and Distributable Income

(S\$'000)	FY2021	F2022	FY2023
Revenue contribution from KMC to KIT	116,940	116,895	115,612
Distributable income	43,847	43,114	Nil

Note:

(1) EBITDA refers to earnings before interest, income tax, depreciation and amortisation.

We note that:

- (a) the EBITDA of KMC have declined from S\$105.8 million in FY2022 to S\$93.0 million in FY2023, due mainly to an unplanned outage of the KMC Plant which has since resumed its operations as at December 2023; and
- (b) the distributable income from KMC to KIT for FY2023 has been negated due to the mandatory debt amortisation repayment of the External Facility that commenced on 30 June 2023.

As set out in paragraph C-2 of the section titled “Background to the KMC Capital Restructuring” of the Circular, we noted that prior to the commencement of the amortisation of the External Facility on 30 June 2023, the cashflows generated from the Tolling Fees were utilised to pay the economic costs of the Service Fee, property taxes associated with owning the KMC Plant and costs of maintaining its property leases, interest payments pursuant to the External Facility, and the balance utilised to pay the interest on the KMC Notes. As the amortisation of the External Facility commenced on 30 June 2023, the cashflows generated from the Tolling Fees in FY2023 were not sufficient to also cover the amortisation of the External Facility. This effectively negated any distributable income received by KIT from KMC through the interest payments on the KMC Notes for FY2023.

It is thus expected that the KMC Capital Restructuring seeks to optimise KMC’s capital structure, allowing KMC to resume distributable income contributions to KIT.

5.2.3 Impact of the KMC Capital Restructuring on Unitholders

As set out in paragraph C-8 of the section titled “Impact of the KMC Capital Restructuring on Unitholders” of the Circular, the unaudited pro forma financial effects of the KMC Restructuring have been prepared strictly for illustrative purposes to show (i) the capital structure of KMC for FY2023 if the KMC Restructuring was effected as at 1 January 2023; (ii) what the distributable income from KMC to KIT for FY2023 would have been if the KMC Capital Restructuring was effected as at 1 January 2023; and (ii) what the distribution per unit (“DPU”) of the KIT Group for FY2023 would have been if the KMC Capital Restructuring was effected as at 1 January 2023.

The unaudited pro forma financial effects of the KMC Capital Restructuring presented in the Circular have been prepared on KIT’s audited consolidated financial statements for FY2023 and are based on certain key bases and assumptions set out in paragraph C-8 of the section titled “Impact of the KMC Capital Restructuring on Unitholders” of the Circular, and Unitholders are advised to read the information carefully.

We note that the KIT’s distributable income would increase from S\$217.8 million in FY2023 to S\$241.6 million after the KMC Capital Restructuring, and consequently, KIT’s DPU would increase from 3.86 cents to 4.28 cents after the KMC Capital Restructuring.

Unitholders should note that the unaudited proforma financial effects of the KMC Capital Restructuring set out in the Circular and reproduced above are purely for illustrative purposes only and are neither indicative nor do they represent any projection of the financial performance or position of the KIT Group after the KMC Capital Restructuring. There can be no assurance that following the KMC Capital Restructuring, the actual distributable income from KMC to KIT and the KIT’s DPU will increase.

5.2.4 Assessment of the Letter of Credit

- (a) Arising from the KMC Refinancing, we noted that the requirement for KMC to establish and maintain the debt service reserve or maintenance reserve account is a requirement set by the New External Facility Lenders, being independent third parties. As set out in paragraph C-3 of the section titled “Rationale for the KMC Capital Restructuring” of the Circular, we noted that procurement of the Letter of Credit by the KMC Shareholders on behalf of KMC will provide KMC the flexibility to manage and optimise its working capital and cashflows;
- (b) We understand from Management that the KMC Shareholders are still in the process of negotiating with various external banks or lenders for the procurement of the Letter of Credit. While the specific terms of the Letter of Credit between the external banks or lenders and the KMC Shareholders have not been determined as at the Latest Practicable Date, Management has confirmed that the full terms of the Letter of Credit, including the (i) principal amount, (ii) interest and (iii) issuance fees or any other fees arising from the Letter of Credit between the external banks or lenders and the KMC Shareholders will be fully passed on to KMC, without any additional interest or fee charged to KMC. Management has also confirmed that the terms of the Letter of Credit will be determined by the external banks or lenders, being independent third parties; and
- (c) In addition, we note that the procurement of the Letter of Credit on behalf of KMC will be in proportion to KIT’s and Keppel Energy’s respective equity interests in KMC, being 51.0% and 49.0% respectively. Consequently, the risks and rewards associated with the procurement of the Letter of Credit are in proportion to the respective shareholder’s equity interest.

5.2.5 Assessment of the Capital Injection

- (a) In evaluating whether the Capital Injection is on normal commercial terms, we noted that the common routes for a company to obtain financial assistance from shareholders includes, *inter alia*, loans from shareholders, equity injection from shareholders and debt subscription by shareholders. We have also noted examples in which shareholders of SGX-listed issuers have provided loans, equity or debt injection to its respective SGX-listed issuer as a form of financial assistance.

In this respect, we note that the subscription of the KMC Shares under the Capital Injection will be extended on the same terms to KIT and Keppel Energy, in proportion to their respective shareholding in KMC, being 51.0% and 49.0% respectively. As such, the risk and rewards of the Capital Injection are in proportion to the equity interest of each of the KMC Shareholders. In addition, we noted that all KMC Share Issuances to the KMC Shareholders pursuant to the Capital Injection shall rank *pari passu* in all respect.

- (b) The Capital Injection would allow KMC to access additional capital from the existing KMC Shareholders without the need to incur additional interest expense compared to alternative external debt funding sources and/or options.

When viewed entirely, the Capital Injection aligns the KMC Shareholders’ interests with the performance and financial stability of KMC in the longer term. Overall, KMC having a stable capital structure is expected to be more beneficial for the financial position of KMC, and potentially enhance distributable income derived from KMC and in turn DPU of KIT, as shown in the illustrative pro forma financial effects of the KMC Capital Restructuring set out in paragraph C-8 of Circular under the section titled “Impact of the KMC Capital Restructuring on Unitholders”.

6. OUR OPINION

6.1 CTA Amendment and OMSA Amendment

In arriving at our opinion in respect of the CTA Amendment and the OMSA Amendment as interested person transactions, we have considered, *inter alia*, the following factors summarised below which we considered to be pertinent in our assessment:

- (a) rationale for the CTA Amendment and the OMSA Amendment, as set out in paragraph 5.1.1 of this letter;
- (b) comparison of the proposed amendments in the Fourth CTA Supplemental Agreement to the principal terms of the CTA, as well as the proposed amendments in the OMSA Supplemental Agreement to the principal terms of the OMSA, as set out in paragraph 5.1.2 of this letter; and
- (c) comparison of agreements that are comparable to the CTA, as set out in paragraph 5.1.3 of this letter; and
- (d) other relevant considerations as follows:
 - (i) the CTA being the sole source of revenue for KMC, as set out in paragraph 5.1.4.1 of this letter; and
 - (ii) experience of KMC O&M in maintaining the KMC Plant, as set out in paragraph 5.1.4.2 of this letter.

6.2 Letter of Credit and Capital Injection

In arriving at our opinion in respect of the Letter of Credit and the Capital Injection as interested person transactions, we have considered, *inter alia*, the following factors summarised below which we considered to be pertinent in our assessment:

- (a) rationale for the Letter of Credit and the Capital Injection, as set out in paragraph 5.2.1 of this letter;
- (b) KMC's historical financial performance, as set out in paragraph 5.2.2 of this letter;
- (c) impact of the KMC Capital Restructuring on Unitholders, as set out in paragraph 5.2.3 of this letter;
- (d) assessment of the Letter of Credit, as set out in paragraph 5.2.4 of this letter; and
- (e) assessment of the Capital Injection, as set out in paragraph 5.2.5 of this letter.

Having carefully considered the information above and subject to the assumptions and qualifications set out in this letter, we are of the opinion that, on balance, the Proposed IPTs are on normal commercial terms and are not prejudicial to the interests of KIT and its minority Unitholders. Accordingly, we advise the Independent Directors and the ARC of the Trustee-Manager to recommend independent Unitholders to vote in favour of the Proposed IPTs.

Our opinion as disclosed in this letter is based on the market, economic, industry, monetary and other applicable conditions prevailing on, and the information made available to us as at the Latest Practicable Date.

This letter has been prepared pursuant to Rule 921(4)(a) of Chapter 9 of the Listing Manual of the SGX-ST for inclusion in the Circular as well as for the use of the Independent Directors and the ARC of the Trustee-Manager, in connection with and for the purposes of their consideration of the Proposed IPTs. The recommendation to be made by the Independent Directors to the independent Unitholders shall remain their responsibility.

Whilst a copy of this letter may be reproduced in the Circular, neither the Trustee-Manager nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purposes at any time and in any manner without the prior written consent of SAC Capital in each specific case, except for the forthcoming EGM and for the purposes of any matter relating to the Proposed IPTs.

Our opinion is governed by, and construed in accordance with, the laws of Singapore. Our opinion is strictly limited to the matters stated herein and do not apply by implication to any other matter.

Yours faithfully,
For and on behalf of
SAC CAPITAL PRIVATE LIMITED

Tan Kian Tiong
Partner and Head, Corporate Finance

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KEPPEL INFRASTRUCTURE TRUST

(Business Trust Registration No. 2007001)

(Constituted in the Republic of Singapore as a business trust pursuant to a trust deed dated 5 January 2007 (as amended))

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting (“**EGM**”) of the holders of units (“**Units**”) of Keppel Infrastructure Trust (“**KIT**”, and the holders of units of KIT, “**Unitholders**”) will be held at Suntec Singapore Convention and Exhibition Centre, Summit 2, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 23 April 2024 at 11.00 a.m. (Singapore time) (or as soon thereafter following the conclusion or adjournment of the annual general meeting (“**AGM**”) of KIT to be held at 10.30 a.m. on the same day and at the same venue), to transact the following business for the purposes of considering, and if thought fit, passing with or without modifications, the following resolutions which will be proposed as Ordinary Resolutions:

ORDINARY RESOLUTION 1

THE PROPOSED ISSUANCE OF UP TO 1,061,571,125 NEW UNITS IN KIT PURSUANT TO (I) THE PLACEMENT OR (II) THE PLACEMENT AND THE PREFERENTIAL OFFERING

That:

- (A) the issuance of up to 1,061,571,125 new Units in KIT (“**New Units**”) pursuant to (i) a private placement of New Units to institutional and other investors (“**Placement**”) or (ii) the Placement and a non-renounceable preferential offering of New Units to eligible Unitholders on a *pro rata* basis (“**Preferential Offering**”), in such manner, on such terms and at such time as the Trustee-Manager may determine, be approved and authorised; and
- (B) the Trustee-Manager and any Director or Chief Executive Officer of the Trustee-Manager be severally 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

THE PROPOSED PLACEMENT OF NEW UNITS TO KEPPEL INFRASTRUCTURE HOLDINGS PTE. LTD., AS PART OF THE PLACEMENT

That:

- (A) the placement of New Units to Keppel Infrastructure Holdings Pte. Ltd. as part of the Placement in the manner outlined in the circular to Unitholders dated 1 April 2024 (“**Circular**”), be approved and authorised; and
- (B) the Trustee-Manager and any Director or Chief Executive Officer of the Trustee-Manager be severally 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

THE FOLLOWING PROPOSED INTERESTED PERSON TRANSACTIONS AS PART OF THE CAPITAL RESTRUCTURING OF KEPPEL MERLIMAU COGEN PTE LTD:

- (I) THE AMENDMENT OF THE CAPACITY TOLLING AGREEMENT BETWEEN KEPPEL MERLIMAU COGEN PTE LTD, KEPPEL ELECTRIC PTE. LTD AND KEPPEL INFRASTRUCTURE HOLDINGS PTE. LTD.;
- (II) THE AMENDMENT OF THE OPERATIONS AND MAINTENANCE SERVICES AGREEMENT BETWEEN KEPPEL MERLIMAU COGEN PTE LTD, KMC O&M PTE. LTD AND KEPPEL INFRASTRUCTURE HOLDINGS PTE. LTD.;
- (III) ONE OR MORE LETTER(S) OF CREDIT TO BE PROCURED BY EACH OF KEPPEL INFRASTRUCTURE TRUST AND KEPPEL ENERGY PTE. LTD. (AND/OR ITS AFFILIATES) IN PROPORTION TO THEIR RESPECTIVE SHAREHOLDING IN KEPPEL MERLIMAU COGEN PTE LTD FOR AN AGGREGATE AMOUNT OF UP TO S\$30 MILLION IN CONNECTION WITH KEPPEL MERLIMAU COGEN PTE LTD'S REFINANCING OF ITS EXTERNAL BANK FACILITY; AND
- (IV) THE ISSUANCE OF SHARES IN THE CAPITAL OF KEPPEL MERLIMAU COGEN PTE LTD FROM TIME TO TIME, FOR AN AGGREGATE AMOUNT OF UP TO S\$656.5 MILLION, TO THE SHAREHOLDERS OF KEPPEL MERLIMAU COGEN PTE LTD FROM TIME TO TIME IN PROPORTION TO THEIR RESPECTIVE SHAREHOLDING IN KEPPEL MERLIMAU COGEN PTE LTD.

That:

- (A) the amendment of the capacity tolling agreement entered into between Keppel Merlimau Cogen Pte Ltd ("**KMC**"), Keppel Electric Pte. Ltd ("**KE**") and Keppel Infrastructure Holdings Pte. Ltd. ("**KIHPL**"), as amended by first supplemental agreement dated 11 February 2016, a second supplemental agreement dated 1 January 2022 and a third supplemental agreement dated 19 December 2023 (collectively, the "**CTA**"), pursuant to the terms and conditions set out in a fourth supplement agreement to be entered into between KMC, KE and KIHPL (the "**Fourth CTA Supplemental Agreement**"), be approved and authorised;
- (B) the amendment of the Operations and Maintenance Services Agreement entered into between KMC, KMC O&M Pte. Ltd ("**KMC O&M**") and KIHPL (the "**OMSA**"), pursuant to the terms and conditions set out in a supplemental agreement to be entered into between KMC, KMC O&M and KIHPL (the "**OMSA Supplemental Agreement**"), be approved and authorised;
- (C) the one or more letter(s) of credit (the "**Letter of Credit**") to be procured by KIT and Keppel Energy (and/or its affiliates) to be provided to the lender(s) under the New External Facility, in proportion to their respective shareholding in KMC for an aggregate amount of up to S\$30 million, be approved and authorised;
- (D) the issuance of shares in the capital of KMC ("**KMC Shares**") from time to time, for an aggregate amount of up to S\$656.5 million, to Keppel Infrastructure Trust, Keppel Energy Pte. Ltd. and/or any other shareholder(s) of KMC from time to time (the "**KMC Shareholders**") in proportion to their respective shareholding in KMC pursuant to one or more share subscription agreement(s) or such other document(s) (the "**KMC Share Subscription Agreement**") to be entered into between KMC and the KMC Shareholders, at such issue price and on such terms as may be agreed between KMC and the KMC Shareholders, be approved and authorised;

- (E) each of the Fourth CTA Supplemental Agreement, OMSA Supplemental Agreement, Letter of Credit and KMC Share Subscription Agreement be approved and confirmed; and
- (F) the Trustee-Manager and any Director or the Chief Executive Officer of the Trustee-Manager be severally authorised to do all such things and execute all documents as the Trustee-Manager or such Director or Chief Executive Officer may consider necessary or expedient to give effect to this Ordinary Resolution as they may deem fit.

BY ORDER OF THE BOARD

Keppel Infrastructure Fund Management Pte. Ltd.

(Company Registration No. 200803959H)

as Trustee-Manager of Keppel Infrastructure Trust

Darren Tan / Chiam Yee Sheng
Company Secretaries

1 April 2024
Singapore

Explanatory notes:

1. The EGM will be held, in a wholly physical format, at Suntec Singapore Convention and Exhibition Centre, Summit 2, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 23 April 2024 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the AGM to be held at 10.30 a.m. on the same day and at the same venue). **There will be no option for Unitholders to participate virtually.** In addition to printed copies of this Notice of EGM and the accompanying Proxy Form that will be sent to Unitholders, Unitholders can also access this Notice of EGM and the accompanying Proxy Form on Keppel Infrastructure Trust's website at <https://www.kepinfratrust.com/investor-information/agm-and-egm/> and SGXNet.
2. A Depositor (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore) shall not be regarded as a Unitholder of KIT entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the EGM. Depositors who are individuals and who wish to attend the EGM in person can attend and vote at the EGM without the lodgement of any instrument for appointment of proxy ("**Proxy Form**").
3. Arrangements relating to:
 - (a) attendance at the EGM by Unitholders, including Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**") investors;
 - (b) submission of questions to the Trustee-Manager in advance of, or at, the EGM, and addressing of substantial and relevant questions in advance of, or at, the EGM; and
 - (c) voting at the EGM by Unitholders, including CPF and SRS investors, or (where applicable) their duly appointed proxy,

are set out in the accompanying announcement dated 1 April 2024. This announcement may be accessed at Keppel Infrastructure Trust's website at <https://www.kepinfratrust.com/investor-information/agm-and-egm/> and SGXNet.

4. A Unitholder who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the EGM. A Unitholder which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a Unitholder.

Where such Unitholder appoints two (2) proxies, the proportion of his Unitholding to be represented by each proxy shall be specified. If no proportion is specified, the Trustee-Manager shall be entitled to treat the first named proxy as representing the entire number of Units entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

5. A Unitholder who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than two (2) proxies, the number of Units in relation to which each proxy has been appointed shall be specified in the Proxy Form.

In this Notice of EGM, a "**Relevant Intermediary**" means:

- (i) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
 - (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds Units in that capacity; or
 - (iii) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
6. A proxy need not be a Unitholder. A Unitholder can appoint the Chairman of the EGM as his/her/its proxy but this is not mandatory.

The Proxy Form will be sent to Unitholders and may be accessed at Keppel Infrastructure Trust's website at <https://www.kepinfratrust.com/investor-information/agm-and-egm/> or SGXNet. Where a Unitholder (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.

7. **The Proxy Form must be submitted in the following manner:**

- (a) if submitted by post, be lodged with the Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 HarbourFront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
- (b) if submitted electronically, be submitted via email to **keppel@boardroomlimited.com**,

in either case, by 11.00 a.m. on 21 April 2024, being **48 hours before the time appointed for holding the EGM.**

A Unitholder who wishes to submit the Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.

8. CPF and/or SRS investors who hold Units through CPF Agent Banks/SRS Operators:

- (a) may vote at the EGM if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies; or
- (b) may appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM, in which case they should contact their CPF Agent Banks/SRS Operators to submit their votes not less than seven (7) working days before the EGM (i.e. by 11.00 a.m. on 12 April 2024).

9. Investors holding Units through Relevant Intermediaries (“**Investors**”) (other than CPF/SRS investors) and who wish to participate in the EGM by (a) attending the EGM in person; (b) submitting questions to the Trustee-Manager in advance of, or at, the EGM; and/or (c) voting at the EGM (i) themselves; or (ii) by appointing the Chairman as proxy in respect of the Units held by such Relevant Intermediary on their behalf, should contact the Relevant Intermediary through which they hold such Units as soon as possible, and no later than 11.00 a.m. on 12 April 2024 in order for the necessary arrangements to be made for their participation in the EGM.

10. The Proxy Form is not valid for use by Investors holding Units through Relevant Intermediaries (including CPF/SRS Investors) and shall be ineffective for all intents and purposes if used or purported to be used by them.

11. All Unitholders and CPF/SRS investors may also submit questions relating to the business of the EGM no later than 11.00 a.m. on 9 April 2024:

- (a) by email to **investor.relations@kepinfratrust.com**; or
- (b) by post to the Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 HarbourFront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

The Trustee-Manager will answer all substantial and relevant questions received prior to 11.00 a.m. on 9 April 2024 through the publication of its responses on Keppel Infrastructure Trust’s website and on SGXNet by 11.00 a.m. on 19 April 2024.

12. All documents (including the Proxy Form, this Notice of EGM and the Circular dated 1 April 2024) and information relating to the business of the EGM have been, or will be, published on SGXNet and/or Keppel Infrastructure Trust’s website at **<https://www.kepinfratrust.com/investor-information/agm-and-egm/>**. Unitholders and Investors are advised to check SGXNet and/or Keppel Infrastructure Trust’s website regularly for updates.

13. Any reference to a time of day is made by reference to Singapore time.

Personal Data Privacy:

By (a) submitting any question prior to or at the EGM; and/or (b) submitting a Proxy Form appointing a proxy(ies) and/or a representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder’s personal data by the Trustee-Manager (or their agents or service providers) for the purpose of the processing, administration and analysis by the Trustee-Manager (or their agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Trustee-Manager (or their agents or service providers) to comply with any applicable laws, listing rules, takeover rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder’s proxy(ies) and/or representative(s) to the Trustee-Manager (or its agents or service providers), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Trustee-Manager (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees to provide the Trustee-Manager with written evidence of such prior consent upon reasonable request.

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PROXY FORM



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

IMPORTANT

- The EGM (as defined below) will be held, in a wholly physical format, at Suntec Singapore Convention and Exhibition Centre, Summit 2, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 23 April 2024 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting to be held at 10.30 a.m. on the same day and at the same venue). **There will be no option for Unitholders to participate virtually.** In addition to printed copies of the Notice of EGM and this Proxy Form that will be sent to unitholders of Keppel Infrastructure Trust ("Unitholders"), Unitholders can also access the Notice of EGM and this Proxy Form on Keppel Infrastructure Trust's website at <https://www.keppelinfrastructure.com/investor-information/agg-and-egm/> and SGXNet.
- Arrangements relating to attendance at the EGM by Unitholders (including investors holding Units through Central Provident Fund ("CPF") or Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors")), submission of questions to the Trustee-Manager in advance of, or at, the EGM, addressing of substantial and relevant questions in advance of, or at the EGM, and voting at the EGM by Unitholders (including CPF/SRS investors) or, where applicable, their duly appointed proxy, are set out in the Notice of EGM and the accompanying announcement dated 1 April 2024. This announcement may be accessed at Keppel Infrastructure Trust's website at <https://www.keppelinfrastructure.com/investor-information/agg-and-egm/> and SGXNet.
- This Proxy Form is not valid for use by investors holding units in Keppel Infrastructure Trust ("Units") through Relevant Intermediaries ("Investors") (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. Such Investors (including CPF/SRS investors) should refer instead to the instructions set out in the Notice of EGM and the accompanying announcement dated 1 April 2024. An Investor (other than a CPF/SRS investor) who wishes to vote should instead approach his/her/its Relevant Intermediary as soon as possible, and no later than 11.00 a.m. on 12 April 2024 to make the necessary arrangements. CPF/SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 11.00 a.m. on 12 April 2024, being seven (7) working days prior to the date of the EGM.
- Personal Data Privacy:** By submitting this Proxy Form, a Unitholder accepts and agrees to the personal data terms set out in the Notice of EGM dated 1 April 2024.
- Please read the notes overleaf which contain instructions on, inter alia, the appointment of proxies to vote on his/her/its behalf at the EGM.**

EXTRAORDINARY GENERAL MEETING

I/We _____ (Name(s)) _____ (NRIC/Passport/Co Reg Number(s))
of _____ (address)
being a Unitholder/Unitholders of Keppel Infrastructure Trust ("KIT"), hereby appoint:

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

and/or (delete as appropriate)

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

or failing him/her, or if no persons are named above, the Chairman of the Extraordinary General Meeting (the "Chairman"), as my/our proxy/proxies to attend, speak and vote on my/our behalf at the Extraordinary General Meeting of KIT ("EGM") to be held at Suntec Singapore Convention and Exhibition Centre, Summit 2, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 23 April 2024 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of KIT to be held at 10.30 a.m. on the same day and at the same venue) and at any adjournment thereof. I/We direct my/our proxy/proxies to vote or abstain from voting on the resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies (other than the Chairman) will vote or abstain from voting at his/her/their discretion, as he/she/they may determine on any other matter arising at the EGM. In the absence of specific directions in respect of a resolution, any appointment of the Chairman as your proxy for that resolution will be treated as invalid.

No.	Ordinary Resolutions	For*	Against*	Abstain*
1.	To approve the issuance of up to 1,061,571,125 New Units pursuant to (i) the Placement or (ii) the Placement and the Preferential Offering. (Ordinary Resolution 1)			
2.	To approve the Proposed KIHPL Placement. (Ordinary Resolution 2)			
3.	To approve the following interested person transactions as part of the capital restructuring of Keppel Merlimau Cogen Pte Ltd: (i) the amendment of the Capacity Tolling Agreement between Keppel Merlimau Cogen Pte Ltd, Keppel Electric Pte. Ltd and Keppel Infrastructure Holdings Pte. Ltd.; (ii) the amendment of the Operations and Maintenance Services Agreement between Keppel Merlimau Cogen Pte Ltd, KMC O&M Pte. Ltd and Keppel Infrastructure Holdings Pte. Ltd.; (iii) one or more letter(s) of credit to be procured by each of Keppel Infrastructure Trust and Keppel Energy Pte. Ltd. (and/or its affiliates) in proportion to their respective shareholding in Keppel Merlimau Cogen Pte Ltd for an aggregate amount of up to S\$30 million in connection with Keppel Merlimau Cogen Pte Ltd's refinancing of its external bank facility; and (iv) the issuance of shares in the capital of Keppel Merlimau Cogen Pte Ltd from time to time, for an aggregate amount of up to S\$656.5 million, to the shareholders of Keppel Merlimau Cogen Pte Ltd from time to time in proportion to their respective shareholding in Keppel Merlimau Cogen Pte Ltd. (Ordinary Resolution 3)			

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

Dated this _____ day of _____ 2024

Total Number of Units held	
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Signature(s)/Common Seal of Unitholder(s)

IMPORTANT: Please read the notes overleaf before completing this Proxy Form.



Notes to the Proxy Form:

1. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his/her name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 and maintained by The Central Depository (Pte) Limited ("CDP")), he/she should insert that number of Units. If the Unitholder has Units registered in his/her name in the Register of Unitholders of KIT, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders, he/she should insert the aggregate number of Units. If no number is inserted, this Proxy Form will be deemed to relate to all the Units held by the Unitholder.
2. A proxy need not be a Unitholder. A Unitholder can appoint the Chairman as his/her/its proxy. Where a Unitholder (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.
3. The Proxy Form is not valid for use by Investors (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors may appoint the Chairman as proxy to vote on his/her behalf at the EGM, in which case he/she should approach his/her respective CPF bank or SRS operator to specify his/her voting instructions by 11.00 a.m. on 12 April 2024, being 7 working days before the date of the EGM. An Investor (other than CPF/SRS investors) who wishes to vote should instead approach his/her/its Relevant Intermediary as soon as possible, and by no later than 11.00 a.m. on 12 April 2024 to specify his/her/its voting instructions, including but not limited to, whether he/she/it wishes to vote at the AGM.
4. The Proxy Form must be submitted in the following manner:
 - (a) if submitted by post, be lodged with the Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 HarbourFront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (b) if submitted electronically, be submitted via email to **keppel@boardroomlimited.com**,in either case, by 11.00 a.m. on 21 April 2024, being **48 hours before the time appointed for holding the EGM**.

A Unitholder who wishes to submit the Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

fold along this line (1)

Affix
Postage
Stamp

Keppel Infrastructure Fund Management Pte. Ltd.
(as Trustee-Manager of Keppel Infrastructure Trust)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
1 HarbourFront Avenue
#14-07 Keppel Bay Tower Singapore 098632

fold along this line (2)

5. Completion and return of the Proxy Form shall not preclude a Unitholder from attending and voting at the EGM. Any appointment of a proxy shall be deemed to be revoked if a Unitholder attends the EGM.
6. The Proxy Form shall be in writing, under the hand of the appointor or of his/her attorney duly authorised in writing or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised. The Trustee-Manager shall have the right to reject a Proxy Form which has not been properly completed. In determining the rights to vote and other matters in respect of a completed Proxy Form submitted to it, the Trustee-Manager shall have regard to any instructions and/or notes set out in the Proxy Form.
7. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority must (failing previous registration with the Trustee-Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. The Proxy Form and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at such place as the Trustee-Manager may in the notice convening the meeting direct, or if no such place is appointed, then at the registered office of the Trustee-Manager not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the person named in the Proxy Form proposes to vote and in default the Proxy Form shall not be treated as valid. No Proxy Form shall be valid after the expiration of 12 months from the date named in it as the date of its execution.
9. Any reference to a time of day is made by reference to Singapore time.

General:

The Trustee-Manager shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Trustee-Manager may reject any Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 48 hours before the time appointed for holding the EGM, as certified by the CDP to the Trustee-Manager.

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Keppel Infrastructure Fund Management Pte. Ltd.

(as Trustee-Manager of Keppel Infrastructure Trust)

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

Tel: (65) 6803 1818

Fax: (65) 6251 4710

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