

ANNOUNCEMENT

(1) COMPLETION OF ACQUISITION, (2) SALE OF 30% OF THE INTEREST IN PHILIPPINE TANK STORAGE INTERNATIONAL (HOLDINGS) INC., AND (3) ANNOUNCEMENT PURSUANT TO RULE 706A OF THE LISTING MANUAL

1. COMPLETION OF ACQUISITION

Keppel Infrastructure Fund Management Pte. Ltd., acting in its capacity as trustee-manager of Keppel Infrastructure Trust (the "**KIT Trustee-Manager**"), refers to its announcements dated 8 December 2020 (the "**SPA Announcement**") and 19 January 2021 (the "**Facility Announcement**") in relation to its proposed acquisition of 80% of the entire share capital of Philippine Tank Storage International (Holdings) Inc. (the "**Target**"), which owns Philippine Coastal Storage & Pipeline Corporation, the largest petroleum products import storage facility in the Philippines. All capitalised terms used but not defined herein shall, unless otherwise defined or the context otherwise requires, have the same meaning as given to them in the SPA Announcement.

The KIT Trustee-Manager is pleased to announce that the Acquisition has been completed today ("**Acquisition Completion**").

2. SALE OF 30% OF THE INTEREST IN THE TARGET TO MPIC

2.1. Entry into Letter Agreement

In the SPA Announcement, it was stated that the KIT Trustee-Manager is in discussions with MPIC on a proposed grant of a Call Option which will allow MPIC (or a subsidiary of MPIC) to have a right to purchase from KIT (or a subsidiary of KIT) up to 30 per cent. of the interest in the Philippines Holdco.

Further to discussions between the KIT Trustee-Manager and MPIC, the KIT Trustee-Manager has today, following Acquisition Completion, entered into a letter agreement with MPIC (the "**Letter Agreement**") in relation to the sale by Bay Philippines (as defined below) of 30% of the shares (the "**Sale Shares**") in the capital of KM Infrastructure Holdings, Inc. (the "**Philippines Holdco**") to MPIC.

Under the Letter Agreement, the KIT Trustee-Manager and MPIC have agreed, among others, that subject to, and on the date of, the entry into a Shareholders' Agreement (as defined in paragraph 2.2 in this announcement) that shall set forth their rights and obligations as shareholders in the Philippines Holdco:

- (i) Bay Philippines and MPIC will enter into and execute a deed of absolute sale (the "**Deed of Sale**") for the sale and purchase of the Sale Shares (the "**Sale**");
- (ii) MPIC shall pay to the KIT Trustee-Manager (or such other person as directed by the KIT Trustee-Manager) the Sale Consideration (as defined in paragraph 2.3 in this announcement); and
- (iii) the KIT Trustee-Manager (or its affiliates) and MPIC shall take all actions and provide all documentation required in connection with the Sale.

Prior to completion of the Sale ("**Sale Completion**"), Bay Philippines Holdings Corporation, an indirect wholly-owned subsidiary of KIT incorporated in the Philippines ("**Bay Philippines**"), directly held 80% of the shares in the Philippines Holdco, with the remaining shares in the Philippines Holdco held by MPIC. The Philippines Holdco beneficially owns all of the shares in Razor Crest Storage Infrastructure Holdings Corporation ("**Razor Crest**"), which beneficially owns all of the shares in Hyperion Storage Holdings Corporation ("**Hyperion**"). Hyperion in turn beneficially owns all of the shares in the Target. See paragraph 3 of this announcement for further details on Bay Philippines, the Philippines Holdco, Razor Crest and Hyperion.

Accordingly, following Sale Completion:

- (a) each of Bay Philippines and MPIC will hold an approximately equal percentage of shares in the Philippines Holdco, with Bay Philippines holding one voting share more than MPIC ("**Equal Shareholding**"); and
- (b) each of KIT and MPIC will indirectly hold an Equal Shareholding in the capital of the Target.

As stated in the SPA Announcement, the book value and net asset value of the Target as at 31 December 2019 is USD72.2 million (SGD96.7 million¹). See paragraph 2 of the SPA Announcement for further details on the Target.

¹ Unless otherwise stated, an illustrative exchange rate of US\$1.000: S\$1.3391 is used for all conversions from US Dollar amounts into Singapore Dollar amounts in this announcement.

In addition, the KIT Trustee-Manager and MPIC have agreed under the Letter Agreement that they (a) will no longer enter into an agreement granting MPIC (or a subsidiary of MPIC) a Call Option, and (b) will use their best endeavours to procure an amendment to the SPA with the Sellers to amend their relevant shareholding proportion to reflect in respect of each of KIT and MPIC, 50%.

2.2. Entry into Shareholders' Agreement

Following the entry into the Letter Agreement, the KIT Trustee-Manager has today entered into a shareholders' agreement (the "**Shareholders' Agreement**") with MPIC and the Philippines Holdco for the purpose of regulating the management of the Philippines Holdco and its subsidiaries, and the relationship between the KIT Trustee-Manager and MPIC as shareholders of the Philippines Holdco and its subsidiaries.

2.3. Entry into Deed of Absolute Sale of Shares and Sale Consideration

Following the entry into the Shareholders' Agreement, Bay Philippines has today entered into the Deed of Sale with MPIC pursuant to which Bay Philippines has agreed to, among others, sell the Sale Shares to MPIC for an aggregate consideration of PHP21.00 per share or an aggregate purchase price of approximately PHP4,126.2 million (SGD 114.9 million²) (the "**Sale Consideration**").

The Sale Consideration is payable in cash and on Sale Completion. The Sale Consideration is based primarily on 30% of the Purchase Consideration.

2.4. Sale Completion

The KIT Trustee-Manager is pleased to announce that the Sale has been completed today.

2.5. Financial Effects

Assumptions

The pro forma financial effects of the Acquisition and the Sale ("**Net Acquisition**") presented below are strictly for illustration purposes and do not reflect the actual financial position of the KIT Group following Sale Completion. They have been prepared based on the latest announced unaudited financial statements of KIT for the financial year ended 31 December 2020.

Pro Forma Net Profits

² Based on an illustrative exchange rate of S\$1:PHP 35.903.

Assuming the Net Acquisition was completed on 1 January 2020 and KIT indirectly held an Equal Shareholding in the Target, the net profits, after adjusting for estimated interest expense, attributable to the Net Acquisition for the financial year ended 31 December 2020 is approximately USD3.4 million³ (approximately SGD4.6 million). There are no net profits attributable to the Sale for the financial year ended 31 December 2020.

Pro Forma Funds from Operation ("FFO")⁴

Assuming the Net Acquisition was completed on 1 January 2020 and KIT indirectly held an Equal Shareholding in the Target, the FFO, after adjusting for estimated interest expense, attributable to the Net Acquisition for the financial year ended 31 December 2020 is approximately USD6.5 million³ (approximately SGD8.7 million). There is no FFO attributable to the Sale for the financial year ended 31 December 2020.

Pro Forma Net Asset Value ("NAV")

Assuming the Net Acquisition was completed on 31 December 2020, the pro forma financial effects of the Net Acquisition on the NAV per unit in KIT as at 31 December 2020 would remain unchanged at 22.9 SG cents, as the Net Acquisition was funded by cash and debt.

Pro Forma Distribution per Unit⁵ ("DPU")

Assuming the Net Acquisition was completed on 1 January 2020 and KIT indirectly held an Equal Shareholding in the Target through to 31 December 2020, the pro forma financial effects of the Net Acquisition on KIT's declared DPU for the financial year ended 31 December 2020 would remain unchanged at 3.72 SG cents.

2.6. Disclosures under Rule 1006 of the Listing Manual

³ The full year pro forma net profits and FFO, after adjusting for estimated interest expense, are derived based on the extrapolation of the six-month period ended 30 June 2020 pro forma net profits and FFO as disclosed under paragraphs 6.1 and 6.2 of the SPA Announcement.

⁴ "FFO" means profit after tax adjusted for reduction in concession or lease receivables, transaction costs, noncash interest and current cash tax, maintenance capital expenditure, non-cash adjustments and non-controlling interest adjustments.

⁵ Rule 1010(9) of the Listing Manual requires the issuer to disclose the effect of the transaction on the earnings per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the beginning of that financial year. The effect of the Sale on the distributable income per Unit is disclosed instead as it is a more appropriate measure for a business trust.

The relative figures⁶ for the Sale under Rules 1006(a) and 1006(c) of the Listing Manual are as follows:

	Sale (SGD million)	KIT Group (SGD million)	Percentage (%)
<u>Rule 1006(a)</u> NAV of the Sale Shares to be disposed of, compared with the KIT Group's NAV as at 31 December 2020	114.9	1,494.0	7.7%
<u>Rule 1006(c)</u> Sale Consideration compared with KIT's market capitalisation as at 28 January 2021	114.9	2,719.8	4.2%

As the relative figures for the Sale under Rule 1010 of the Listing Manual exceed 5% but do not exceed 20%, the Sale is classified as a "discloseable transaction" under Chapter 10 of the Listing Manual.

2.7. Other Financial Information

There is no expected gain arising from the Sale as the Sale Shares are sold at book value.

The net proceeds of the Sale will be used to partially repay (i) the Facility announced in Facility Announcement, and (ii) the costs and expenses that the KIT Group would not have incurred had it only acquire 50% interest in the Target on completion of the Acquisition.

2.8. Other Information relating to the Sale

No person is proposed to be appointed as a director of the KIT Trustee-Manager in connection with the Sale or any other transactions contemplated in relation to the Sale.

As at the date of this announcement and to the best of the KIT Trustee-Manager's knowledge, based on information available to the KIT Trustee-Manager as at the date of this announcement, save for the unitholding interests in KIT held by certain directors of the KIT Trustee-Manager and by the controlling Unitholders, none of the directors

⁶ The relative figure under Rule 1006(b) of the Listing Manual, in relation to the FFO attributable to the Sale compared with the FFO of the KIT Group, is not applicable as there is no FFO attributable to the Sale for the financial year ended 31 December 2020.

of the KIT Trustee-Manager or the controlling Unitholders has an interest, direct or indirect, in the Sale.

2.9. Document for Inspection

Copies of the Deed of Sale are available for inspection during normal business hours at the registered office of the KIT Trustee-Manager (prior appointment with the KIT Trustee-Manager will be required) at 1 Harbour Front Avenue, #18-01 Keppel Bay Tower, Singapore 098632 from the date of this announcement up to and including the date falling three months from the date of this announcement.

3. ANNOUNCEMENT PURSUANT TO RULE 706A OF THE LISTING MANUAL

Pursuant to Rule 706A of the Listing Manual, the KIT Trustee-Manager wishes to announce the following transactions, made in relation to the Acquisition, from 1 January 2021 to the date of this announcement.

The following subsidiary was incorporated:

Name	:	Bay Philippines Holdings Corporation
Company Registration No	:	2020120004655-24
Place of Incorporation	:	Philippines
Issued and Paid-up Capital	:	15,167,038 common shares 490,400,901 preferred shares PhP11,122,018,470.00 (total capitalisation)
Principal Activities	:	Investment holding company
Interest held by KIT	:	100%

The following subsidiaries were acquired:

Name	:	KM Infrastructure Holdings, Inc.
Company Registration No	:	2020120004253-31
Place of Incorporation	:	Philippines
Issued and Paid-up Capital	:	19,648,547 common shares 635,303,018 preferred shares PhP13,753,982,865.00 (total capitalisation)
Principal Activities	:	Investment holding company
Interest held by KIT	:	50.0000001%

Name	:	Razor Crest Storage Infrastructure Holdings Corporation
Company Registration No	:	2020120004203-01
Place of Incorporation	:	Philippines
Issued and Paid-up Capital	:	19,651,547 common shares

		635,400,018 preferred shares
		PhP13,754,082,865.00 (total capitalisation)
Principal Activities	:	Investment holding company
Interest held by KIT	:	50.0000001%
Name	:	Hyperion Storage Holdings Corporation
Company Registration No	:	2020120004139-90
Place of Incorporation	:	Philippines
Issued and Paid-up Capital	:	19,651,547 common shares
		635,400,018 preferred shares
		PhP13,754,082,865.00 (total capitalisation)
Principal Activities	:	Investment holding company
Interest held by KIT	:	50.0000001%

BY ORDER OF THE BOARD

KEPPEL INFRASTRUCTURE FUND MANAGEMENT PTE. LTD.

(Company Registration Number: 200803959H)

As Trustee-Manager of Keppel Infrastructure Trust

Marc Tan/Darren Tan

Company Secretaries

29 January 2021

IMPORTANT NOTICE

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the KIT Trustee-Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the KIT 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. This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units. The past performance of KIT is not necessarily indicative of the future performance of KIT. This announcement 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 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. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the KIT Trustee-Manager's current view on future events.