



(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))

INTERESTED PERSON TRANSACTION – THE KMC CAPITAL RESTRUCTURING

Unless otherwise defined, all terms and references used herein shall bear the same meaning ascribed to them in the circular to unitholders (“Unitholders”) of Keppel Infrastructure Trust (“KIT”) dated 1 April 2024 (“Circular”) in relation to, inter alia, the Proposed IPTs in connection with the KMC Capital Restructuring.

1. INTRODUCTION

At the extraordinary general meeting of Unitholders held on 23 April 2024, Unitholders approved, *inter alia*, the resolutions for the following Proposed IPTs as part of the capital restructuring of Keppel Merlimau Cogen Pte Ltd (“KMC”):

- (a) the amendment of the capacity tolling agreement between KMC, Keppel Electric Pte. Ltd. (“KE”) and Keppel Infrastructure Holdings Pte. Ltd. (“KIHPL”);
- (b) the amendment of the operations and maintenance services agreement between KMC, KMC O&M Pte. Ltd. (“KMC O&M”) and KIHPL;
- (c) one or more letter(s) of credit to be procured by each of KIT and Keppel Energy Pte. Ltd. (and/or its affiliates) in proportion to their respective shareholding in KMC for an aggregate amount of up to S\$30 million in connection with KMC’s refinancing of its external bank facility; and
- (d) the issuance of shares in the capital of KMC from time to time, for an aggregate amount of up to S\$656.5 million, to the shareholders of KMC from time to time in proportion to their respective shareholding in KMC.

The Trustee-Manager wishes to announce that on 24 April 2024, in respect of the above subparagraphs (a) and (b), the Fourth CTA Supplemental Agreement between KMC, KE and KIHPL and the OMSA Supplemental Agreement between KMC, KMC O&M and KIHPL have been entered into in connection with the KMC Capital Restructuring.

2. DETAILS OF THE INTERESTED PERSONS

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

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 interested person transaction within the meaning of Chapter 9 of the Listing Manual (“IPT”).

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.

3. DETAILS OF THE TRANSACTIONS

3.1 Fourth CTA Supplemental Agreement

On 24 April 2024, KMC, KE and KIHPL entered into the Fourth CTA Supplemental Agreement to amend the terms of 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.

For more information on the CTA Amendment and the Fourth CTA Supplemental Agreement, please refer to paragraphs C1.1 and C4 and Appendix B of the Circular.

3.2 OMSA Supplemental Agreement

On 24 April 2024, KMC, KMC O&M and KIHPL entered into 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.

For more information on the OMSA Amendment and the OMSA Supplemental Agreement, please refer to paragraphs C1.2 and C5 and Appendix C of the Circular.

4. RATIONALE AND KEY BENEFITS

The proposed KMC Capital Restructuring seeks to optimise KMC's capital structure, allowing KMC to resume Distributable Income contributions to KIT. In particular, in respect of the CTA Amendment and the OMSA Amendments:

- (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 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; and
- (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.

Please refer to paragraph C3 of the Circular for more information on the rationale and key benefits of the KMC Capital Restructuring.

5. IFA ADVICE AND STATEMENT OF THE AUDIT AND RISK COMMITTEE

SAC Capital Private Limited, as the independent financial adviser (the "IFA") appointed by the Independent Directors, had given its advice in relation to the Proposed IPTs as set out in Appendix D of the Circular (the "IFA Advice"), the relevant extract of which is reproduced below. 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 of the Circular.

"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 refer to the IFA Advice as set out in Appendix D of the Circular.

As at the date of this announcement, 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 concurs with the IFA in respect

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.

of the IFA Advice, namely that the terms of each of the CTA Amendment and the OMSA Amendment:

- (a) are on normal commercial terms; and
- (b) 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 CTA Amendment and the OMSA Amendment.

6. AGGREGATE VALUE OF INTERESTED PERSON TRANSACTIONS

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 million² 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 million³ 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 million⁴.

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.

³ 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.

⁴ 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 million⁵ 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.

Based on the foregoing illustrations, bases and assumptions in this paragraph, the aggregate value to KIT of the CTA Amendment and the OMSA Amendment is expected to be approximately S\$825 million, which represents approximately 282% of KIT's latest audited NTA. The Trustee-Manager is therefore making this announcement in compliance with the requirements under Rule 905 of the Listing Manual.

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 31 March 2024 is S\$165 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 31 March 2024 (excluding transactions less than S\$100,000) is S\$202 million.

For the avoidance of doubt, Unitholders' approval has been obtained for the Proposed IPTs (including in respect of the CTA Amendment and the OMSA Amendment) at the EGM held on 23 April 2024.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

As at the date of this announcement, save as disclosed above and in the Circular, the interests of the Directors and Substantial Unitholders in the transactions are as follows:

- (a) KIHPL has a direct interest in 1,024,360,090 Units, representing approximately 18.21% of the total Units in issue⁶;
- (b) Keppel is deemed to have an interest in the Units which its wholly-owned subsidiary, KIHPL, has an interest;
- (c) 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; and
- (d) 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

⁵ 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.

⁶ Based on total Units in issue of 5,626,719,128 as at the date of this announcement.

Chief Investment Officer of Keppel, and a director of several other subsidiaries of Keppel.

Save as disclosed above and save for the Directors' and Substantial Unitholders' respective holdings in KIT, the Directors and Substantial Unitholders have no other interests in the CTA Amendment and OMSA Amendment.

BY ORDER OF THE BOARD
KEPPEL INFRASTRUCTURE FUND MANAGEMENT PTE. LTD.
(Company Registration Number: 200803959H)
As Trustee-Manager of Keppel Infrastructure Trust

Darren Tan / Chiam Yee Sheng
Company Secretaries
24 April 2024

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 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 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 Trustee-Manager's current view on future events.