(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))

RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS FOR THE EXTRAORDINARY GENERAL MEETING TO BE HELD ON 11 DECEMBER 2024

Keppel Infrastructure Fund Management Pte. Ltd. (the "**Trustee-Manager**"), acting in its capacity as trustee-manager of Keppel Infrastructure Trust ("**KIT**"), wishes to thank all unitholders of KIT ("**Unitholders**") who have submitted their questions in advance of the Extraordinary General Meeting to be held on 11 December 2024.

The Trustee-Manager's responses to substantial and relevant questions received from Unitholders prior to 10.30 a.m. on 4 December 2024 are set out in the Annex to this announcement. For Unitholders' ease of reference and reading, the Trustee-Manager wishes to inform Unitholders that it had summarised and consolidated certain related and similar questions under relevant topic headings, and made editorial amendments to some of the questions to ensure that the meaning of each question is clear. For the avoidance of doubt, the editorial amendments do not change the meaning of the questions.

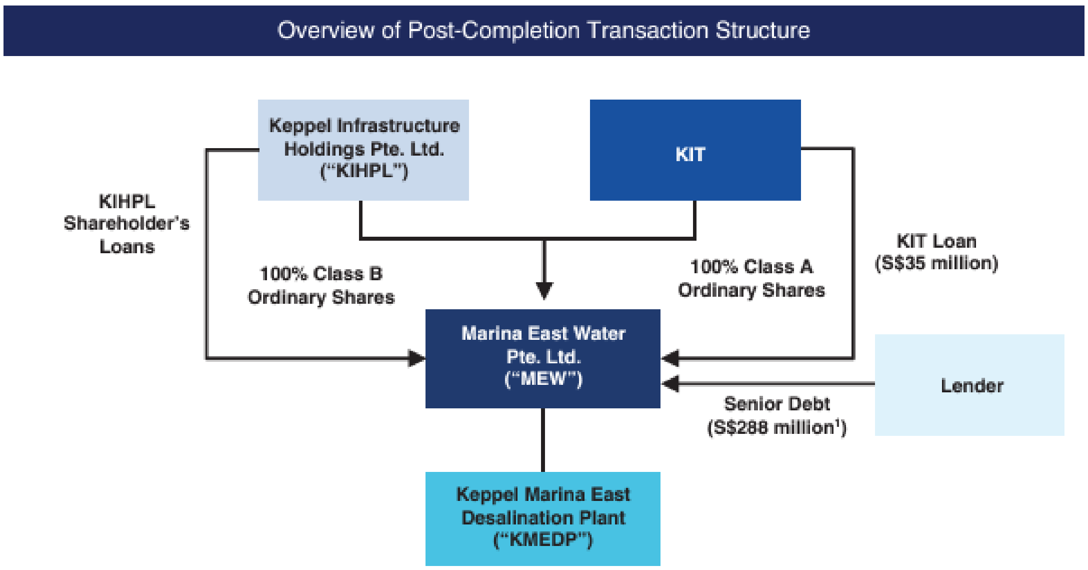
BY ORDER OF THE BOARD
KEPPEL INFRASTRUCTURE FUND MANAGEMENT PTE. LTD.
(Company Registration No: 200803959H)
As Trustee-Manager of Keppel Infrastructure Trust

Darren Tan / Chiam Yee Sheng
Company Secretaries

6 December 2024

ANNEX – LIST OF SUBSTANTIAL AND RELEVANT QUESTIONS AND ANSWERS

*All capitalised terms used herein and not otherwise defined shall have the same meanings ascribed to them in the circular dated 26 November 2024 ("**Circular**").*

	OWNERSHIP STRUCTURE
1.	**Please explain why despite acquiring only 50% of the equity interest in Marina East Water Pte. Ltd. ("MEW"), Keppel Infrastructure Trust ("KIT") will be able to receive the entire economic benefit from MEW? What is the benefit derived by the other joint-controlling shareholder of MEW, Keppel Infrastructure Holdings Pte. Ltd. ("KIHPL")? How will MEW be managed and are interests of KIT and KIHPL aligned?**  Note 1: Amount outstanding on the Facility as at the Latest Practicable Date based on the amortisation of th Facility. ▪ Following completion of the Proposed Acquisition, KIHPL and KIT will each hold a 50% joint-controlling equity interest in MEW, with KIHPL holding two (2) Class B Ordinary Shares and KIT holding two (2) Class A Ordinary Shares which will entitle the holder thereof to the entire economic benefit from MEW (including any dividends or distributions by MEW, except as otherwise agreed in writing between KIHPL and KIT). The joint-controlling shareholding structure ensures that the interests and obligations of KIT and KIHPL regarding the operation of Keppel Marina East Desalination Plant ("**KMEDP**") are aligned. ▪ On the Completion Date, KIHPL, the Trustee-Manager and MEW will enter into a shareholders' agreement ("**SHA**") to regulate the affairs of MEW and the respective rights of KIHPL and KIT as shareholders of MEW, as KIHPL will retain a significant shareholding interest of 50% in MEW upon Completion. Under the SHA, as 50% shareholder of MEW, KIT is accorded certain rights and protections. Salient terms of the SHA are outlined in section 2.10 of the Letter to Unitholders in the Circular. ▪ KIT will receive 100% of the economic benefit from MEW, which receives payments from its customer/offtaker, the Public Utilities Board ("**PUB**"), under a 25-year concession expiring in 2045, pursuant to the Water Purchase Agreement dated 20 January 2017 entered into

	between MEW and PUB, as amended and supplemented by the Supplemental Agreement to Water Purchase Agreement made between PUB and MEW dated 25 April 2022 ("**Water Purchase Agreement**"). ▪ A wholly-owned subsidiary of KIHPL, Marina East Water O&M Pte. Ltd. ("**MEWOM**"), will continue to provide operation, maintenance and repair ("**O&M**") services to MEW in respect of KMEDP and certain ancillary facilities until the end of KMEDP's concession period in 2045, and will receive fees from MEW for such O&M services. This ensures the operational stability of KMEDP and allows MEW to benefit from the proven water services and diverse operating capabilities of KIT's sponsor KIHPL. KIT's and KIHPL's interests are further aligned as KIHPL is the sponsor of KIT.
	TRANSACTION-RELATED
2.	**Why would KIT not simply raise equity and debt to buy this asset? Why use this particular transaction structure? Why is the Trust providing S$35 million in the form of a non-interest-bearing shareholder loan to MEW to repay a shareholder's loan from KIHPL to MEW?** ▪ KMEDP operates under a 25-year concession granted by PUB to MEW in respect of KMEDP under a Design, Build, Own and Operate (DBOO) arrangement until 29 June 2045. The rights of MEW in relation to KMEDP and to conduct the business of producing and supplying drinking water to PUB are regulated by the Water Purchase Agreement. ▪ This construct is not uncommon in public-private partnership arrangements between the government and the private sector in relation to the management of public infrastructure. ▪ The joint-controlling shareholding structure and the continued provision of O&M services by a wholly-owned subsidiary of KIHPL ensures that the interests of KIT and KIHPL regarding the operation of KMEDP are aligned, ensures the operational stability of KMEDP and allows MEW to benefit from the proven water services and diverse operating capabilities of KIT's sponsor KIHPL. ▪ Further, the equity cheque of S$35 million has been structured as a shareholder's loan to facilitate efficient repatriation of cash generated by MEW to KIT. ▪ There is no requirement to raise new equity and/or procure new debt facilities to acquire the asset as KIT has sufficient internal sources of funds and/or debt facilities to fund the equity cheque.

3.	**What is the residual value (if any) of the desalination plant at the end of lease? Is lease renewal a possibility and if so, at what costs and under what conditions?** ▪ KMEDP operates under a 25-year concession granted by PUB to MEW in respect of KMEDP under a Design, Build, Own and Operate (DBOO) arrangement until 29 June 2045. The rights of MEW in relation to KMEDP and to conduct the business of producing and supplying drinking water to the PUB are regulated by the Water Purchase Agreement. ▪ Under the Water Purchase Agreement, PUB has certain rights and MEW must seek PUB's prior approval or consent for certain matters, including but not limited to any change proposed to be made to the corporate and/or financial structure of MEW. Accordingly, at the end of the concession period, assuming there is no extension of the concession, there will be no "residual value" to be obtained from the plant. ▪ Considering KIT's past experience with concession extension at the Senoko Waste-to-Energy plant, extension may be a possibility, however there may be additional capex requirements. Further, the length of extension, and any other conditions which may be imposed will be determined by the regulator. ▪ As the concession period is until 2045, any discussion with the regulator on possibility of extension will have to be undertaken closer to the expiry. The Trustee-Manager is hence unable to provide further details at this stage.
4.	**According to independent valuer RSM SG, the market value of MEW is based on "various management assumptions with respect to MEW and the Plant, including the present and future financial condition, business strategies and the environment in which MEW will operate in future". Could you share with us the more significant assumptions about MEW and KMEDP for the future, for example, in terms of expansion in plant capacity or tariff escalation?** ▪ KIT will receive 100% of the economic benefit from MEW, which receives payments from its customer/offtaker, PUB, subject to MEW meeting service obligations (including availability of KMEDP and quality of water). This aligns with offtake agreements typical to KIT's existing water plants. KMEDP is in its fifth year of operations and has historically achieved strong availability. This is expected to cover the returns for KIT and provide long term and stable cash flows over the concession period. ▪ MEW's O&M fee payable to MEWOM is a passthrough cost. MEW's O&M obligations are passed through to MEWOM, with any tariff deductions borne by MEWOM up to an agreed liability cap. Deductions exceeding the liability cap are to be borne by MEW, however, technical due diligence commissioned by KIT has opined on the sufficiency of the cap and historically the liability cap has not been exceeded before. ▪ The O&M operator MEWOM will be fully responsible for overall day-to-day operations, maintenance and repair of the plant under the O&M agreement which will continue until the end of the concession period.

5.	**The valuer has valued the enterprise value of MEW on a "cash-free debt-free basis". Why is this basis adopted? In the valuation model, how has the leverage of this asset been considered and what was the discount rate applied?** ▪ The analysis of MEW's enterprise value on a "cash-free debt-free basis" takes into consideration the total cash flows generated by MEW (which are used to fund both debt service paid to lenders and distributions to KIT). These cash flows are discounted by MEW's weighted average cost of capital (WACC) to arrive at the enterprise value. ▪ The discount rate range used by the independent valuer is 4.0% to 4.2% based on their analysis of MEW's WACC which factors in the cost of MEW's term loan.
6.	**What are the risks involved in this acquisition?** ▪ The transaction has been structured in such a way as to secure long term, stable and predictable cash flows to KIT, with the risks mitigated by having PUB as a counterparty and having a leading O&M operator with proven track record. In terms of financing, the loan facility at MEW is non-recourse to KIT. ▪ The Water Purchase Agreement with PUB, Singapore's national water agency, ensures stable cash flow backed by AAA-rated Singapore sovereign credit, significantly reducing the counterparty risk. ▪ Further, any tariff deductions due to MEW not meeting certain obligations under the Water Purchase Agreement (such as a reduction in the availability or quality of the water, amongst other factors that will incur tariff deductions) is passed through to the O&M operator MEWOM, up to an agreed cap which the Trustee-Manager believes is fair and will be sufficient to cover potential expected deductions. ▪ The existing O&M operator MEWOM, continues to be responsible for overall day-to-day operations, maintenance and repair of KMEDP, until the end of the concession period. This ensures operational stability as KIT benefits from the proven water operation capabilities of MEWOM.
	FINANCIAL INFORMATION
7.	**The KIT Loan of S$35m is unsecured with no fixed terms of repayment. In return, KIT receives all distributable income from MEW. In 2023, MEW's net profit was S$0.2m. This return appears low given that Singapore T-bills / SGS 10-year bonds yield around 3%. Could you also explain how the expected return justifies the provision of the KIT Loan from KIT's internal sources of funds and existing debt facilities of KIT, which would attract interest cost?** ▪ Unlike companies, which are required to make payment of dividends only from accounting profit, KIT as a business trust considers other financial metrics such as operating cash flows to be a more relevant measure of returns. Due to depreciation, which is non-cash in nature, some infrastructure assets may record lower accounting profit even when cash flows are more positive and contribute to the pool of distributable income from which KIT pays out distributions.

	▪ The Trustee-Manager has structured the funding based on the risk profile of the transaction. KMEDP's long-term concession with an AAA-rated offtaker, being the PUB, significantly mitigates credit risk relating to the transaction. ▪ According to the disclosed financial effects in section 7 of the Circular, FY 2023 Funds from Operations (FFO) would increase from by 3.6% from S$287.9 million to S$298.4 million on a pro forma basis post the Proposed Acquisition. Further, the transaction is Distribution per Unit (DPU)-accretive for Unitholders, with pro forma FY 2023 DPU expected to increase from 3.86 Singapore cents to 3.87 Singapore cents, representing 0.4% accretion. ▪ The positive DPU-accretion means that the cash yield of the transaction is higher than the existing yield of KIT, which in itself is already significantly higher than the returns on Singapore T-bills / SGS 10-year bonds referenced for comparison.
8.	**What is the distribution income per Unit as at 31 December 2023 pre and post the Proposed Acquisition?** ▪ The pro forma financial effects of the Proposed Acquisition have been disclosed in section 7 of the Circular. ▪ As disclosed in section 7.1 of the Circular, the Distributable Income Per Unit (DIPU) for FY 2023 was 4.03 Singapore cents (excluding effects of the Ixom capital optimisation which was distributed as a special distribution to Unitholders). ▪ Assuming the Proposed Acquisition had been completed on 1 January 2023 and KIT held the interests acquired pursuant to the Proposed Acquisition through to 31 December 2023, the pro forma DIPU adjusted for the Proposed Acquisition would be 4.04 Singapore cents, representing a change of approximately 0.4%. ▪ Further, as disclosed in section 7.2 of the Circular, assuming the Proposed Acquisition had been completed on 1 January 2023, and KIT held the interests acquired pursuant to the Proposed Acquisition through to 31 December 2023, pro forma Distribution per Unit (DPU) for FY 2023 is expected to increase from 3.86 Singapore cents to 3.87 Singapore cents, representing a change of approximately 0.4%.
9.	**How does FFO reconcile to Distribution Income / DIPU?** ▪ FFO is net of the interest expense on the MEW loan facility. The difference between FFO and Distribution Income is the loan amortisation on the MEW loan facility and corporate-level expenses (including corporate-level interest expense).
10.	**Gearing will increase from 39.8% to 40.2% pre and post-acquisition. How would interest coverage ratio change pre and post acquisition?** ▪ The interest coverage ratio as at 30 Sep 2024 is 11.9x, which is at a comfortable level relative to KIT's covenant limits. Following the acquisition, the interest coverage ratio is anticipated to remain comfortably within covenant limits.

11.	**What is the interest rate risk? Is the FFO sufficient for repayment of the bank loans or is additional financial support required from KIT in the immediate to mid-term? In the unlikely event of a default, will KIT's liability extend only to its 50% equity stake, or could the Trust face exposure to the entire loan amount?** ▪ The loan facility is a project finance loan structured in a way that fits the cash flow profile of the asset. It is substantially hedged for the duration of the loan and will be fully amortised by 2044. ▪ According to projections, the FFO from the asset is sufficient for debt repayment and no additional financial support is required from KIT. For the avoidance of doubt, the loan is non-recourse to KIT.
12.	**After completion, how would the ownership of MEW be captured in the financial statements?** ▪ KIT's external auditor, KPMG LLP, has determined that KIT will not consolidate the enterprise value of S$323 million relating to its interest in MEW. As KIT and KIHPL have joint control of MEW, the investment will be equity-accounted.
13.	**What is the acquisition fee payable to the Trustee-Manager for this acquisition? What is the base and performance fee?** ▪ In accordance with KIT's Trust Deed, the acquisition fee payable to the Trustee-Manager for related-party transactions is 0.5% of enterprise value, or approximately S$1.6 million. ▪ The Trustee-Manager's base fee is 10.0% per annum of the distributable income (calculated before accounting for the base and performance fee). The performance fee payable is 25.0% per annum of the increase (if any) in DPU in respect of a financial year as compared with the DPU in respect of the preceding financial year, multiplied by the weighted average number of Units in issue for such financial year.
	INVESTMENT STRATEGY
14.	**The Trust is making another acquisition, so soon after making the Ventura acquisition in the middle of this year. Have we been able to digest our Ventura acquisition already? Are we making another acquisition too soon? How has the Ventura acquisition fared to date? Has it performed up to expectations/underwriting?** ▪ The non-binding term sheet for the proposed sale and purchase of KMEDP between KIT and KIHPL was signed in 2022. The transaction was announced on 30 June 2022 with completion subject to customary closing conditions including approvals by unitholders and PUB, as well as the receipt of applicable regulatory approvals. The Trustee-Manager has been working towards completion hence the acquisition is anticipated. ▪ The Australian market is not new to KIT and is a market that the Trustee-Manager is highly familiar and comfortable with. With a strong track record of successfully managing and growing businesses with large number of employees (including Ixom with over 1,000 employees), as well as our experience in managing regulated businesses, the Trustee-Manager is confident in its ability to manage and grow Ventura. ▪ Following the acquisition, Ventura continues to be supported by its key management team with proven track record in running the business, as well as KIT's staff situated at its Australian

	office. Mr Andrew Cornwall, the current Chief Executive Officer of Ventura, has continued to stay on to ensure a smooth transition. ▪ The acquisition of Ventura has performed well to date. The acquisition of Ventura was completed on 3 June 2024, and year-to-date Asset Distribution Income contribution as disclosed in KIT's 3Q 2024 Key Operational and Business updates was \$6.1 million. We are also pleased to share that Ventura has secured the early extension of its bus service contracts to 2028 on achievement of key performance targets, ahead of the expiry of the initial eight-year term in 2026[1]. [1] Ventura's Metropolitan Bus Service Contracts ("MBSCs") are long term (8+2 years) government contracts entered into in 2018 for eight years till 2026, with an automatic two-year extension up to 2028 if certain key performance targets are achieved.
	RESOLUTION-RELATED
15.	**Why are all but two Independent Directors of the Trustee-Manager abstaining from making a recommendation in respect of the Proposed Acquisition?** ▪ The Proposed Acquisition constitutes an "interested person transaction" ("**IPT**") under Chapter 9 of the Listing Manual. The value of the transaction exceeds the relevant thresholds under the Listing Manual, in respect of which Unitholders' approval is required. ▪ By virtue of their interest in the Proposed Acquisition, each of KIHPL, Keppel, Temasek and the Temasek Entities (Temasek's subsidiaries which are Unitholders) will abstain and have undertaken to ensure that their respective Associates will abstain from voting on the Ordinary Resolution in respect of the Proposed Acquisition. ▪ In addition, the ESG Committee had adopted a robust framework with respect to potential conflicts of interest, details of which are disclosed in KIT's annual report. Given that the Proposed Acquisition constitutes an IPT, there may be potential conflict of interests between KIT and among others, Keppel Capital group entities, KIHPL and/or Temasek, and in view of the following roles held by the following directors, for good order and in line with good corporate governance, each of the following directors and their respective Associates will abstain from voting on the Ordinary Resolution in respect of the Proposed Acquisition, and will also decline to accept appointment as proxy for any Unitholder to vote on the Ordinary Resolution in respect of the Proposed Acquisition 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 the Ordinary Resolution in respect of the Proposed Acquisition: - 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 (KCH) which is a wholly-owned subsidiary of Keppel. - Mr Adrian Chan Pengee is a director of certain subsidiaries of Temasek. - Mr Ng Kin Sze is a private equity advisor to a subsidiary of Temasek and an investment committee member of certain subsidiaries of KCH. - 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. - Mr Khor Poh Hwa is a non-executive director of two associated companies of Keppel.
16.	**Given that this is an interested person transaction, what has the board of the Trustee-Manager taken into consideration in assessing the transaction and their recommendations?** ▪ In relation to the transaction, all relevant SGX listing rules in relation to interested person transactions have been adhered to. ▪ The Trustee-Manager has commissioned an independent valuer RSM SG Corporate Advisory Pte. Ltd. to provide an independent assessment on the market value of MEW. ▪ An independent financial adviser (IFA) to the independent directors and the Audit and Risk Committee ("**ARC**") of the Trustee-Manager, Ernst & Young Corporate Finance Pte Ltd, was appointed and has provided the opinion that the Proposed Acquisition, as an interested person transaction, is on normal commercial terms and is not prejudicial to the interests of KIT and its minority Unitholders. The IFA has accordingly advised the independent directors and the ARC to recommend that Unitholders vote in favour of the Proposed Acquisition. ▪ The ARC (with Mr Daniel Cuthbert Ee Hock Huat and Mr Adrian Chan Pengee abstaining as each of them is a director of certain subsidiaries of Temasek) has reviewed the terms and rationale and after considering the advice of the IFA, concurred with its opinion that the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of KIT and its minority Unitholders. ▪ Further, directors with any conflict of interest will abstain from voting on the Ordinary Resolution in respect of the Proposed Acquisition. ▪ This approach ensures that Unitholders have access to independent assessments and relevant information to make a well-informed decision regarding the transaction when it is put to vote by Unitholders. ▪ Having considered the relevant factors, including the rationale for the Proposed Acquisition, the directors who are considered independent for the purposes of the Proposed Acquisition have recommended that Unitholders vote in favour of the Ordinary Resolution in respect of the Proposed Acquisition.

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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.