

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

CIRCULAR TO UNITHOLDERS IN RELATION TO THE PROPOSED ACQUISITION OF A 50% EQUITY INTEREST IN MARINA EAST WATER PTE. LTD. (“MEW”) THAT WILL ENTITLE KIT TO THE ENTIRE ECONOMIC BENEFIT FROM MEW, WHICH OWNS THE KEPPEL MARINA EAST DESALINATION PLANT, AS AN INTERESTED PERSON TRANSACTION



IMPORTANT DATES AND TIMES

Last date and time for submission of questions in advance of the EGM:	4 December 2024 at 10.30 a.m.
Last date and time for KIT to publish responses to questions received:	7 December 2024 at 10.30 a.m.
Last date and time for lodgement of Proxy Forms:	9 December 2024 at 10.30 a.m.
Date and time of the EGM:	11 December 2024 at 10.30 a.m.
Place of the EGM:	Suntec Singapore Convention & Exhibition Centre, Nicoll 1 & 2, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593

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

If you have sold 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 is issued to Unitholders solely for the purpose of convening the EGM and seeking the approval of Unitholders for the resolution 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.

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

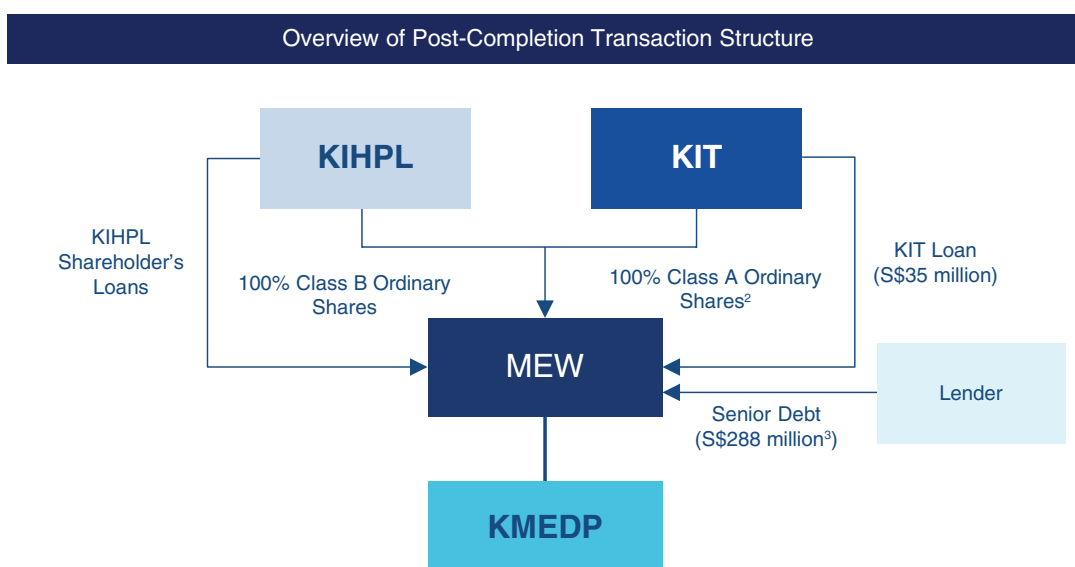
Independent Financial Adviser
Ernst & Young Corporate Finance Pte Ltd
(Incorporated in the Republic of Singapore)
(Company Registration No. 199702967E)

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.

Transaction Overview

- Proposed acquisition of 50% equity interest in Marina East Water Pte. Ltd. (“**MEW**”) which owns Keppel Marina East Desalination Plant (“**KMEDP**”). The enterprise value of MEW is approximately S\$323 million.
- Following completion, Keppel Infrastructure Holdings Pte. Ltd. (“**KIHPL**”) and KIT will each hold a 50% joint-controlling equity interest in MEW, with KIT receiving the entire economic benefit from MEW.
- On 25 April 2022, MEW had drawn down S\$315.0 million on a term loan facility¹, which has since commenced amortisation. As at the Latest Practicable Date, S\$288.2 million remains outstanding on the facility. At completion, KIT will extend a non-interest bearing shareholder’s loan of S\$35.0 million to MEW.



Overview of KMEDP

Description	<ul style="list-style-type: none"> Singapore’s fourth desalination plant First and only dual-mode desalination plant in Singapore capable of treating seawater and reservoir water
Capacity	137,000 m ³ per day
Owner	MEW, a wholly-owned subsidiary of KIHPL
Customer/Offtaker	The Public Utilities Board (“ PUB ”), Singapore’s national water agency
Contract Terms	<p>Commenced commercial operations on 29 June 2020</p> <ul style="list-style-type: none"> 25-year concession until 29 June 2045 (“Concession Period”)
Operations & Maintenance Operator	<p>Marina East Water O&M Pte. Ltd. (“MEWOM”), a wholly-owned subsidiary of KIHPL</p> <ul style="list-style-type: none"> Provides operation, maintenance and repair (“O&M”) services to MEW in respect of KMEDP and certain ancillary facilities throughout the Concession Period
Awards	<ul style="list-style-type: none"> Desalination Plant of the Year, Global Water Awards 2021 ABC Waters Certification (Gold) by PUB in 2019

Notes

- No further amounts may be drawn down under this facility as the availability period for further drawdowns has lapsed, and this facility will not be repaid at completion.
- Following completion, KIT will hold 100% of the Class A Ordinary Shares in MEW. Class A Ordinary Shares entitle the holder to the entire economic benefit from MEW.
- Amount outstanding on the term loan facility as at the Latest Practicable Date based on the amortisation of the term loan facility.

Key Investment Highlights



1

Accretive acquisition which secures long term and stable cash flows



2

Deepens exposure to water treatment solutions in Singapore, enhancing the strength and resilience of KIT's portfolio



3

High quality and energy-efficient asset

1 Accretive Acquisition Securing Long Term and Stable Cash Flows FY 2023 *pro forma* Distribution per Unit ("DPU") to increase by 0.4%

Long term and stable cash flows which enhances KIT's cash flow visibility

- ✓ Water Purchase Agreement ("WPA") with PUB, Singapore's national water agency
- ✓ **Long term concession** until 2045 ensures **visibility of contributions**
- KIT benefits from **stable cash flow** backed by **AAA-rated Singapore sovereign credit**⁶

Operational stability ensured with existing O&M operator

- ✓ Existing O&M operator MEWOM **continues to be responsible** for overall day-to-day operations, maintenance and repair of the plant
- ✓ O&M services to be provided until the expiry of the Concession Period, **ensuring operational stability** as KIT benefits from **proven water operations capabilities** of O&M operator

Funds from Operations¹

▲ **3.6%**

From S\$287.9m² in FY2023 to S\$298.4m *pro forma* post Proposed Acquisition

DPU (S\$ cents)¹

▲ **0.4%**

From 3.86 cents³ in FY2023 to 3.87 cents^{4,5} *pro forma* post Proposed Acquisition

Net Gearing¹

▲ **0.4pp**

From 39.8% as at 31 December 2023 to 40.2% *pro forma* post Proposed Acquisition

Notes

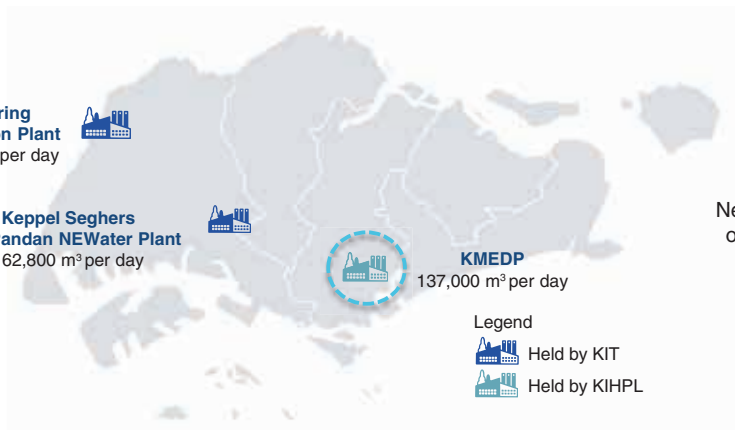
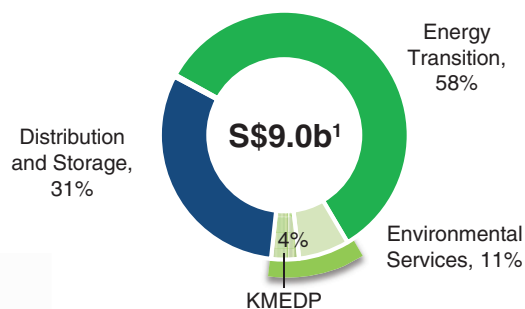
1. Please refer to section 7 of the Circular on the assumptions used in the preparation of the *pro forma* financial effects of the Proposed Acquisition.
2. Excluding effects of the Ixom capital optimisation which was distributed as a special distribution to Unitholders.
3. Based on DPU declared for FY2023, excluding special distribution of 2.33 cents paid in November 2023.
4. Assuming all distributable income generated by MEW will be distributed to KIT. The *pro forma* DPU following the Proposed Acquisition set out herein should not be interpreted as being representative of the future DPU.
5. Assuming cash distribution received from MEW, net of corporate expenses, is fully distributed to Unitholders.
6. Singapore sovereign credit is rated AAA and Aaa by Standard & Poor's and Moody's, respectively.

2 Deepen Exposure to Water Treatment and Enhances Portfolio Resilience

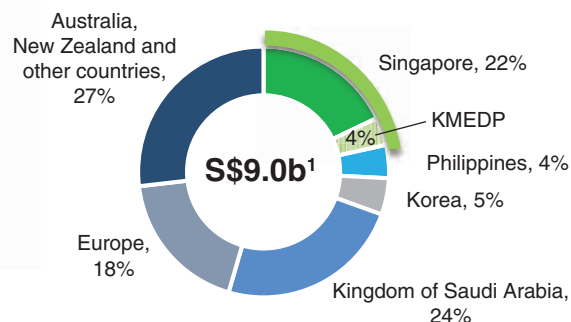
Allows KIT to play a critical role in contributing to Singapore's water security

- Strategic addition of KMEDP deepens KIT's exposure to water treatment solutions in Singapore, enhancing the strength and resilience of its portfolio
- Upon Completion, KIT's AUM contribution from the Environmental Services segment increases to 11%, from 7% as at 30 September 2024, with AUM contribution from Singapore increasing to 22% from 19% as at 30 September 2024

AUM by Business and Assets



AUM by Geography



3 High Quality and Energy-Efficient Asset

State of the art, innovative and award-winning facility with one of the most compact footprint

Operational flexibility and optimised operational costs as a dual-mode desalination plant	Dissolved Air Flotation ("DAF") pre-treatment process using fine air bubbles to separate and remove solid particles
<ul style="list-style-type: none"> ✓ Reservoir water treatment energy consumption only one-third that of seawater desalination 	<ul style="list-style-type: none"> ✓ 30% reduction in footprint
Ultraviolet radiation as primary disinfection process	Direct coupling of ultrafiltration and reverse osmosis process
<ul style="list-style-type: none"> ✓ Eliminates need for dedicated chemical handling ✓ Smaller footprint compared to chlorine-treatment process 	<ul style="list-style-type: none"> ✓ Improved energy efficiency due to minimised pumping cycles ✓ Space savings due to efficient configuration

KMEDP

Integrated stormwater management	<ul style="list-style-type: none"> ✓ Excess stormwater runoff from green roof collected in bioretention basins and rainwater harvesting ponds, preventing excessive rainfall from entering public drainage systems ✓ Collected water recycled in water features and used for irrigation
Shared community space	<ul style="list-style-type: none"> ✓ Underground treatment facilities with ~20,000 sq m green rooftop space for community activity and recreation

Note

- Based on Assets under Management ("AUM") as at 30 September 2024. Please refer to 3Q 2024 Operational Updates presentation slides announced on 23 October 2024 for more information. Represents KIT's economic interest in the enterprise value of its investments plus cash held at the Trust.

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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 EGM and seeking the approval of Unitholders for the resolution 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.

Forward-looking Statements. This Circular may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of known and unknown risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from 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.

CORPORATE INFORMATION

Directors of Keppel Infrastructure Fund Management Pte. Ltd., as trustee-manager of KIT	: Mr Daniel Cuthbert Ee Hock Huat (<i>Independent Director and Chairman of the Board</i>) Mr Mark Andrew Yeo Kah Chong (<i>Independent Director</i>) Ms Chong Suk Shien (<i>Independent Director</i>) Mr Adrian Chan Pengee (<i>Independent Director</i>) Mr Ng Kin Sze (<i>Independent Director</i>) Mr Khor Poh Hwa (<i>Independent Director</i>) Ms Christina Tan Hua Mui (<i>Non-Executive and Non-Independent Director</i>)
Registered Office of the Trustee-Manager	: 1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632
Legal Adviser to the Trustee-Manager in relation to the Proposed Acquisition	: Rajah & Tann Singapore LLP 9 Straits View #06-07 Marina One West Tower Singapore 018937
Independent Financial Adviser	: Ernst & Young Corporate Finance Pte Ltd One Raffles Quay North Tower, Level 18 Singapore 048583
Independent Valuer	: RSM SG Corporate Advisory Pte. Ltd. 8 Wilkie Road #03-08 Wilkie Edge Singapore 228095
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	: 4 December 2024 at 10.30 a.m.
Last date and time for KIT to publish responses to questions received	: 7 December 2024 at 10.30 a.m.
Last date and time for lodgement of Proxy Forms	: 9 December 2024 at 10.30 a.m.
Date and time of EGM	: 11 December 2024 at 10.30 a.m.
Place of the EGM	: Suntec Singapore Convention & Exhibition Centre, Nicoll 1 & 2, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593

If approval for the Proposed Acquisition is obtained at the EGM

Expected Completion Date	: No later than the end of the first quarter of 2025
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DEFINITIONS

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

- “Adjustment Expenses”** : The expenses as reflected in the Annual Budget that is reflective of, among other things, the projected costs to MEW (including, without limitation, the O&M costs, insurance costs and the costs on the Facility) for the Adjustment Period, being the interest expenses on the outstanding amounts owing by MEW under the Facility, the operating expenses incurred for compliance with the Carbon Pricing Act 2018 of Singapore and the Cybersecurity Act 2018 of Singapore and power expenses that are not passed through to PUB under the terms of the Water Purchase Agreement
- “Adjustment Period”** : The period commencing on the Target Date and ending on the Completion Date
- “Agreed Budget”** : The agreed annual budget of MEW
- “Amended Constitution”** : The amended constitution of MEW to be adopted at Completion
- “Announcement”** : The announcement dated 18 November 2024 made by the Trustee-Manager in relation to the Proposed Acquisition
- “Appointed Valuer”** : A professional valuer or merchant bank appointed by agreement between the defaulting MEW Shareholder and the non-defaulting MEW Shareholder, or failing agreement, by the non-defaulting MEW Shareholder to determine the fair market value of each such MEW Share in connection with the default put and call options under the SHA
- “Associate”** : In the case of a business trust,
- (a) in relation to any director, chief executive officer, or controlling shareholder of the trustee-manager, substantial unit-holder or shareholder of the trustee-manager, substantial unit-holder or controlling unit-holder of the business trust (being an individual) means:
 - (i) his spouse, child, adopted child, step-child, sibling and parent (collectively, “**immediate family**”);
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and

(b) in relation to the controlling shareholder of the trustee-manager or substantial unit-holder or controlling unit-holder of the business trust (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more; and

in the case of an individual, means

(a) his immediate family;

(b) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

(c) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more

“Audit and Risk Committee”	:	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
“Board”	:	The board of directors of the Trustee-Manager
“Business Day”	:	A day on which the banks in Singapore are open for business (excluding Saturdays, Sundays and gazetted public holidays)
“Business Trusts Act” or “BTA”	:	The Business Trusts Act 2004 of Singapore (including all subsidiary legislation made thereunder) as modified, supplemented or amended from time to time
“Cash Amounts”	:	Cash and cash equivalents in the amounts of S\$844,622 to pay for the fees payable to advisers of MEW, PUB and the Lender, S\$1,038,853 to pay for interest rate swap payments, S\$4,439,000 to pay for upfront fees, agency fees and account bank fees payable to the Lender and S\$2,337,368 to pay for the first principal repayment under the Facility
“CDP”	:	The Central Depository (Pte) Limited

“Circular”	:	This circular to Unitholders dated 26 November 2024 in relation to the Proposed Acquisition
“Class A Ordinary Share”	:	A Class A ordinary share in the capital of MEW
“Class B Ordinary Share”	:	A Class B ordinary share in the capital of MEW
“Companies Act”	:	Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
“Completion”	:	Completion of the Proposed Acquisition in accordance with the terms and conditions set out in the SPSA
“Completion Date”	:	The date of Completion
“Concession Period”	:	The 25-year concession period from 29 June 2020 to 29 June 2045 granted by PUB to MEW in respect of KMEDP under a Design, Build, Own and Operate (DBOO) arrangement
“Condition Precedent”	:	A condition in relation to the Proposed Acquisition, set out in Section 2.8(h) of this Circular, to be satisfied (or satisfied subject only to Completion, as the case may be) in order for Completion to take place
“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
“Daily Adjustment Value”	:	The amount of S\$6,866.40
“Deed of Subordination”	:	The deed of subordination dated 25 April 2022 entered into between, <i>inter alia</i> , MEW, KIHPL, the Lender as facility agent and security agent and such other shareholders of MEW from time to time
“Defaulting Shareholders’ Loans”	:	All shareholders’ loans granted by the defaulting MEW Shareholder to MEW and all debt securities or instruments issued by MEW to the defaulting MEW Shareholder (and the accrued interest thereon) which, <i>inter alia</i> , are subject to the default call options under the SHA
“DIPU”	:	Distributable income per Unit
“Directors”	:	The directors of the Trustee-Manager

“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
“EGM”	:	The extraordinary general meeting of KIT to be held at Suntec Singapore Convention & Exhibition Centre, Nicoll 1 & 2, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 11 December 2024 at 10.30 a.m., notice of which is given in the Notice of EGM set out on pages C-1 to C-3 of this Circular (or any adjournment thereof)
“Encumbrance”	:	Any claim, charge, mortgage, lien, option, equity, power of sale, hypothecation, retention of title, right of pre-emption, right of first refusal or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing
“Facility”	:	The term loan facility of up to S\$324,000,000 obtained by MEW as borrower from the Lender under the Facility Agreement, under which S\$315,000,000 was drawn down (and no further amounts may be drawn down) and S\$288,240,894 remains outstanding as at the Latest Practicable Date following the commencement of amortisation over 22 years on 29 April 2022, for the purpose of paying the costs of the design, development, engineering, procurement, construction, testing, commissioning, trial operation and completion of KMEDP (including the repayment of shareholders’ loans advanced to MEW to fund such costs), which does not have to be repaid at Completion and will continue on the same terms
“Facility Agreement”	:	The Facility Agreement dated 25 April 2022 entered into between, <i>inter alia</i> , MEW as borrower and the Lender as original lender, facility agent and security agent in respect of the Facility, as amended, varied or supplemented from time to time
“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
“First Adjustment Period”	:	The number of calendar days in the period commencing on the Target Date and ending on (and including) the last calendar day of the quarter immediately preceding the quarter in which the Completion Date falls
“First Adjustment Value”	:	The amount that is calculated by multiplying the First Adjustment Period with the Daily Adjustment Value

“Funded Account Amounts”	:	The bank accounts of MEW, being (i) a debt service reserve account, (ii) a contingency reserve account, (iii) an operating account; and (iv) a distribution account) having been funded in cash in the amounts of S\$10,260,000, S\$450,000, S\$2,200,000 and S\$5,664,000 respectively
“FY”	:	Financial year ended or ending 31 December
“IFA” or “Independent Financial Adviser”	:	Ernst & Young Corporate Finance Pte Ltd
“IFA Letter”	:	The letter from the IFA to the Independent Directors dated 26 November 2024, which is set out in Appendix A to this Circular
“Independent Directors”	:	The Directors who are regarded as independent in respect of the Proposed Acquisition, being Mr Mark Andrew Yeo Kah Chong and Ms Chong Suk Shien
“Independent Valuation Report”	:	The report of the Independent Valuer dated 23 September 2024
“Independent Valuation Summary Letter”	:	The independent valuation summary letter issued by the Independent Valuer, which is set out in Appendix B to this Circular
“Independent Valuer”	:	RSM SG Corporate Advisory Pte. Ltd.
“KCH”	:	Keppel Capital Holdings 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 Substantial Unitholder of KIT
“KIHPL”	:	Keppel Infrastructure Holdings Pte. Ltd., a company incorporated in the Republic of Singapore and a wholly-owned subsidiary of Keppel
“KIHPL Appointee Directors”	:	Directors appointed by KIHPL to the MEW Board in accordance with the SHA
“KIHPL Dividend”	:	The dividend for a sum of S\$5,000,000 declared by MEW to KIHPL on, and approved by a directors’ resolution in writing dated, 28 December 2021, which remains unpaid as at the Latest Practicable Date
“KIHPL FAA Shareholder’s Loan”	:	A non-interest bearing shareholders’ loan advanced to MEW by KIHPL to fund, in cash, the Funded Account Amounts

“KIHPL Share Charge”	:	The share charge dated 1 December 2022 entered into between KIHPL and the Lender as security agent, pursuant to which all present and future issued shares in the capital of MEW held by KIHPL were charged in favour of the Lender as security for the Facility
“KIHPL Shareholder’s Loan”	:	The non-interest bearing shareholder’s loan of S\$40,000,000 to be provided by KIHPL to MEW immediately following the completion of the Restructuring Exercise
“KIT”	:	Keppel Infrastructure Trust, a business trust constituted in the Republic of Singapore pursuant to the Trust Deed and registered with MAS
“KIT Appointee Directors”	:	MEW Directors who are appointed by KIT to the MEW Board in accordance with the SHA
“KIT Dividend”	:	The entire amount of MEW’s audited net profits after tax from the date of the SPSA as certified by the auditors of MEW to KIT which MEW shall declare and distribute to KIT in accordance with the SHA
“KIT Group”	:	KIT and its subsidiaries
“KIT Loan”	:	A non-interest bearing shareholders’ loan of S\$35,000,000 to be extended by KIT to MEW at Completion on the terms and subject to the conditions of the KIT Loan Agreement, the proceeds of which will be fully applied by MEW to pay to KIHPL a sum of S\$35,000,000 towards partial repayment of the KIHPL Shareholder’s Loan
“KIT Loan Agreement”	:	The loan agreement relating to the KIT Loan to be entered into between MEW and the Trustee-Manager on the Completion Date
“KIT Share Charge”	:	The share charge to be entered into on the Completion Date between the Trustee-Manager and the Lender as security agent, pursuant to which all present and future issued shares in the capital of MEW held by KIT will be charged in favour of the Lender as security for the Facility
“KMEDP”	:	The seawater desalination and water treatment facility and associated equipment situated at 1 Marina East Drive, Singapore 029996 known as the “Keppel Marina East Desalination Plant”
“Latest Practicable Date”	:	14 November 2024, being the latest practicable date prior to the printing of this Circular
“Lender”	:	The financial institution which entered into the Facility Agreement as original lender, facility agent and security agent

“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
“MEW”	:	Marina East Water Pte. Ltd., a company incorporated in the Republic of Singapore and a wholly-owned subsidiary of KIHPL as at the Latest Practicable Date
“MEW Board”	:	The board of directors of MEW
“MEW Director”	:	A director on the MEW Board
“MEW Independent Director”	:	An MEW Director who has no relationship with MEW, its related corporations, its shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of such director’s independent judgement in the best interest of MEW
“MEWOM”	:	Marina East Water O&M Pte. Ltd., a company incorporated in the Republic of Singapore and a wholly-owned subsidiary of KIHPL
“MEW Shareholder”	:	A shareholder in MEW
“MEW Shares”	:	Shares in the capital of MEW
“NAV”	:	Net asset value
“Net Gearing”	:	Net debt of the KIT Group divided by the total assets of the KIT Group
“Non-Defaulting Shareholders’ Loans”	:	All shareholders’ loans granted by the non-defaulting MEW Shareholder to MEW and all debt securities or instruments issued by MEW to the non-defaulting MEW Shareholder (and the accrued interest thereon), which, <i>inter alia</i> , are the subject of the default put options under the SHA
“Notice of EGM”	:	The notice of EGM which is on pages C-1 to C-3 of this Circular
“NTA”	:	Net tangible assets of the KIT Group
“Ordinary Resolution”	:	The Ordinary Resolution in relation to the Proposed Acquisition
“O&M”	:	Operation, maintenance and repair

“O&M Agreement”	:	The Operation and Maintenance Contract of the Desalination Plant at Marina East, Singapore dated 12 June 2017 (and as amended, varied or supplemented from time to time) entered into between MEW and MEWOM which governs MEWOM’s obligations to operate, maintain and repair KMEDP and certain ancillary facilities throughout the Concession Period
“Proposed Acquisition”	:	The proposed acquisition by KIT of a 50% equity interest in MEW from KIHPL that will entitle KIT to the entire economic benefit from MEW, including the Share Sale, the Share Subscription, the Share Conversion, the KIHPL Shareholder’s Loan, the KIT Loan and all other transactions contemplated pursuant to the SPSA, on the terms and subject to the conditions in the SPSA
“PU Act”	:	Public Utilities Act 2001 of Singapore, as amended, modified or supplemented from time to time
“PUB”	:	Public Utilities Board
“PUB Approval-in-Principle”	:	The approval-in-principle granted by PUB, subject to the fulfilment of certain conditions, in respect of, <i>inter alia</i> , the Restructuring Exercise, the Share Sale, the Share Subscription, the Share Conversion, the KIHPL Shareholder’s Loan, the KIT Loan and all other transactions contemplated pursuant to the SPSA, on the terms of, and subject to the conditions in, the SPSA and certain amendments to be made to the Water Purchase Agreement in connection with the Proposed Acquisition
“PUB PUA Approval”	:	The approval granted by PUB for the Trustee-Manager to become a 30% controller (as defined in the PU Act) of MEW
“Register”	:	The register of Unitholders kept in accordance with the Trust Deed
“Repayment Amount”	:	The amount of S\$4,000,000, representing net trade receipts due from PUB to MEW
“Request Letter”	:	The letter dated 14 November 2024 sent by MEW as borrower under the Facility Agreement to the Lender as facility agent seeking the written approval of the Lender as facility agent to the Share Sale, the Share Subscription, the Share Conversion, the KIT Loan and the repayment of the KIHPL Shareholder’s Loan as required pursuant to the Facility Agreement
“Restructuring Exercise”	:	A restructuring of the share capital of MEW through a capital reduction exercise, the completion of which is a Condition Precedent, pursuant to which 40,000,000 Shares held by KIHPL will be cancelled and an amount of S\$40,000,000 will be returned to KIHPL by MEW

“Sale Shares”	:	Two (2) ordinary shares in the capital of MEW, representing the entire issued and paid-up share capital of MEW immediately following the completion of the Restructuring Exercise
“Sale Shares Consideration”	:	The consideration payable by the Trustee-Manager to KIHPL in respect of the Sale Shares, being S\$2.00, payable in cash
“Second Adjustment Period”	:	The number of calendar days in the period commencing on the first calendar day of the quarter in which the Completion Date falls and ending on (and including) the Completion Date
“Second Adjustment Value”	:	The amount that is calculated by multiplying the Second Adjustment Period with the Daily Adjustment Value
“Securities Account”	:	Securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
“Securities and Futures Act”	:	Securities and Futures Act 2001 of Singapore, as modified, supplemented or amended from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SGXNet”	:	The SGXNet Corporate Announcement System
“SHA”	:	The shareholders agreement to be entered into between KIHPL, the Trustee-Manager and MEW upon Completion
“Share Conversion”	:	The conversion of each Sale Share into a new Class A Ordinary Share on the terms and subject to the conditions in the SPSA
“Share Sale”	:	The sale and purchase of the Sale Shares for the Sale Shares Consideration on the terms and subject to the conditions in the SPSA
“Share Subscription”	:	The subscription by KIHPL of the Subscription Shares for an aggregate subscription price of S\$2.00 on the terms and subject to the conditions in the SPSA
“Shares”	:	Ordinary shares in the capital of MEW
“SPSA”	:	The conditional share purchase and subscription agreement dated 15 November 2024 entered into between KIHPL, MEW and the Trustee-Manager with respect to the Proposed Acquisition

“Subscription Shares”	:	Two (2) new Class B Ordinary Shares to be issued and allotted by MEW to KIHPL pursuant to the Share Subscription on the terms and subject to the conditions in the SPSA
“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
“Target Date”	:	The original target date of Completion, being 1 April 2022
“Temasek”	:	Temasek Holdings (Private) Limited, a company incorporated in the Republic of Singapore, and a Substantial Unitholder of KIT
“Temasek Entities”	:	Temasek’s subsidiaries which are Unitholders
“Total Adjustment Value”	:	The aggregate of the First Adjustment Value and the Second Adjustment Value
“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, and as further supplemented by a Second Supplemental Deed dated 28 April 2022
“Trustee-Manager”	:	Keppel Infrastructure Fund Management Pte. Ltd., acting in its capacity as trustee-manager for KIT
“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
“Water Purchase Agreement”	:	The Water Purchase Agreement dated 20 January 2017 entered into between PUB and MEW, as amended and supplemented by the Supplemental Agreement to Water Purchase Agreement made between PUB and MEW dated 25 April 2022

Currencies and Units of Measurement

“S\$” and “S\$ cents” : Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore

“m³” : Cubic metres

“%” or “per cent.” : 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 term “**subsidiary**” shall have the meaning ascribed to it in the Companies Act.

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

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 and *vice versa*. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the Business Trusts Act, the SFA, the Listing Manual or any modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning ascribed to it thereunder, 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.

Any reference to a time of day and date 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.

LETTER TO UNITHOLDERS

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))

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*)
Mr Khor Poh Hwa (*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

26 November 2024

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

Dear Sir/Madam,

THE PROPOSED ACQUISITION OF A 50% EQUITY INTEREST IN MARINA EAST WATER PTE. LTD. (“MEW”) THAT WILL ENTITLE KIT TO THE ENTIRE ECONOMIC BENEFIT FROM MEW, WHICH OWNS THE KEPPEL MARINA EAST DESALINATION PLANT, AS AN INTERESTED PERSON TRANSACTION

1. INTRODUCTION

1.1 Background

On 30 June 2022, Keppel Infrastructure Fund Management Pte. Ltd., acting in its capacity as trustee-manager of KIT (the “**Trustee-Manager**”), announced that the Trustee-Manager had signed a non-binding term sheet with Keppel Infrastructure Holdings Pte. Ltd. (“**KIHPL**”) (the Sponsor of KIT), with the intention to enter into definitive agreements with respect to the sale and purchase of a 50% equity interest in Marina East Water Pte. Ltd. (“**MEW**”) that will entitle KIT to the entire economic benefit from MEW, which owns the Keppel Marina East Desalination Plant (“**KMEDP**”).

KMEDP commenced commercial operations on 29 June 2020, was officially opened on 4 February 2021 and is currently in its fifth year of operations under a 25-year concession granted by Public Utilities Board (“**PUB**”) to MEW in respect of KMEDP under a Design, Build, Own and Operate (DBOO) arrangement for a period from 29 June 2020 to 29 June 2045 (the “**Concession Period**”), pursuant to a Water Purchase Agreement dated 20 January 2017 entered into between PUB and MEW, as amended and supplemented by the Supplemental Agreement to Water Purchase Agreement made between PUB and MEW dated 25 April 2022 (the “**Water Purchase Agreement**”).

On 25 April 2022, MEW obtained a term loan facility of up to S\$324,000,000 (the “**Facility**”) from a financial institution (the “**Lender**”), under which S\$315,000,000 was drawn down, for the purpose of paying the costs of the design, development, engineering, procurement, construction, testing, commissioning, trial operation and completion of KMEDP (including the repayment of shareholders’ loans advanced to MEW to fund such costs). No further

amounts may be drawn down under the Facility as the availability period for further drawdowns has lapsed. Amortisation of the Facility commenced on 29 April 2022 and as at the Latest Practicable Date, S\$288,240,894 remains outstanding on the Facility. Under the terms of the Proposed Acquisition, the Facility does not need to be repaid at completion of the Proposed Acquisition (“**Completion**”) and will continue on the same terms.

On 13 November 2024, subject to the fulfilment of certain conditions, PUB granted its approval-in-principle (the “**PUB Approval-in-Principle**”) to, *inter alia*, the Restructuring Exercise, the Share Sale, the Share Subscription, the Share Conversion, the KIHPL Shareholder’s Loan, the KIT Loan (each as defined herein) and all other transactions provided for in the conditional share purchase and subscription agreement dated 15 November 2024 entered into between the Trustee-Manager, MEW and KIHPL (the “**SPSA**”) (collectively, the “**Proposed Acquisition**”), on the terms of, and subject to the conditions in, the PUB Approval-in-Principle (which include certain amendments to be made to the Water Purchase Agreement in connection with the Proposed Acquisition). Further details of the conditions which need to be fulfilled under the PUB Approval-in-Principle are set out in Section 2.5 of this Circular. Once PUB is satisfied that all the conditions required to be fulfilled under the PUB Approval-in-Principle have been duly satisfied or performed (as the case may be), PUB will then confirm the grant of PUB’s approval to the aforesaid transactions.

On 13 November 2024, PUB granted its approval (the “**PUB PUA Approval**”) for the Trustee-Manager to become a 30% controller (as defined in the PU Act) of MEW, which was expressed to expire if the Proposed Acquisition does not take place by 31 March 2025. Further details relating to the PUB PUA Approval are set out in Section 2.6 of this Circular.

On 15 November 2024, following the grant of the PUB Approval-in-Principle and the PUB PUA Approval, the Trustee-Manager, MEW and KIHPL entered into the SPSA.

As at the Latest Practicable Date, the enterprise value of MEW is approximately S\$323 million, which comprises the Sale Shares Consideration (as defined below) of S\$2.00 payable by the Trustee-Manager to KIHPL at Completion, the KIT Loan of S\$35,000,000 to be provided by KIT to MEW at Completion, and the amount of S\$288,240,894 which remains outstanding on the Facility as at the Latest Practicable Date based on the amortisation of the Facility.

1.2 Overview of the Proposed Acquisition

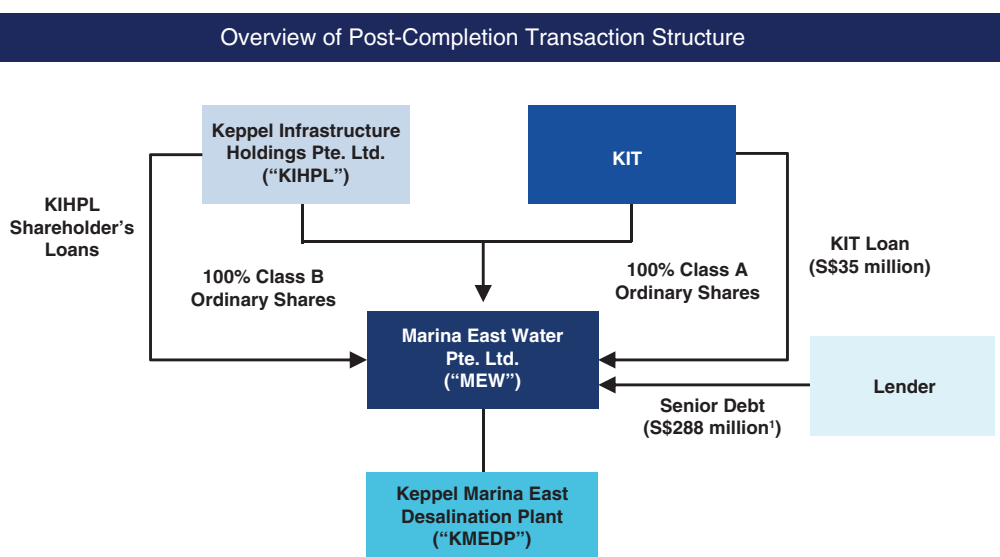
Following the grant of the PUB Approval-in-Principle and the PUB PUA Approval, in preparation for the Proposed Acquisition, on 14 November 2024, a restructuring of the share capital of MEW through a capital reduction exercise, the completion of which is a Condition Precedent (the “**Restructuring Exercise**”), was commenced, pursuant to which 40,000,000 Shares held by KIHPL (out of the 40,000,002 Shares currently held by KIHPL in total) will be cancelled and an amount of S\$40,000,000 will be returned to KIHPL by MEW, which will then be disbursed by KIHPL to MEW in the form of the non-interest bearing KIHPL Shareholder’s Loan immediately following the Completion of the Restructuring Exercise pursuant to the terms of the SPSA. Further details of the Restructuring Exercise are set out in Section 2.7 of this Circular.

Pursuant to the SPSA, subject to the satisfaction (or the satisfaction subject only to Completion, as the case may be) of the Conditions Precedent set out in Section 2.8(h) of this Circular, at Completion, *inter alia*:

- (a) KIHPL will sell to the Trustee-Manager two (2) ordinary shares in the capital of MEW (“**Shares**”) (the “**Sale Shares**”), representing the entire issued and paid-up share capital of MEW, immediately following the completion of the Restructuring Exercise (which is a Condition Precedent), for a consideration of S\$2.00 payable in cash (the “**Sale Shares Consideration**”) (the “**Share Sale**”);
- (b) after the Share Sale, MEW will adopt an amended constitution (the “**Amended Constitution**”);
- (c) after the adoption of the Amended Constitution:
 - (i) KIHPL will subscribe for two (2) new Class B ordinary shares in the capital of MEW (each a “**Class B Ordinary Share**”) (the “**Subscription Shares**”) for an aggregate subscription price of S\$2.00 (the “**Share Subscription**”); and
 - (ii) MEW will convert each Sale Share into a new Class A ordinary share in the capital of MEW (each a “**Class A Ordinary Share**”) (the “**Share Conversion**”) which entitles the holder thereof to the entire economic benefit from MEW (including any dividends or distributions by MEW), such that KIT will hold two (2) Class A Ordinary Shares (the “**Conversion Shares**”) immediately following the Share Conversion; and
- (d) after the Share Subscription and the Share Conversion, KIT will extend a non-interest bearing shareholders’ loan of S\$35,000,000 (the “**KIT Loan**”) to MEW, the proceeds of which will be fully applied by MEW to pay to KIHPL a sum of S\$35,000,000 towards partial repayment of the non-interest bearing shareholder loan of S\$40,000,000 to be provided by KIHPL to MEW immediately following the completion of the Restructuring Exercise (the “**KIHPL Shareholder’s Loan**”), in preparation for the Proposed Acquisition. The KIT Loan is structured to facilitate the repatriation of cash generated by MEW to KIT through periodic repayments of the KIT Loan by MEW to KIT following Completion.

As at the Latest Practicable Date, KIHPL owns the entire issued and paid-up share capital of MEW and has sole control of MEW. Following Completion, 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. The rights of the holders of Class A Ordinary Shares and Class B Ordinary Shares are described in Section 2.8(e) of this Circular. The joint-controlling shareholding structure ensures that the interests and obligations of KIT and KIHPL regarding the operation of KMEDP are aligned, while ensuring that KIT is entitled to the entire economic benefit from MEW.

A diagrammatic representation of the shareholding structure of MEW immediately following Completion of the Proposed Acquisition (showing the KIHPL Shareholder's Loan, the KIT Loan and the Facility) is set out below:



Note 1: Amount outstanding on the Facility as at the Latest Practicable Date based on the amortisation of the Facility.

On the date of Completion (the “**Completion Date**”), KIHPL, the Trustee-Manager and MEW will enter into a shareholders’ agreement (the “**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. The salient terms of the SHA are described in Section 2.10 of this Circular.

Pursuant to the Operation and Maintenance Contract of the Desalination Plant at Marina East, Singapore dated 12 June 2017 (the “**O&M Agreement**”) entered into between MEW and Marina East Water O&M Pte. Ltd. (“**MEWOM**”), MEWOM, which is a wholly owned subsidiary of KIHPL, will provide operation, maintenance and repair (“**O&M**”) services to MEW in respect of KMEDP and certain ancillary facilities throughout the Concession Period. Accordingly, following Completion, MEWOM will continue to provide O&M services to MEW pursuant to the O&M Agreement until the expiry of the Concession Period in 2045.

Completion of the Proposed Acquisition is conditional upon, *inter alia*, the approval of the unitholders of KIT (“**Unitholders**”) in respect of the transactions contemplated pursuant to the SPSA, including the Share Sale, the Share Subscription and the Share Conversion having been obtained in compliance with the Listing Manual and such approval not having been cancelled, revoked or withdrawn, as noted further in Section 1.3 (*Interested Person Transaction*) and Section 3 (*The Proposed Acquisition as an Interested Person Transaction*) of this Circular.

1.3 Interested Person Transaction

KIT is an entity at risk within the meaning of Chapter 9 of the Listing Manual.

As at the Latest Practicable Date:

- (a) KIHPL is the sponsor of KIT and holds an aggregate interest in 1,107,489,090 Units which is equivalent to approximately 18.21% of the total number of Units in issue, and

is therefore regarded as a Controlling Unitholder of KIT and an interested person within the meaning of Chapter 9 of the Listing Manual;

- (b) Keppel Ltd. (“**Keppel**”), through its wholly-owned subsidiary KIHPL, is deemed interested in 1,107,489,090 Units which is equivalent to approximately 18.21% of the total number of Units in issue, and is therefore regarded as an indirect Controlling Unitholder of KIT and an interested person within the meaning of Chapter 9 of the Listing Manual;
- (c) Temasek Holdings (Private) Limited (“**Temasek**”) has a more than 20% interest in Keppel. Further, Temasek, through Keppel and through its other subsidiaries and associated companies, is deemed interested as at 1 November 2024 in an aggregate of 1,875,365,204 Units which is equivalent to 30.82% of the total number of Units in issue. Therefore, Temasek is regarded as an indirect Controlling Unitholder of KIT and an interested person within the meaning of Chapter 9 of the Listing Manual; and
- (d) the Trustee-Manager is wholly owned by Keppel Capital Holdings Pte. Ltd. (“**KCH**”), which in turn is a wholly-owned subsidiary of Keppel. Temasek, through Keppel, is also deemed interested in all the shares in the capital of the Trustee-Manager. Therefore, each of KCH, Keppel and Temasek is regarded as a controlling shareholder of the Trustee-Manager and an interested person within the meaning of Chapter 9 of the Listing Manual.

Accordingly, the Proposed Acquisition constitutes an interested person transaction under Chapter 9 of the Listing Manual and Unitholders’ approval is being sought at the EGM for the Proposed Acquisition. Further details are set out in Section 3 (*The Proposed Acquisition as an Interested Person Transaction*) below.

1.4 Independent Valuation Report

The Trustee-Manager has commissioned an independent valuer, RSM SG Corporate Advisory Pte. Ltd. (the “**Independent Valuer**”), to prepare a valuation report on MEW dated 23 September 2024 (the “**Independent Valuation Report**”), a summary in respect of which (the “**Independent Valuation Summary Letter**”) is set out in **Appendix B** to this Circular.

Based on the financial information and the financial model agreed between MEW and PUB in respect of KMEDP which was provided to the Independent Valuer, the Independent Valuer applied the income approach to estimate the market value range of 100% of MEW on a cash-free, debt-free basis with reference to the projected operating cash flow of MEW over the forecast period from 1 July 2024 to 29 June 2025 which was derived using the direct cash flow method.

According to the Independent Valuation Summary Letter, the market value of 100% of MEW on a cash-free, debt-free basis is in the range of S\$327 million to S\$334 million as at 30 June 2024.

1.5 IFA Letter

The Independent Financial Adviser, Ernst & Young Corporate Finance Pte Ltd (the “**IFA**” or “**Independent Financial Adviser**”) has been appointed pursuant to Rule 921(4)(a) of the Listing Manual as well as to advise the directors of the Trustee-Manager who are regarded as independent in respect of the Proposed Acquisition (the “**Independent Directors**”) and the Audit and Risk Committee on whether the Proposed Acquisition, as an interested person transaction under Chapter 9 of the Listing Manual, is on normal commercial terms and not

prejudicial to the interests of KIT and its minority Unitholders. The letter from the IFA to the Independent Directors and the Audit and Risk Committee (the “**IFA Letter**”) is set out in **Appendix A** to this Circular.

1.6 EGM

The Trustee-Manager is convening an EGM of KIT to seek the approval of Unitholders by way of an Ordinary Resolution for the Proposed Acquisition as an interested person transaction under Chapter 9 of the Listing Manual.

The purpose of this Circular is to provide Unitholders with relevant information relating to the Proposed Acquisition, and to seek Unitholders’ approval for the Proposed Acquisition at the EGM, notice of which is set out on pages C-1 to C-3 of this Circular.

2. THE PROPOSED ACQUISITION

2.1 Information on MEW, KMEDP, KIHPL and MEWOM

MEW

MEW is a private company incorporated in Singapore on 11 January 2017 with limited liability. MEW is a wholly owned subsidiary of KIHPL. MEW does not have any subsidiaries.

As at the Latest Practicable Date (prior to the completion of the Restructuring Exercise), MEW has an issued and paid-up share capital of S\$40,000,002 comprising 40,000,002 Shares. Immediately following the completion of the Restructuring Exercise (which is a Condition Precedent), MEW will have an issued and paid-up share capital of S\$2.00 comprising two (2) Shares, being the Sale Shares.

Based on the audited accounts of MEW for FY2023, the net asset value (“**NAV**”), net tangible asset value and net profits of MEW were approximately S\$31.4 million, S\$31.4 million and S\$0.2 million respectively. The open market value of the Sale Shares is not available as the Shares in MEW are not publicly traded.

PUB has granted MEW a 25-year concession in respect of KMEDP for the Concession Period from 29 June 2020 to 29 June 2045 under a DBOO arrangement, pursuant to the Water Purchase Agreement. Pursuant to the O&M Agreement entered into between MEW and MEWOM, which is a wholly owned subsidiary of KIHPL, MEWOM will provide O&M services to MEW in respect of KMEDP and certain ancillary facilities throughout the Concession Period.

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, or the conduct of the business and operations of MEW.

KMEDP

KMEDP is Singapore’s fourth desalination plant and is Singapore’s first and only large-scale, dual-mode desalination plant, which is capable of treating both seawater and reservoir water. KMEDP can produce 137,000 m³ of fresh drinking water per day. KMEDP operates at the water output required by PUB. KMEDP commenced commercial operations on 29 June 2020 and was officially opened on 4 February 2021.

KMEDP can treat either seawater or reservoir water drawn from the Marina Reservoir, depending on the prevailing weather conditions. For example, KMEDP can take in water from the Marina Reservoir when there is sufficient freshwater and desalinate seawater during dry weather. This results in more effective water use, operational flexibility and optimised operational costs, as reservoir water treatment consumes only one-third the energy required for seawater desalination. With its integrated sustainable stormwater management system, stormwater runoff from its extensive green roof landscaping flows into bioretention basins and collects in rainwater harvesting ponds, preventing excessive rainfall from entering the public drainage system and causing floods. Furthermore, the water collected is recycled in water features and used for irrigation.

KMEDP incorporates innovative, energy-efficient systems and equipment, such as the compact Dissolved Air Flotation system which forms fine air bubbles in the water being treated that enable the separation and removal of solid particles and reduces the footprint by 30%. KMEDP's direct coupling of the ultrafiltration and reverse osmosis systems, where water filtered from the upstream ultrafiltration process is fed directly to the downstream reverse osmosis process, eliminates intermediate break tanks and minimises pumping cycles, resulting in a more energy-efficient process as well as significant cost and space savings. KMEDP is also the first water treatment plant in Singapore to use ultraviolet radiation as the primary disinfection process, which eliminates the need for dedicated chemicals handling. KMEDP's state of the art treatment facilities are situated underground and are viewable via a private viewing gallery. In addition, KMEDP features nearly 20,000 square metres of open green rooftop space for community activity and recreation. KMEDP was named 'Desalination Plant of the Year' at the Global Water Awards 2021. For its outstanding design features and exceptional Active, Beautiful, Clean (ABC) standards, KMEDP became the first industrial plant in Singapore to be awarded the ABC Waters Certification (Gold) by PUB in October 2019.

KIHPL

KIHPL is a private company incorporated in Singapore on 25 February 2013 with limited liability. KIHPL is the sponsor of KIT and a Controlling Unitholder of KIT holding approximately 18.21% of the total number of Units in issue. KIHPL invests in, owns and operates competitive energy and environmental infrastructure solutions and services. KIHPL is a wholly owned subsidiary of Keppel.

MEWOM

MEWOM is a private company incorporated in Singapore on 11 January 2017 with limited liability. MEWOM is a wholly owned subsidiary of KIHPL.

2.2 Rationale for the Proposed Acquisition

The Trustee-Manager believes that the Proposed Acquisition will bring the following key benefits to KIT and Unitholders:

(a) The Proposed Acquisition will secure long term and stable cash flows for KIT and is DPU-accretive

Following the completion of the Proposed Acquisition, KIT will be entitled to the entire economic benefit from MEW (including any dividends or distributions by MEW).

Pursuant to the Water Purchase Agreement, PUB has granted MEW a 25-year concession in respect of KMEDP until 2045. With PUB, Singapore's national water agency, as the customer/offtaker, KIT benefits from the stable cash flow backed by

Singapore sovereign credit as the Singapore government is rated AAA and Aaa by Standard & Poor's and Moody's, respectively. Furthermore, pursuant to the O&M Agreement, MEWOM, which is a wholly owned subsidiary of KIHPL, will provide O&M services to MEW in respect of KMEDP until the expiry of the Concession Period in 2045. This ensures the operational stability of KMEDP and allows MEW to benefit from proven water services and diverse operating capabilities of its Sponsor KIHPL.

The Proposed Acquisition will improve KIT's cash flow visibility and is aligned with the Trustee-Manager's goal to create value for Unitholders through investments that generate sustainable returns and enhance total returns for Unitholders.

The Proposed Acquisition is expected to support the overall Distribution per Unit ("DPU") accretion to Unitholders. Please refer to Section 7 of this Circular for further details on the *pro forma* financial effects of the Proposed Acquisition on the DPU.

(b) The strategic addition of KMEDP is in line with KIT's investment mandate and will deepen its exposure to water treatment solutions in Singapore, enhancing the strength and resilience of KIT's portfolio

KIT currently owns two water treatment plants in Singapore, namely, the Keppel Seghers Ulu Pandan NEWater Plant with a daily production capacity of 162,800 m³, and the SingSpring Desalination Plant, which is Singapore's first large-scale seawater desalination plant with the capacity to supply 136,380 m³ of desalinated potable water per day.

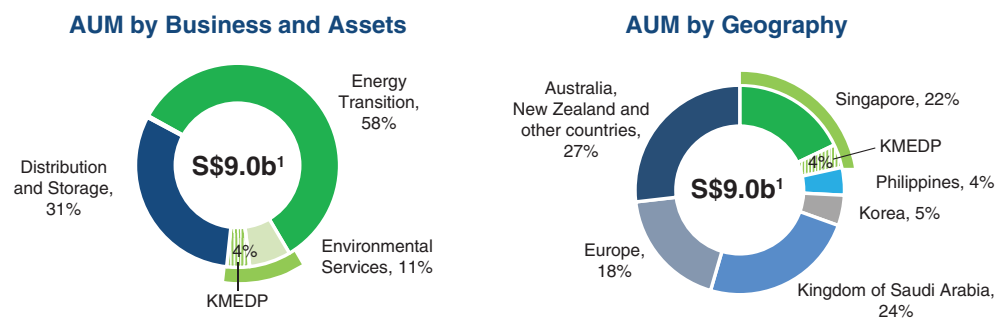
The Keppel Seghers Ulu Pandan NEWater Plant and the SingSpring Desalination Plant contribute to two of the "Four National Taps" in PUB's strategy to meet Singapore's water needs, which comprise local catchment water, imported water from Johor, NEWater and desalinated water.

KMEDP is Singapore's fourth seawater desalination plant and is Singapore's first and only large-scale, dual-mode desalination plant, capable of producing 137,000 m³ of fresh drinking water per day. KMEDP can treat either seawater or reservoir water drawn from the Marina Reservoir, depending on the prevailing weather conditions.

Accordingly, the strategic addition of KMEDP, with its state of the art, innovative features outlined above, will add to KIT's existing portfolio of water treatment plants, enhance the strength and resilience of KIT's portfolio and allow KIT to continue to play a critical role in contributing to Singapore's water security.

KIT's assets under management ("AUM") will increase from approximately S\$8.7 billion as at 30 September 2024 to approximately S\$9.0 billion upon Completion. Upon Completion, KIT's AUM contribution from the Environmental Services segment will increase to 11%, from 7% as at 30 September 2024, while AUM contribution from Singapore will increase to 22% from 19% as at 30 September 2024.

The below diagrams illustrate the expected contribution of KMEDP to the KIT Group upon Completion in terms of (a) AUM by business and assets and (b) AUM by geography.



Note 1: Based on AUM as at 30 September 2024. Please refer to 3Q 2024 Operational Updates presentation slides announced on 23 October 2024 for more information. Represents KIT's economic interest in the enterprise value of its investments plus cash held at the Trust.

(c) KMEDP is a high quality and energy-efficient asset

In addition to its state of the art, innovative features outlined above, KMEDP can treat either seawater or reservoir water drawn from the Marina Reservoir, depending on the prevailing weather conditions. KMEDP can take in water from the Marina Reservoir when there is sufficient freshwater and desalinate seawater during dry weather. This results in more effective water use, operational flexibility and optimised operational costs, as reservoir water treatment consumes only one-third the energy required for seawater desalination.

KMEDP also incorporates innovative, energy-efficient systems and equipment, such as the compact Dissolved Air Flotation system which forms fine air bubbles in the water being treated that enable the separation and removal of solid particles and reduces the footprint by 30%. KMEDP's direct coupling of the ultrafiltration and reverse osmosis systems, where water filtered from the upstream ultrafiltration process is fed directly to the downstream reverse osmosis process, eliminates intermediate break tanks and minimises pumping cycles, resulting in a more energy-efficient process as well as significant cost and space savings. KMEDP is also the first water treatment plant in Singapore to use ultraviolet radiation as the primary disinfection process, which eliminates the need for dedicated chemicals handling.

With a total area of 2.7 hectares and a plant process area of only 2.4 hectares, KMEDP is the most compact desalination plant in Singapore to date. The entire treatment facility and pumping station are also located underground, freeing up the space above for social recreation, while blending seamlessly into the surrounding greenery. The 20,000 square metres of green roof also reduces the urban heat island effect by minimising heat absorption to keep the rooftop recreational area cool. The bioretention basins and rainwater harvesting ponds in the landscaping within its confines also help to maximise rainwater capture and reduce stormwater runoff, thereby contributing to flood prevention.

KMEDP was named 'Desalination Plant of the Year' at the Global Water Awards 2021 for its efforts to optimise its physical footprint and energy efficiency. For its outstanding design features and exceptional Active, Beautiful, Clean (ABC) standards, KMEDP became the first industrial plant in Singapore to be awarded the ABC Waters Certification (Gold) by PUB in October 2019.

With the innovative and energy-efficient design and layout of KMEDP, the Proposed Acquisition underscores KIT's commitment to investing in high quality and energy-efficient assets.

2.3 Share Charges

Pursuant to a share charge dated 1 December 2022 entered into between KIHPL and the Lender as security agent (the "**KIHPL Share Charge**"), all present and future issued shares in the capital of MEW held by KIHPL are charged by KIHPL in favour of the Lender as security for the Facility.

Given that the Facility will not be repaid at Completion, the KIHPL Share Charge will remain in force following Completion.

In connection with the Proposed Acquisition, on the Completion Date, the Trustee-Manager and the Lender as security agent will enter into a share charge (the "**KIT Share Charge**"), pursuant to which all present and future issued shares in the capital of MEW held by the Trustee-Manager will be charged in favour of the Lender as security for the Facility.

Accordingly, the Sale Shares, the Subscription Shares and the Conversion Shares will, when transferred, issued or converted (as the case may be), be charged in favour of the Lender as security for the Facility. Save as aforesaid, the Sale Shares, the Subscription Shares and the Conversion Shares will be transferred, issued or converted (as the case may be) free from all Encumbrances.

2.4 Consent of the Lender

On 14 November 2024, MEW as borrower under the Facility Agreement sent a letter (the "**Request Letter**") to the Lender as facility agent seeking the written approval of the Lender as facility agent to the Share Sale, the Share Subscription, the Share Conversion, the KIT Loan and the repayment of the KIHPL Shareholder's Loan as required pursuant to the Facility Agreement.

The Lender had informed the Trustee-Manager on 14 November 2024 that, subject to certain terms and conditions stated in the Request Letter which must be fulfilled before Completion:

- (a) the lender(s) under the Facility have consented to the Share Sale, the Share Subscription, the Share Conversion, the KIT Loan and the repayment of the KIHPL Shareholder's Loan; and
- (b) the Lender as facility agent and the lender(s) under the Facility shall waive any provision under the documentation relating to the Facility that may restrict or prohibit the Share Sale, the Share Subscription, the Share Conversion, the KIT Loan and the repayment of the KIHPL Shareholder's Loan and any breach (however described) that may arise as a direct consequence of any step of the Share Sale, the Share Subscription, the Share Conversion, the KIT Loan and the repayment of the KIHPL Shareholder's Loan pursuant to any provision under the documentation relating to the Facility.

2.5 PUB Approval-in-Principle

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 described above in Section 2.1 of this Circular. In particular, any change proposed to be made to the corporate and/or financial structure of MEW or the conduct of the business and operations of MEW is subject to PUB's prior written approval. As such, MEW had submitted an application to PUB in respect of the Restructuring Exercise, the Share Sale, the Share Subscription, the Share Conversion, the KIHPL Shareholder's Loan, the KIT Loan and all other transactions contemplated pursuant to the SPSA and certain amendments to be made to the Water Purchase Agreement in connection with the Proposed Acquisition.

On 13 November 2024, PUB granted the PUB Approval-in-Principle, which is expressed to be subject to the overall transaction, MEW, KIHPL and KIT satisfying certain conditions (which are designed to preserve PUB's rights and interests in relation to the Water Purchase Agreement and KMEDP, and to ensure that neither PUB or MEW is adversely affected by the Restructuring Exercise, the Share Sale, the Share Subscription, the Share Conversion, the KIHPL Shareholder's Loan, the KIT Loan and/or the SPSA).

2.6 PUB PUA Approval

MEW is a designated entity under the PU Act. Under the PU Act, *inter alia*, except with the prior written approval of PUB, a person must not become a 30% controller of a designated entity. A 30% controller in relation to a designated entity is defined under the PU Act to be a person who, alone or together with the person's "associates" (as the term is defined in Section 44C(1) of the PU Act), (a) holds 30% or more of the total equity interests in; or (b) is in a position to control 30% or more of the voting power in a designated entity. The Trustee-Manager will become a 30% controller of MEW upon Completion. In view of this, the Trustee-Manager had submitted an application to PUB for the Trustee-Manager to become a 30% controller of MEW.

On 13 November 2024, PUB granted the PUB PUA Approval, which was expressed to expire if the Proposed Acquisition does not take place by 31 March 2025.

Furthermore, as a designated entity under the PU Act, MEW is subject to the provisions of the PU Act, including but not limited to the following:

- (a) persons who become specified controllers of MEW as set out in the PU Act must provide written notice to, or have received prior written approval from, the PUB;
- (b) MEW may not be wound up voluntarily without the consent of PUB, and certain actions under the Insolvency, Restructuring and Dissolution Act 2018 may not be taken against MEW without the consent of the PUB; and
- (c) MEW is subject to special administration orders made by the Minister for Sustainability and the Environment, being orders for the affairs, business and property of MEW to be managed by a person appointed by the aforesaid Minister for the purposes set out in the PU Act, under certain specified circumstances.

2.7 Restructuring Exercise

Following the grant of the PUB Approval-in-Principle and the PUB PUA Approval, on 14 November 2024, a restructuring of the share capital of MEW in preparation for the Proposed Acquisition was commenced, pursuant to which 40,000,000 Shares held by KIHPL (out of the 40,000,002 Shares currently held by KIHPL in total) will be cancelled and an amount of S\$40,000,000 will be returned to KIHPL by MEW. Under the terms of the SPSA, immediately following the completion of the Restructuring Exercise, KIHPL must disburse the non-interest bearing KIHPL Shareholder's Loan of S\$40,000,000 to MEW.

The completion of the Restructuring Exercise is a Condition Precedent. The Restructuring Exercise is expected to be completed after the date of the EGM.

As at the Latest Practicable Date, prior to the completion of the Restructuring Exercise, MEW has an issued and paid-up share capital of S\$40,000,002 comprising 40,000,002 Shares. Immediately following the completion of the Restructuring Exercise, MEW will have an issued and paid-up share capital of S\$2.00 comprising two (2) Shares, being the Sale Shares.

2.8 Salient Terms of the SPSA

The salient terms of the SPSA include, among others, the following:

(a) Share Sale

KIHPL agreed to sell, and the Trustee-Manager agreed to purchase, the Sale Shares, representing the entire issued and paid-up share capital of MEW immediately following the completion of the Restructuring Exercise, for the Sale Shares Consideration of S\$2.00, payable in cash.

(b) Sale Shares Consideration

The Sale Shares Consideration of S\$2.00 was arrived at after negotiations on an arm's-length basis and on a willing buyer-willing seller basis between KIHPL and the Trustee-Manager based on the amount of S\$2.00 paid-up on the Sale Shares, and taking into consideration the aforesaid market value range of 100% of MEW of S\$327 million to S\$334 million as appraised in the Independent Valuation Report, and was agreed on the basis of:

- (i) the original target date of Completion being 1 April 2022 ("**Target Date**"); and
- (ii) the following having taken place at Completion:
 - (A) MEW having drawn down an amount of S\$315,000,000 on the Facility⁽¹⁾;
 - (B) MEW having drawn down the KIT Loan pursuant to the loan agreement to be entered into between MEW and the Trustee-Manager on the Completion Date ("**KIT Loan Agreement**") in full;

- (C) certain bank accounts of MEW (namely, a debt service reserve account, a contingency reserve account, an operating account and a distribution account) having been funded in cash in the amounts of S\$10,260,000, S\$450,000, S\$2,200,000 and S\$5,664,000 respectively (collectively, the “**Funded Account Amounts**”) by way of a non-interest bearing shareholders’ loan advanced to MEW by KIHPL (“**KIHPL FAA Shareholder’s Loan**”), and the Funded Account Amounts remaining funded as at the Completion Date;
- (D) MEW having sufficient cash and cash equivalents to pay for the following items (collectively, the “**Cash Amounts**”); and

Amount	Item
S\$844,622	Fees payable to advisers of MEW, PUB and the Lender.
S\$1,038,853	Interest rate swap payments.
S\$4,439,000	Upfront fees, agency fees and account bank fees payable to the Lender.
S\$2,337,368	First principal repayment under the Facility.

- (E) KIHPL having disbursed the KIHPL Shareholder’s Loan to MEW immediately following completion of the Restructuring Exercise.

Note:

- (1) Amortisation of the Facility commenced on 29 April 2022 and as at the Latest Practicable Date, S\$288,240,894 remains outstanding on the Facility. Please see Section 1.1 of this Circular for further information.

The Sale Shares Consideration will be fully satisfied in cash at Completion.

Under the terms of the SPSA, on Completion, MEW must deliver or make available to the Trustee-Manager evidence that each of the bank accounts of MEW in Section 2.8(b)(ii)(C) above have been funded in cash, and remains funded at Completion, with the respective Funded Account Amounts, and the Trustee-Manager may, within three months after Completion, engage an independent firm of chartered accountants practising in Singapore to conduct an audit of MEW, for the purpose of verifying that the Funded Account Amounts and the Cash Amounts have been funded and paid by Completion in accordance with the SPSA. The cost of such audit must be reimbursed by KIHPL to the Trustee-Manager in accordance with the terms of the SPSA.

(c) Share Subscription

Contingent upon and after the adoption of the Amended Constitution, KIHPL agreed to subscribe for, and MEW agreed to allot and issue, the Subscription Shares (being two (2) new Class B Ordinary Shares) for an aggregate subscription price of S\$2.00.

(d) Share Conversion

Contingent upon and after the Share Sale and the adoption of the Amended Constitution, MEW shall, and KIHPL and the Trustee-Manager shall procure that MEW shall, convert all the Sale Shares into the Conversion Shares (being two (2) new Class A Ordinary Shares which entitle the holders thereof to the entire economic benefit from MEW including any dividends or distributions by MEW).

Following Completion, KIT and KIHPL will each hold 50% of the total number of issued shares in MEW, with KIT holding all of the Class A Ordinary Shares and KIHPL holding all of the Class B Ordinary Shares.

(e) Class A Ordinary Shares and Class B Ordinary Shares

Except as otherwise agreed in writing between the holders of all of the Class A Ordinary Shares and the holders of all of the Class B Ordinary Shares, or as contemplated and in accordance with the SPSA:

- (i) the holders of the Class A Ordinary Shares shall be entitled to the entire economic benefit from MEW, including all dividends or distributions by MEW; and
- (ii) no holder of Class B Ordinary Shares shall be entitled to receive any dividend or distribution from MEW.

Accordingly, following Completion, KIT will be entitled to receive the entire economic benefit from MEW, including all dividends or distributions by MEW.

Where the holders of all of the Class A Ordinary Shares and holders of all of the Class B Ordinary Shares agree in writing, or where it is contemplated in the SPSA, that the holders of Class B Ordinary Shares shall receive any dividend or distribution, the right of the holders of the Class A Ordinary Shares then outstanding to receive dividends and distributions shall rank senior and prior to and in preference to the dividend right of the holders of Class B Ordinary Shares.

The holders of Class A Ordinary Shares and the holders of Class B Ordinary Shares have the same rights with respect to voting and general meetings. Each holder of Class A Ordinary Shares and each holder of Class B Ordinary Shares is entitled to:

- (i) receive notice of, and to attend and speak at, general meetings of MEW;
- (ii) to receive a copy of any written resolution circulated to eligible members of MEW on the circulation date in accordance with the Companies Act;
- (iii) vote at general meetings of MEW together with the holders of Class A Ordinary Shares or Class B Ordinary Shares (as the case may be) in a single class, and not as a separate class, unless otherwise specified in the constitution of MEW or required by law; and
- (iv) one vote only (where present in person or by proxy or by attorney) and in the case of a poll, one vote for each Class A Ordinary Share or Class B Ordinary Shares (as the case may be) held by such holder.

Upon the occurrence of a liquidation, dissolution or winding up of MEW and subject to the waterfall of priority set out in the SHA (if applicable) (further details of which are set out in Section 2.10(k) of this Circular):

- (i) firstly, out of the assets and funds of MEW available for distribution, MEW shall pay to the holders of the Class A Ordinary Shares then outstanding, on a *pari passu* basis, prior to and in preference to the holders of the Class B Ordinary Shares and all other holders of shares in the capital of MEW, an amount per Class A Ordinary Share equal to the aggregate of (A) all of the issue price per Class A Ordinary Share (as appropriately adjusted for any subdivisions, consolidations, share dividends or similar recapitalisations); and (B) any accrued and unpaid dividends in respect of each Class A Ordinary Share; and

- (ii) secondly, if there are any assets and funds of MEW legally available for distribution after the payments referred to in sub-paragraph (i) above, all holders of Class A Ordinary Shares then outstanding shall be entitled to participate *pro rata* in the residual assets and funds of MEW.

(f) Amended Constitution of MEW

At Completion, the Amended Constitution of MEW will be adopted, which incorporates:

- (i) the terms of the Class A Ordinary Shares and the Class B Ordinary Shares as summarised above; and
- (ii) such amendments as are necessary to reflect the provisions of the SHA or otherwise remove the inconsistencies between the constitution of MEW and the SHA.

(g) KIT Loan

At Completion, KIT will extend the KIT Loan, which is a non-interest bearing shareholders' loan of S\$35,000,000, to MEW, on the terms and subject to the conditions of the KIT Loan Agreement. The proceeds of the KIT Loan will be fully applied by MEW to pay to KIHPL S\$35,000,000 towards partial repayment of the non-interest bearing KIHPL Shareholder's Loan of S\$40,000,000 to be provided to MEW by KIHPL immediately following the completion of the Restructuring Exercise.

The KIT Loan is unsecured with no fixed terms of repayment.

The KIT Loan will be subordinated to all external financing obtained by MEW (including but not limited to the Facility but excluding any funding from KIHPL). Please refer to Section 2.10(k) of this Circular for further details in relation to the waterfall of priority under the SHA.

(h) Conditions Precedent

Completion of the Proposed Acquisition is conditional upon the satisfaction of each of the following Conditions Precedent, or their satisfaction subject only to Completion:

- (i) there being no decree, determination, injunction, judgement or other order entered or issued by any supranational, national, federal, state, municipal or local court, administrative body, regulator or other governmental or quasi-governmental entity or authority, or any stock exchange, wherever located, of competent jurisdiction which has the effect of restraining or otherwise prohibiting the consummation of the Proposed Acquisition and which remains in force and effect as at the Completion Date;
- (ii) the approval of Unitholders in respect of the transactions contemplated pursuant to the SPSA, including the Share Sale, the Share Subscription and the Share Conversion, having been obtained in compliance with the Listing Manual and such approval not having been cancelled, revoked or withdrawn;
- (iii) the written approval of the Lender to the transactions contemplated pursuant to the SPSA, including the Share Sale, the Share Subscription and the Share Conversion as required pursuant to the Facility Agreement having been obtained in accordance with the Request Letter and such approval not having been cancelled, revoked or withdrawn as at the Completion Date;

- (iv) the written in-principle approval of PUB as required under the Water Purchase Agreement and the written approval of PUB as required under the PU Act in connection with the transactions contemplated pursuant to the SPSA, including the Share Sale, the Share Subscription and the Share Conversion, having been obtained without the attachment thereto of any terms or conditions or if such approval is subject to any terms or conditions, such terms or conditions being acceptable to KIHPL and the Trustee-Manager, and such approval not having expired or been cancelled, revoked or withdrawn as at the Completion Date;
- (v) the written in-principle approval of PUB, as required under the terms of the Agreement for Lease and Agreement for Foreshore Lease dated 19 June 2017 entered into between PUB and MEW in connection with the Share Sale, having been obtained without the attachment thereto of any terms or conditions or if such approval is subject to any terms or conditions, such terms or conditions being acceptable to KIHPL and the Trustee-Manager, and such approval not having been cancelled, revoked or withdrawn as at the Completion Date; and
- (vi) the Restructuring Exercise having been completed.

If the Conditions Precedent are not satisfied on or before 31 March 2025 (or such other date as may be agreed in writing between KIHPL and the Trustee-Manager), KIHPL or the Trustee-Manager may, in its absolute discretion, terminate the SPSA (other than certain surviving provisions therein) and no party to the SPSA shall have any claim against any other party to the SPSA, save for any claim arising from antecedent breaches of the SPSA.

As at the Latest Practicable Date, the conditions in sub-paragraph (iv) and (v) above have been satisfied subject to Completion, the condition in sub-paragraph (vi) above is in the process of being satisfied and is expected to be satisfied after the EGM, and the condition in sub-paragraph (iii) above will only be satisfied on the Completion Date.

(i) Representations, Warranties and Undertakings

The SPSA contains customary representations, warranties and pre-Completion undertakings provided by KIHPL relating to the Proposed Acquisition, including undertakings by KIHPL in relation to the conduct of the business of MEW from the date of the SPSA to Completion.

2.9 Completion

Under the terms of the SPSA, Completion will take place on the first Business Day falling seven (7) Business Days following notification of the satisfaction of the last of the Conditions Precedent.

The Completion Date is expected to be no later than the end of the first quarter of 2025.

2.10 SHA

Following Completion, 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.

On the Completion Date, KIHPL, the Trustee-Manager and MEW, will enter into the 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.

The salient terms of the SHA are as follows:

(a) Increases in Capital

Each shareholder of MEW (“**MEW Shareholder**”) shall exercise its voting rights for the time being in MEW and take such steps as for the time being lie within its powers to procure that the issue of any unissued shares in the capital of MEW (“**MEW Shares**”) or of any new MEW Shares from time to time created shall, before issuance, be offered for subscription in the first instance to such persons as at the date of the offer are registered as members of MEW in proportion as nearly as practicable to their respective shareholding percentages in MEW.

MEW shall not issue any MEW Shares to any person who is not a party to the SHA unless such subscriber first executes and delivers to each party to the SHA a Deed of Ratification and Accession under which such subscriber shall agree to be bound by and shall be entitled to the benefit of the SHA as if an original party hereto.

(b) Board of Directors

Unless otherwise unanimously agreed upon by the MEW Shareholders in writing, the board of directors of MEW (the “**MEW Board**”) shall consist of not more than six (6) directors (each, a “**MEW Director**”). There shall, at all times, be at least one (1) MEW Director who is ordinarily resident in Singapore.

The MEW Board shall comprise:

- (i) three (3) persons appointed by KIHPL (“**KIHPL Appointee Directors**”); and
- (ii) three (3) persons appointed by KIT (“**KIT Appointee Directors**”), one of whom shall have no relationship with MEW, its related corporations, its shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of such director’s independent judgement in the best interest of MEW (“**MEW Independent Director**”).

As long as KIHPL and KIT continue to hold MEW Shares, KIHPL and KIT shall be entitled to appoint an equal number of directors to the MEW Board.

The Chairman of the MEW Board shall be appointed by the MEW Board, and shall not be entitled to a second or casting vote at any meeting of the MEW Board or at any general meeting of MEW.

The quorum at a meeting, or adjourned meeting, of MEW Directors necessary for the transaction of any business of MEW shall be any four (4) MEW Directors, at least two (2) of whom shall be KIT Appointee Directors (including one (1) KIT Appointee Director who shall be an MEW Independent Director) and two (2) of whom shall be KIHPL Appointee Directors.

All resolutions of the MEW Directors at a meeting or adjourned meeting of the MEW Directors shall be adopted by a simple majority vote of the MEW Directors present (including the affirmative vote of at least one (1) KIT Appointee Director and one (1) KIHPL Appointee Director).

(c) Reserved Matters

The following matters require the prior approval of the MEW Board and such other consents as may be required by PUB, MAS or any other applicable regulatory body:

- (i) any amendment to the constitution of MEW and/or any of its subsidiaries.
- (ii) the payment or declaration of any dividend or other distribution on account of MEW Shares out of the available profits of MEW other than to finance capital expenditure relating to any work required which falls outside the scope of capital expenditure undertaken or to be undertaken by MEWOM under the O&M Agreement in respect of the continued proper functioning of KMEDP, or otherwise required by PUB;
- (iii) any determination or change in the dividend policy of MEW;
- (iv) any increase, reduction or other alteration to the issued share capital of MEW or the issue or grant of any option over the unissued share capital of MEW or the issue of any new class of MEW Shares or the issue of any convertible securities by MEW;
- (v) the variation of any rights attaching to any MEW Shares (including the Class A Ordinary Shares and the Class B Ordinary Shares) or the making of any call upon moneys unpaid in respect of any MEW Shares;
- (vi) the transfer of any MEW Shares (including the Class A Ordinary Shares and the Class B Ordinary Shares) save where expressly provided for in the SHA;
- (vii) any repurchase, cancellation or redemption of MEW's and/or any of its subsidiaries' share capital or any reduction, consolidation, subdivision or reclassification or other alteration of their/its capital structure;
- (viii) any amalgamation or reconstruction of MEW, or any merger of MEW and/or any subsidiaries of MEW with any corporation, firm or other body;
- (ix) the approval of the annual budget of MEW as well as any amendments, modifications, addendum or addition thereto;
- (x) other than in the ordinary course of business, MEW lending any money to any person or granting any credit to any person;
- (xi) the incurring or voluntary early repayment of borrowings of MEW, raising of any financing or the procurement of any financial support by MEW from the MEW Shareholders or any other person which shall include the entry into of any finance or lease or any guarantee, indemnity or suretyship in respect of the liabilities or solvency of any third party or any similar obligation to be given by MEW other than (i) those already agreed to in the annual capital expenditure plan and/or capital expenditure budget, and (ii) the management of interest rate hedges for any existing loan or facility agreement (which shall incorporate relevant input from KIHPL);

- (xii) any disposal or the acquisition of, or investment in, any undertaking, assets (including, without limitation, copyright, trademarks, service marks, patents or other intellectual property rights and any interest in any land or real property) or MEW Shares or other equity interests by MEW;
- (xiii) any change of nature or scope of the business, commencing a new business or business activity which is not ancillary or incidental to the existing business of MEW, cease to carry on any significant part of the business, or commence operating the business or any website of the business in a country in which MEW is not operating at the date of the SHA;
- (xiv) MEW entering into, varying or waiving any breach or discharge of liability under or terminating any contract or arrangement (whether legally binding or not), or undertaking any action that results in a transaction (or series of transactions) or business dealing with any of the MEW Directors or MEW Shareholders or with any affiliates or related corporation thereof or any person connected with an MEW Director or MEW Shareholder;
- (xv) the dissolution, liquidation, or winding-up of MEW and/or any of its subsidiaries;
- (xvi) the creation of any mortgage, charge or other Encumbrance over MEW's property;
- (xvii) the establishment of any subsidiary, branch or representative office of MEW, or the entry by MEW into any joint venture agreement with any other party;
- (xviii) any public offering or listing or quotation of the MEW Shares or other equity of MEW on any stock exchange;
- (xix) any change in the number of MEW Directors;
- (xx) the payment of any remuneration or director's fees to the MEW Directors or any of them;
- (xxi) the issue of any power of attorney by MEW;
- (xxii) the creation of any committee of the MEW Board or the delegation of any powers of the MEW Board to any committee of the MEW Board;
- (xxiii) the appointment, terms of appointment and/or dismissal, of any Chief Executive Officer, Managing Director, Executive Director, General Manager, Chief Financial Officer, or similar senior executive or officer of MEW;
- (xxiv) the institution, commencement, defence, compromise or settlement by MEW of any litigation or arbitration or administrative proceedings;
- (xxv) the appointment and removal of the external auditors of MEW;
- (xxvi) the approval of, or any significant change in, the major accounting policies and practices of MEW;
- (xxvii) any change to the valuation policies of the assets of MEW;

(xxviii) the approval of the audited balance sheet and profit and loss account of MEW and any report or statement accompanying such balance sheet and profit and loss account; and

(xxix) the appointment of or change in the authorised signatories of all and any banking or credit facilities or accounts of MEW.

(d) General Meetings

The quorum at a general meeting, or adjourned meeting, of MEW necessary for the transaction of any business of MEW shall be two (2) MEW Shareholders (including KIT and KIHPL) present in person or by proxy, including the proxy or representative of each MEW Shareholder.

All resolutions of the MEW Shareholders shall be adopted by a simple majority vote of the MEW Shareholders present and voting and on the basis that each Class A Ordinary Share and each Class B Ordinary Share will carry one (1) vote.

(e) Adjustment Mechanism

Given that the Target Date has elapsed and for the purpose of providing KIT with the economic value in respect of MEW for the period commencing on the Target Date and ending on the Completion Date (the “**Adjustment Period**”), MEW shall (subject to compliance with the terms of the Facility documentation and all applicable laws and regulations including the relevant provisions of the Companies Act relating to the declaration and payment of dividends) distribute to KIT as a special distribution, or otherwise pay to KIT, an amount in cash which is the aggregate of:

(i) an amount (the “**First Adjustment Value**”) that is calculated in accordance with the following formula:

First Adjustment Period x Daily Adjustment Value

where:

- “**First Adjustment Period**” means the number of calendar days in the period commencing on the Target Date and ending on (and including) the last calendar day of the quarter immediately preceding the quarter in which the Completion Date falls; and
- “**Daily Adjustment Value**” means the amount of S\$6,866.40; and

(ii) an amount (the “**Second Adjustment Value**”) that is calculated in accordance with the following formula:

Second Adjustment Period x Daily Adjustment Value

where:

- “**Second Adjustment Period**” means the number of calendar days in the period commencing on the first calendar day of the quarter in which the Completion Date falls and ending on (and including) the Completion Date; and
- “**Daily Adjustment Value**” means the amount of S\$6,866.40,

(such amount, the “**Total Adjustment Value**”).

The aggregate Total Adjustment Value, assuming the Completion Date falls on 31 March 2025 (being the latest date set out in the PUB Approval-in-Principle), would amount to S\$7,525,574.40.

The First Adjustment Value must be distributed or paid in full or to the fullest extent possible within 15 Business Days of the Completion Date, and the Second Adjustment Value must be distributed or paid in full or to the fullest extent possible within five (5) Business Days after the provision of the quarterly management accounts in respect of the quarter in which the Completion Date falls by MEW to KIT and KIHPL, together with the KIT Dividend (as defined below) to be distributed by MEW to KIT in respect of the quarter in which the Completion Date falls (if applicable).

The Daily Adjustment Value was determined based on the aggregate projected free cash flow to equity of MEW (calculated based on MEW's operating cash flow, net of taxes) across the Adjustment Period (assuming the Completion Date falls on 31 March 2025 (being the latest date set out in the PUB Approval-in-Principle)) divided by the total number of days in the Adjustment Period, after taking into account the repayments of the Facility and projected costs to MEW during the Adjustment Period as reflected in the agreed annual budget of MEW ("**Agreed Budget**") (including, without limitation, the O&M costs, insurance costs, various costs under the Facility and the following expenses):

- (A) interest expense on the outstanding amounts owing by MEW under the Facility;
- (B) operating expenses incurred for compliance with the Carbon Pricing Act 2018 of Singapore;
- (C) operating expenses incurred for compliance with the Cybersecurity Act 2018 of Singapore; and
- (D) power expenses that are not passed through to PUB under the terms of the Water Purchase Agreement,

(the expenses in (A) to (D) above collectively referred to as the "**Adjustment Expenses**").

In the event that the Adjustment Expenses exceed that reflected in the Agreed Budget and MEW is unable to accumulate an amount equivalent to the First Adjustment Value or the Second Adjustment Value for distribution to KIT pursuant to the above, KIHPL shall, not less than 10 Business Days prior to the respective date by which the First Adjustment Value and the Second Adjustment Value (as the case may be) must be paid, pay to MEW such amount in cash so as to enable MEW to make KIT whole in respect of the First Adjustment Value or the Second Adjustment Value (as the case may be).

(f) Repayment Amount

KIHPL shall be entitled to the amount of S\$4,000,000, representing net trade receipts due from PUB to MEW (the "**Repayment Amount**").

MEW shall, subject to all applicable laws and regulations and subject to compliance with the terms of the Facility Agreement and the deed of subordination dated 25 April 2022 entered into between, *inter alia*, MEW, KIHPL, the Lender as facility agent and security agent and such other shareholders of MEW from time to time (the "**Deed of**

Subordination”), distribute or otherwise pay the Repayment Amount to KIHPL in full or in parts across multiple quarters within 10 Business Days of the earlier of:

- (i) the end of the Concession Period; and
- (ii) when MEW has excess cash (in the manner contemplated in the Shareholders’ Agreement) in a given quarter after paying the KIT Dividend (as defined below) and repaying the KIT Loan to KIT in full.

As at the Latest Practicable Date, MEW has yet to pay a dividend for a sum of S\$5,000,000 declared by MEW to KIHPL on 28 December 2021 (the “**KIHPL Dividend**”). Payment by MEW of the Repayment Amount to KIHPL shall be deemed to be partial payment of the KIHPL Dividend.

The Repayment Amount arose as the Sale Shares Consideration does not take into account the Repayment Amount which is held or to be received (as the case may be) by MEW, which is for the account of KIHPL.

(g) Dividend Policy

Subject to the terms of the Facility Agreement, except as otherwise agreed in writing by the shareholders of MEW, from the date of the SHA and subject to compliance with all applicable laws and regulations, MEW shall declare and distribute to KIT not less than the entire amount of MEW’s audited net profits after tax as certified by the auditors of MEW to KIT (the “**KIT Dividend**”) in the manner set out below:

- (i) in respect of each quarter, within five Business Days after the provision of the quarterly management accounts by MEW to the MEW Shareholders, MEW shall declare and distribute to KIT an interim dividend amounting to not less than 80% of MEW’s unaudited net profit after tax as reflected in the relevant quarterly management accounts; and
- (ii) in respect of each financial year, within five Business Days after the audited annual financial statements of MEW for such financial year have been laid before MEW at an annual general meeting, MEW shall declare and distribute to KIT a final dividend of not less than:
 - (A) 100 per cent. of MEW’s audited net profits after tax as certified by the auditors of MEW in respect of such financial year; less
 - (B) the aggregate of all interim dividends declared and distributed to KIT in respect of each quarter of such financial year in accordance with sub-paragraph (i) above,

provided that (i) the interim dividend in respect of the quarter in which the Completion Date falls and (ii) any final dividend in respect of the financial year in which the Completion Date falls shall be reduced by an amount equal to the Second Adjustment Value.

(h) Right of Audit Inspection

All books of accounts, vouchers, records and documents of MEW shall be available for inspection by any of the parties to the SHA or by their duly authorised representatives during regular business hours and upon prior appointment. The parties to the SHA shall each be entitled to conduct at its own cost its independent internal audit of MEW

and MEW shall cooperate with such audit and supply all relevant information in its possession as the parties to the SHA may reasonably require for this purpose.

(i) Transfer of Shares

Each MEW Shareholder will not, without the prior written consent of:

- (i) the other MEW Shareholder;
- (ii) PUB as required under the Water Purchase Agreement; and
- (iii) the Lender as required under the Facility Agreement,

transfer all or any part of the MEW Shares held by it or otherwise sell, dispose of or deal with all or any part of its interest in such MEW Shares, or create or have outstanding any Encumbrance or security interest on or over any MEW Shares or any part of its interest in such MEW Shares.

Each MEW Shareholder also has pre-emption rights in respect of any transfer, sale, disposal or dealing in of all or any part of the MEW Shares held by the other MEW Shareholder, save in the case of a transfer of all (and not some only) of the MEW Shares held by an MEW Shareholder to its related corporation or, in the case of KIT, to any fund under the direct or indirect management of KCH.

(j) Finance for MEW

The working capital requirements of MEW shall be obtained in the following manner in order of preference:

- (i) cash generated from the operation of KMEDP and other internal resources;
- (ii) where such internal resources are exhausted or unavailable, then subject to the approval of the MEW Board, advances and credit (at best available rates and on terms fair to MEW) from financial institutions and other third party sources; and
- (iii) where such advances and credit are exhausted or unavailable, then subject to the approval of each MEW Shareholder, by way of shareholder's loans or capital injection from the MEW Shareholders.

(k) Waterfall of Priority

Subject to the terms of the Facility Agreement, the Deed of Subordination (if applicable) and any other relevant document(s), in the event of an Insolvency Event (as defined in the SHA) applicable to MEW, a sale, lease or disposition of all or substantially all of the assets of MEW and a transaction or series of transactions in which more than 50 per cent. of the voting power of MEW is disposed of, the following waterfall of priority (in descending order of priority) shall apply in respect of the KIT Loan, the KIT Dividend, the KIHPL Dividend, any shareholders' loans provided to MEW and the MEW Shares:

- (i) the KIT Dividend;
- (ii) the KIT Loan;
- (iii) such amounts of the KIHPL Dividend which remains unpaid from time to time;

- (iv) the KIHPL FAA Shareholder's Loan;
- (v) any shareholders' loan advanced to MEW by KIT (or any of its designated affiliates) other than the KIT Loan;
- (vi) the Class A Ordinary Shares;
- (vii) any shareholders' loan advanced to MEW by KIHPL after the date of the SHA;
- (viii) the KIHPL Shareholder's Loan; and
- (ix) the Class B Ordinary Shares.

(I) Default Put and Call Options

In the event of a material breach of the terms of the SHA by an MEW Shareholder or a change in control of an MEW Shareholder without the prior written consent of PUB in accordance with the Water Purchase Agreement, the non-defaulting MEW Shareholder shall have:

- (i) a call option to require the defaulting MEW Shareholder to:
 - (A) sell to the non-defaulting MEW Shareholder all (and not some only) of the MEW Shares held by the defaulting MEW Shareholder for the time being at a price per MEW Share equal to 90 per cent. of the fair market value of each such MEW Share as determined by a professional valuer or merchant bank appointed by agreement between the defaulting MEW Shareholder and the non-defaulting MEW Shareholder, or failing agreement, by the non-defaulting MEW Shareholder ("**Appointed Valuer**"); and
 - (B) transfer to the non-defaulting MEW Shareholder all shareholders' loans granted by the defaulting MEW Shareholder to MEW and all debt securities or instruments issued by MEW to the defaulting MEW Shareholder (and the accrued interest thereon) ("**Defaulting Shareholders' Loans**") for a sum equal to 90 per cent. of the Defaulting Shareholders' Loans; and
- (ii) a put option to require the defaulting MEW Shareholder to:
 - (A) purchase from the non-defaulting MEW Shareholder all (and not some only) of the MEW Shares held by the non-defaulting MEW Shareholder for the time being at a price per MEW Share equal to 110 per cent. of the fair market value of each such MEW Share as determined by the Appointed Valuer; and
 - (B) accept the transfer to the defaulting MEW Shareholder of all shareholders' loans granted by the non-defaulting MEW Shareholder to MEW and all debt securities or instruments issued by MEW to the non-defaulting MEW Shareholder (and the accrued interest thereon) ("**Non-Defaulting Shareholders' Loans**") for a sum equal to 110 per cent. of the Non-Defaulting Shareholders' Loans.

In the event that an MEW Shareholder suffers an Insolvency Event (as defined in the SHA), the non-defaulting MEW Shareholder shall have a call option to require the defaulting MEW Shareholder to:

- (i) sell to the non-defaulting MEW Shareholder all (and not some only) of the MEW Shares held by the defaulting MEW Shareholder for the time being at a price per MEW Share equal to the fair market value of each such MEW Share as determined by the Appointed Valuer; and
- (ii) transfer to the non-defaulting MEW Shareholder all (and not some only) of the Defaulting Shareholders' Loans for a sum equal to the Defaulting Shareholders' Loans.

(m) Duration and Termination

The SHA shall continue in full force and effect without limit in point of time until the earlier of:

- (i) the MEW Shareholders agreeing in writing to terminate the SHA; and
- (ii) an effective resolution being passed or a binding order being made for the winding-up of MEW,

provided that the SHA shall cease to have effect as regards any MEW Shareholder who ceases to hold any MEW Shares save for any of its provisions which are expressed to continue in force after termination.

2.11 O&M Agreement

Pursuant to the O&M Agreement entered into between MEW and MEWOM, which is a wholly owned subsidiary of KIHPL, MEWOM will provide O&M services to MEW in respect of KMEDP and certain ancillary facilities throughout the Concession Period. Accordingly, following Completion, MEWOM will continue to provide O&M services to MEW pursuant to the O&M Agreement until the expiry of the Concession Period in 2045.

The principal terms of the O&M Agreement include, *inter alia*, the following:

- (i) MEWOM is engaged and retained by MEW as an independent contractor to operate, maintain and repair KMEDP on behalf of MEW, and MEW has delegated to MEWOM the overall day-to-day responsibility of operating, maintaining and repairing KMEDP for and on behalf of MEW, during the Concession Period;
- (ii) MEWOM shall be responsible for hiring, employing, training, instructing and managing the staff necessary to operate and maintain KMEDP and shall ensure that the necessary staff is on duty at KMEDP at all times throughout the Concession Period;
- (iii) MEWOM shall procure all spare parts, materials, equipment, supplies, consumables and other items required for the operation, maintenance and repair of KMEDP during the Concession Period, at its cost, as part of its obligations;
- (iv) MEWOM must maintain safety and security of KMEDP, including meeting the safety and security requirements of PUB;

- (v) MEWOM shall obtain, maintain and renew (where necessary) authorisations that are required by law or any government agency to be obtained or held under the name of MEW for carrying out the operation, maintenance and repair of KMEDP;
- (vi) MEWOM shall operate and maintain KMEDP in accordance with all environmental laws and all other laws, ensure that any discharge by KMEDP of all emissions, effluents and waste are in accordance with all environmental laws and all other laws and ensure that KMEDP does not cause or contribute to any environmental damage or pollution;
- (vii) MEWOM shall procure from any energy supply retailers or produce at its own risk and cost, sufficient electricity to enable KMEDP to be operated so as to comply with MEWOM's obligations under the O&M Agreement; and
- (viii) the O&M Agreement shall expire at the end of the Concession Period, subject to any other earlier termination or further extension as permitted under the O&M Agreement.

2.12 Method of Financing

The Trustee-Manager intends to fund the Sale Shares Consideration and the KIT Loan from the internal sources of funds and existing debt facilities of KIT.

3. THE PROPOSED ACQUISITION AS AN INTERESTED PERSON TRANSACTION

3.1 Chapter 9 of the Listing Manual

Chapter 9 of the Listing Manual governs transactions by a listed business trust as well as transactions by its subsidiaries and associated companies that are considered to be at risk, with the listed business trust's interested persons. When this Chapter applies to a transaction and the value of that transaction alone or in aggregation with other transactions conducted with the same interested person during the financial year reaches, or exceeds, 5% of the listed business trust's latest audited consolidated NTA, the listed business trust is required to make an immediate announcement and seek its unitholders' approval for that transaction. For the avoidance of doubt, the requirement for unitholders' approval does not apply to any transaction below S\$100,000.

For the purposes of Chapter 9 of the Listing Manual:

- (a) "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual.
- (b) "**entity at risk**" means:
 - (i) the issuer;
 - (ii) a subsidiary of the issuer that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the issuer that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company.

- (c) **“interested person”** means:
- (i) a director, chief executive officer, or controlling shareholder of the trustee-manager of the business trust;
 - (ii) the trustee-manager or controlling unitholder of the business trust; or
 - (iii) an Associate of any of the persons or entities in (i) or (ii) above.
- (d) **“interested person transaction”** means a transaction between an entity at risk and an interested person.
- (e) **“transaction”** includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of goods or services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).

In general, for the purposes of Chapter 9 of the Listing Manual, transaction(s) between:

- (a) an entity at risk (namely KIT, a subsidiary of KIT that is not listed on the SGX-ST or an approved exchange, or an associated company of KIT that is not listed on the SGX-ST or an approved exchange, provided that the KIT Group, or the KIT Group and its interested person(s), has control over the associated company); and
- (b) any of its interested persons (namely the Trustee-Manager (acting in its personal capacity), a related corporation or related entity of the Trustee-Manager (other than a subsidiary or subsidiary entity of KIT), a Director, CEO or controlling shareholder of the Trustee-Manager, a Controlling Unitholder or an Associate of any such Director, CEO, controlling shareholder or Controlling Unitholder), would constitute an interested person transaction.

3.2 The Proposed Acquisition as an Interested Person Transaction

(a) Details of the Interested Persons and Entities at Risk

KIT is an entity at risk within the meaning of Chapter 9 of the Listing Manual.

As at the Latest Practicable Date:

- (i) KIHPL is the sponsor of KIT and holds an aggregate interest in 1,107,489,090 Units which is equivalent to approximately 18.21% of the total number of Units in issue, and is therefore regarded as a Controlling Unitholder of KIT and an interested person within the meaning of Chapter 9 of the Listing Manual;
- (ii) Keppel, through its wholly-owned subsidiary KIHPL, is deemed interested in 1,107,489,090 Units which is equivalent to approximately 18.21% of the total number of Units in issue, and is therefore regarded as an indirect Controlling Unitholder of KIT and an interested person within the meaning of Chapter 9 of the Listing Manual;
- (iii) Temasek has a more than 20% interest in Keppel. Further, Temasek, through Keppel and through its other subsidiaries and associated companies, is deemed interested as at 1 November 2024 in an aggregate of 1,875,365,204 Units which is equivalent to 30.82% of the total number of Units in issue. Therefore, Temasek is regarded as an indirect Controlling Unitholder of KIT and an interested person within the meaning of Chapter 9 of the Listing Manual;

- (iv) the Trustee-Manager is wholly owned by KCH, which in turn is a wholly-owned subsidiary of Keppel. Temasek, through Keppel, is also deemed interested in all the shares in the capital of the Trustee-Manager. Therefore, each of KCH, Keppel and Temasek is regarded as a controlling shareholder of the Trustee-Manager and an interested person within the meaning of Chapter 9 of the Listing Manual;
- (v) MEW is a wholly-owned subsidiary of KIHPL. Therefore, MEW is regarded as an Associate of KIHPL and an interested person within the meaning of Chapter 9 of the Listing Manual; and
- (vi) MEWOM is a wholly-owned subsidiary of KIHPL. Therefore, MEWOM is regarded as an Associate of KIHPL and an interested person within the meaning of Chapter 9 of the Listing Manual.

Following Completion, as KIHPL and KIT will each hold a 50% joint-controlling equity interest in MEW:

- (I) MEW will be regarded as both an entity at risk and an interested person within the meaning of Chapter 9 of the Listing Manual, by virtue of being an associated company of KIT as well as an Associate of KIHPL; and
- (II) MEWOM will be regarded as an interested person within the meaning of Chapter 9 of the Listing Manual by virtue of being a wholly-owned subsidiary of KIHPL.

As MEW and MEWOM are each Associates of KIHPL, for the purposes of Rule 906 of the Listing Manual, transactions between MEW and KIT, MEW and MEWOM and KIHPL and KIT are deemed to be transactions between KIT with the same interested person.

(b) Requirement for Unitholders' Approval

Under Chapter 9 of the Listing Manual, where KIT proposes 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 consolidated NTA, Unitholders' approval is required in respect of the transaction.

Based on the KIT Group's audited financial statements for FY2023, the KIT Group's audited NTA was approximately 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 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\$14.65 million (being 5.0% of KIT's latest audited consolidated NTA), such a transaction would be subject to Unitholders' approval.

Given that the aggregate of the Sale Shares Consideration and the KIT Loan is S\$35,000,002, which represents approximately 11.9% of the KIT Group's audited NTA as at 31 December 2023, the value of the Proposed Acquisition (both on a standalone basis and when aggregated with the amount at risk to KIT of S\$8,007,000 under the shareholder loan facility entered into among KIT, Keppel Energy Pte Ltd and Keppel Merlimau Cogen Pte Ltd (further details of which are set out in the Trustee-Manager's announcement dated 12 July 2024)) exceeds the said threshold and accordingly, Unitholders' approval for the Proposed Acquisition (including, *inter alia*, the Share

Sale, the Share Subscription, the Share Conversion, the entry into the SHA and the accession deeds in relation thereto, the KIT Loan and the KIT Share Charge) is required pursuant to Rule 906(1)(a) of the Listing Manual.

If Unitholders approve the Proposed Acquisition as an interested person transaction under Chapter 9 of the Listing Manual at the EGM, such approval will be deemed to include the entry into the SHA and the accession deeds in relation thereto, the KIT Loan and the KIT Share Charge as they form an integral part of the contractual rights, entitlements and obligations of KIT in connection with the Proposed Acquisition.

(c) Other Interested Person Transactions

The aggregate value of all interested person transactions of a value equal to or more than S\$100,000 entered into by KIT and/or its entity(ies) at risk with Keppel and its subsidiaries and Associates (including KIHPL) for the current financial year ending 31 December 2024 as at 1 November 2024⁽¹⁾ and including the Proposed Acquisition is S\$1,960 million, which represents approximately 669% of the KIT Group's audited NTA as at 31 December 2023.

For completeness, as at the Latest Practicable Date, other than the shareholder loan facility entered into among KIT, Keppel Energy Pte Ltd and Keppel Merlimau Cogen Pte Ltd (further details of which are set out in the Trustee-Manager's announcement dated 12 July 2024) and the Proposed Acquisition, all interested person transactions of a value equal to or more than S\$100,000 entered into by KIT and/or its entity(ies) at risk with Keppel and its subsidiaries and Associates (including KIHPL) for the current financial year ending 31 December 2024 have been specifically approved by Unitholders or have been entered into pursuant to the Unitholders' Mandate for Interested Person Transaction approved by Unitholders on 23 April 2024.

The aggregate value of all interested person transactions of a value equal to or more than S\$100,000 entered into by KIT and/or its entity(ies) at risk for the current financial year ending 31 December 2024 as at 1 November 2024⁽¹⁾ is S\$2,083 million.

3.3 Provision of O&M Services to MEW by MEWOM

Following Completion, as KIHPL and KIT will each hold a 50% joint-controlling equity interest in MEW, MEW will be regarded as both an entity at risk and an interested person and MEWOM will be regarded as an interested person, each within the meaning of Chapter 9 of the Listing Manual.

The provision of O&M services to MEW by MEWOM pursuant to the O&M Agreement following Completion will be interested person transactions under Chapter 9 of the Listing Manual (to the extent that the value of each transaction is S\$100,000 or more, or, if the value of each transaction is less than S\$100,000 but are entered into during the same financial year and aggregated by the SGX-ST under Chapter 9 of the Listing Manual and treated as if they were one interested person transaction which has a value of S\$100,000 or more).

Notwithstanding this, such transactions would fall within the ambit of the general mandate for interested person transactions which was last renewed by Unitholders at the annual general meeting of KIT held on 23 April 2024 and which will remain in effect (unless revoked

(1) The aggregate values of all interested person transactions of a value equal to or more than S\$100,000 entered into by KIT and/or its entity(ies) at risk for the current financial year ending 31 December 2024 as at 1 November 2024 are based on management information to be reviewed by KIT's internal auditor and the Audit and Risk Committee pursuant to renewal of the Unitholders' Mandate for Interested Person Transaction.

or varied by KIT in a general meeting) until the conclusion of the next annual general meeting of KIT or the date on which the next annual general meeting of KIT is required to be held, whichever is the earlier.

Accordingly, provided that such transactions are made on normal commercial terms and are not prejudicial to KIT and its minority Unitholders, and are entered into in accordance with the review procedures for such transactions, such transactions will not be separately subject to Rules 905 and 906 of the Listing Manual.

4. CHAPTER 10 OF THE LISTING MANUAL

The relative figures for the Proposed 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 KIT Group's NAV. This basis is not applicable to an acquisition of assets.	Not applicable
(b)	The FFO attributable to the assets acquired, compared with the KIT Group's FFO.	3.8 ⁽¹⁾
(c)	The aggregate value of the consideration given, compared with KIT's market capitalisation based on the total number of issued Units excluding treasury units.	1.3 ⁽²⁾
(d)	The number of equity securities issued by KIT as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽³⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the KIT Group's probable and proved reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable ⁽⁴⁾

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. The relative figure for the basis under Rule 1006(b) has been computed based on (a) MEW's unaudited FFO for the half year ended 30 June ("1H") 2024 of approximately S\$5.3 million (which has not been pro rated to KIT's shareholding in MEW as following the completion of the Proposed Acquisition, KIT will be entitled to the entire economic benefit from MEW (including any dividends or distributions by MEW)) and (b) the KIT Group's unaudited consolidated FFO for 1H2024 of approximately S\$138.5 million.
- (2) The relative figure for the basis under Rule 1006(c) has been computed based on (a) the aggregate of the Sale Shares Consideration of S\$2.00 and the KIT Loan of S\$35,000,000 and (b) KIT's market capitalisation of approximately S\$2,737.5 million which is obtained by multiplying 6,083,341,128 Units by the closing price of S\$0.45 per Unit on 14 November 2024, being the last full Market Day of trading in the Units preceding the date of the SPSA.
- (3) This basis is not applicable as no equity securities will be issued by KIT as consideration for the Proposed Acquisition.
- (4) This basis is not applicable as KIT is not a mineral, oil and gas company.

As the relative figures computed on the bases set out in Rules 1006(b) and 1006(c) of the Listing Manual do not exceed 5%, the Proposed Acquisition is classified as a “non-disclosable transaction” under Rule 1008 of the Listing Manual. Notwithstanding this, for completeness, the information under Rule 1010 of the Listing Manual has been disclosed in this Circular on a voluntary basis. Therefore, Chapter 10 of the Listing Manual does not require the specific approval of Unitholders to be obtained for the Proposed Acquisition.

However, as the Proposed Acquisition constitutes an “interested person transaction” under Chapter 9 of the Listing Manual which value exceeds the relevant thresholds under the Listing Manual in respect of which the approval of Unitholders is required, Unitholders’ approval is being sought at the EGM for the Proposed Acquisition.

5. OPINION OF THE INDEPENDENT FINANCIAL ADVISER

Ernst & Young Corporate Finance Pte Ltd has been appointed as the IFA to provide an opinion as to whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of KIT and its minority Unitholders.

The IFA Letter is reproduced in full in **Appendix A** to this Circular. Unitholders are advised to read the IFA Letter in its entirety carefully and consider it in the context of this Circular before deciding on whether to approve the Proposed Acquisition.

The IFA’s opinion can be found in Section 5 of the IFA Letter and a summary of the IFA’s opinion has been extracted from the IFA Letter and are set out in italics below. Unless otherwise defined or the context otherwise requires, all terms defined in the IFA Letter shall have the meanings therein.

“In arriving at our opinion pursuant to Rule 921(4)(a) of the Listing Manual as well as our advice to the Independent Directors and the Audit and Risk Committee on the Proposed Acquisition, we have reviewed and deliberated on the factors which we consider to be relevant and to have a significant bearing on our assessment of the Proposed Acquisition. The factors we have considered in our evaluation, which are based on, among others, representations made by the Trustee-Manager, the Directors and the Management and discussed in detail in the earlier sections of this letter and which we have relied upon, are as follows:

- (a) the Proposed Acquisition being aligned with the Trustee-Manager’s goal to create value for Unitholders through the investment in MEW that is expected to generate sustainable returns and enhance total returns for Unitholders;*
- (b) the Proposed Acquisition representing an expansion to KIT’s exposure to water treatment solutions, enhancing KIT’s existing portfolio;*
- (c) the Proposed Acquisition supporting KIT’s environmental, social and governance goals;*
- (d) KIT being entitled to the entire economic benefit from MEW, including any dividends or distributions by MEW;*
- (e) valuation of MEW by the Independent Valuer;*
- (f) the Proposed Acquisition being accretive, where the Distribution Yield of KIT’s enlarged portfolio would have been higher assuming the Proposed Acquisition was completed with effect on 1 January 2023;*

- (g) *the expected Distribution Yield of KIT's enlarged portfolio assuming the Proposed Acquisition was completed with effect on 1 January 2023 is above the range of observed Distribution Yields of the Selected Infrastructure Funds;*
- (h) *pro forma financial effects of the Proposed Acquisition;*
- (i) *the terms of the SHA that will be entered into on the Completion Date by the Trustee-Manager, KIHPL and MEW to regulate the affairs of MEW and the respective rights of KIT and KIHPL as shareholders of MEW;*
- (j) *the KIT Loan that will be extended by KIT to MEW at Completion pursuant to the KIT Loan Agreement;*
- (k) *the KIT Share Charge that will be entered into by KIT with the Lender, as security agent, pursuant to which all present and future issued shares in the capital of MEW held by the Trustee-Manager will be charged in favour of the Lender as security for the Facility; and*
- (l) *the Proposed Acquisition is expected to support the overall DPU accretion to Unitholders.*

Having considered the factors and the assumptions set out in this letter, we are of 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.

Accordingly, we advise the Independent Directors and the Audit and Risk Committee to recommend that Unitholders vote in favour of the Proposed Acquisition."

6. STATEMENT OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee (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), having reviewed, among other things, the terms and rationale for the Proposed Acquisition, and after considering the advice of the IFA as set out in **Appendix A** to this Circular, concurs with the IFA and is of the opinion that the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of KIT and its minority Unitholders.

7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The following tables set out the *pro forma* financial effects of the Proposed Acquisition 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 Proposed Acquisition had been completed with effect from 1 January 2023; and
- (b) what the NAV, NAV per Unit and Net Gearing of the KIT Group as at 31 December 2023 would have been if the Proposed Acquisition had been completed as at 31 December 2023,

and are neither indicative nor do they represent any projection of the financial performance or position of the KIT Group after Completion.

The *pro forma* financial effects of the Proposed Acquisition set out in this Section 7 of this Circular have been prepared based on the KIT Group's audited consolidated financial statements for FY2023 and the audited accounts of MEW for FY2023 as well as the following key bases and assumptions:

- (i) 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;
- (ii) the Sale Shares Consideration and the KIT Loan are fully funded by internal sources of funds and/or external borrowings;
- (iii) the *pro forma* financial effects on the FFO and DPU of the KIT Group are computed based on the assumption that the Proposed Acquisition had been completed with effect from 1 January 2023;
- (iv) the *pro forma* financial effects on the NAV, NAV per Unit and the Net Gearing of the KIT Group are computed based on the assumption that the Proposed Acquisition had been completed as at 31 December 2023; and
- (v) the *pro forma* financial effects presented are strictly for illustration purposes and, because of its nature, may not give a true picture of (a) what the NAV, NAV per Unit and Net Gearing of the KIT Group would have been if the Proposed Acquisition had been completed as at 31 December 2023 for FY2023 and (b) what the FFO and DPU of the KIT Group for FY2023 would have been if the Proposed Acquisition had been completed with effect from 1 January 2023 for FY2023.

7.1 *Pro Forma* FFO

The table below sets out the *pro forma* financial effects of the Proposed Acquisition on the FFO of the KIT Group for FY2023, as if 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.

For FY2023	Actual	Adjusted for the Proposed Acquisition	% change
FFO (S\$ million) ⁽¹⁾	287.9 ⁽²⁾	298.4	3.6

Notes:

- (1) The Distributable Income Per Unit ("**DIPU**") for FY2023 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%.
- (2) Excluding effects of the Ixom capital optimisation which was distributed as a special distribution to Unitholders.

7.2 Pro Forma DPU

The table below sets out the *pro forma* financial effects of the Proposed Acquisition on KIT's DPU for FY2023, as if 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.

For FY2023	Actual	Adjusted for the Proposed Acquisition	% change
DPU (S\$ cents)	3.86 ⁽¹⁾	3.87 ⁽²⁾⁽³⁾	0.4

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 MEW will be distributed to KIT. The *pro forma* DPU following the Proposed Acquisition set out herein should not be interpreted as being representative of the future DPU.
- (3) Assuming cash distribution received from MEW, net of corporate expenses, is fully distributed to Unitholders.

7.3 Pro Forma NAV

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

As at 31 December 2023	Actual	Adjusted for the Proposed Acquisition
NAV (S\$'000)	890,480	890,480
Issued Units ('000)	5,625,786	5,625,786
NAV per Unit (S\$ cents)	15.8	15.8

7.4 Pro Forma Net Gearing

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

As at 31 December 2023	Actual	Adjusted for the Proposed Acquisition	% point change
Net Gearing (%)	39.8	40.2	0.4

8. DIRECTORS' AND SUBSTANTIAL UNITHOLDERS' INTERESTS

8.1 Directors' Interests in Units

As at the Latest Practicable Date, 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⁾
Mr Daniel Cuthbert Ee Hock Huat	450,531	n.m. ⁽²⁾	–	–
Mr Mark Andrew Yeo Kah Chong	400,500	n.m. ⁽²⁾	–	–
Ms Chong Suk Shien	122,200	n.m. ⁽²⁾	–	–
Mr Adrian Chan Pengee	58,500	n.m. ⁽²⁾	–	–
Mr Ng Kin Sze	265,300	n.m. ⁽²⁾	–	–
Mr Khor Poh Hwa	–	–	–	–
Ms Christina Tan Hua Mui	–	–	–	–

Notes:

(1) Based on 6,083,341,128 issued Units as at the Latest Practicable Date.

(2) "n.m." means not meaningful.

8.2 Substantial Unitholders' Interests in Units

The Substantial Unitholders' direct or deemed interests in the Units are as follows:

Substantial Unitholders	Direct Interest		Deemed Interest	
	Number of Units	% ⁽³⁾	Number of Units	% ⁽³⁾
KIHPL	1,107,489,090 ⁽¹⁾	18.21	–	–
Keppel ⁽⁴⁾	–	–	1,107,489,090 ⁽¹⁾	18.21
Bartley Investments Pte. Ltd.	449,749,957 ⁽²⁾	7.39	–	–
Tembusu Capital Pte. Ltd. ⁽⁵⁾	–	–	718,361,560 ⁽²⁾	11.80
Temasek ⁽⁶⁾	–	–	1,875,365,204 ⁽²⁾	30.82

Notes:

(1) As at the Latest Practicable Date.

(2) As of 1 November 2024.

(3) Based on 6,083,341,128 Units as at the Latest Practicable Date.

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

(5) Tembusu Capital Pte. Ltd. is deemed to have an interest in the Units in which Bartley Investments Pte. Ltd. and its other subsidiaries have interests.

(6) 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.

9. DIRECTORS' SERVICE CONTRACTS

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

10. ABSTENTION FROM VOTING

By virtue of their interest in the Proposed Acquisition, each of KIHPL, Keppel, Temasek and the Temasek Entities 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. Each of KIHPL, Keppel, Temasek and the Temasek Entities 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. Please refer to Section 8.2 of this Circular for the relevant Substantial Unitholders' direct or deemed interests in the Units.

Mr Daniel Cuthbert Ee Hock Huat is a director of a subsidiary of Temasek and an investment committee member of certain subsidiaries of KCH. 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.

Accordingly, each of Mr Daniel Cuthbert Ee Hock Huat, Mr Adrian Chan Pengee, Mr Ng Kin Sze, Ms Christina Tan Hua Mui, Mr Khor Poh Hwa 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.

Save for the foregoing, the Trustee-Manager will disregard any votes cast at the EGM on the Ordinary Resolution in respect of the Proposed Acquisition by Mr Daniel Cuthbert Ee Hock Huat, Mr Adrian Chan Pengee, Mr Ng Kin Sze, Ms Christina Tan Hua Mui, Mr Khor Poh Hwa and their respective Associates. Please refer to Section 8.1 of this Circular for the relevant Directors' direct or deemed interests in the Units as at Latest Practicable Date.

Save as disclosed in this Circular, none of the Directors or Controlling Unitholders have any direct or indirect interest in the Proposed Acquisition.

11. DIRECTORS' RECOMMENDATION

Having considered the relevant factors, including the rationale for the Proposed Acquisition, the Directors (save for Mr Daniel Cuthbert Ee Hock Huat, Mr Adrian Chan Pengee, Mr Ng Kin Sze, Ms Christina Tan Hua Mui and Mr Khor Poh Hwa, all of whom are not making a recommendation in respect of the Proposed Acquisition for the reasons set out in Section 10 of this Circular) are of the opinion that the Proposed Acquisition 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, Ms Christina Tan Hua Mui and Mr Khor Poh Hwa) recommend that Unitholders vote in favour of the Ordinary Resolution in respect of the Proposed Acquisition.

12. EXTRAORDINARY GENERAL MEETING

12.1 EGM

The EGM will be held, in a wholly physical format, at Suntec Singapore Convention & Exhibition Centre, Nicoll 1 & 2, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 11 December 2024 at 10.30 a.m. for the purpose of considering and, if thought fit, passing with or without any modifications, the Ordinary Resolution in respect of the Proposed Acquisition set out in the Notice of EGM, which is set out on pages C-1 to C-3 of this Circular.

Please refer to the Notice of EGM set out on pages C-1 to C-3 of this Circular for further details.

12.2 Ordinary Resolution

Given that the aggregate of the Sale Shares Consideration and the KIT Loan amounts to more than 5.0% of the KIT Group's NTA, for the purposes of Chapter 9 of the Listing Manual, KIT is seeking the approval of Unitholders for the Proposed Acquisition. At the EGM, the Ordinary Resolution for the Proposed Acquisition on the terms set out in this Circular will be proposed for the approval of Unitholders. Further details are also set out in Section 1.3 (*Interested Person Transaction*) and Section 3 (*The Proposed Acquisition as an Interested Person Transaction*) of this Circular.

If the Ordinary Resolution is not approved by Unitholders at the EGM, this will result in one of the Conditions Precedent not being satisfied and accordingly, the Proposed Acquisition will not be completed.

13. ACTION TO BE TAKEN BY UNITHOLDERS

13.1 Appointment of Proxies

Unitholders can vote at the EGM themselves or through duly appointed prox(ies). Unitholders who wish to appoint a prox(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 10.30 a.m. on 9 December 2024, being 48 hours before the EGM.

13.2 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.

14. 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 Proposed Acquisition and KIT and its subsidiaries which are relevant to the Proposed Acquisition, 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.

15. CONSENTS

The IFA has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name and the IFA Letter as set out in Appendix A (*Letter from the Independent Financial Adviser to the Independent Directors*) to this Circular and all references thereto, in the form and context in which they appear in this Circular.

The Independent Valuer has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name and the Independent Valuation Summary Letter as set out in Appendix B (*Independent Valuation Summary Letter*) to this Circular and all references thereto, in the form and context in which they appear in this Circular.

16. INSPECTION OF DOCUMENTS

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

- (a) the SPSA;
- (b) the Trust Deed;
- (c) the letters of consent referred to in Section 15 of this Circular;
- (d) the IFA Letter; and
- (e) the Independent Valuation Report.

Yours faithfully,

KEPPEL INFRASTRUCTURE FUND MANAGEMENT PTE. LTD.
(as trustee-manager of Keppel Infrastructure Trust)
(Company Registration No. 200803959H)

Mr Daniel Cuthbert Ee Hock Huat
Independent Director and Chairman of the Board

APPENDIX A – LETTER FROM THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS AND THE AUDIT AND RISK COMMITTEE

26 November 2024

The Independent Directors and the Audit and Risk Committee of
Keppel Infrastructure Fund Management Pte. Ltd.
(As Trustee-Manager of Keppel Infrastructure Trust)
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632

Dear Sir/Madam:

THE PROPOSED ACQUISITION OF A 50% EQUITY INTEREST IN MARINA EAST WATER PTE. LTD. (“MEW”) THAT WILL ENTITLE KEPPEL INFRASTRUCTURE TRUST TO THE ENTIRE ECONOMIC BENEFIT FROM MEW, WHICH OWNS THE KEPPEL MARINA EAST DESALINATION PLANT, AS AN INTERESTED PERSON TRANSACTION

1 INTRODUCTION

1.1 Background

On 30 June 2022, Keppel Infrastructure Fund Management Pte. Ltd., acting in its capacity as trustee-manager of Keppel Infrastructure Trust (“KIT” and the trustee-manager, the “Trustee-Manager”), announced that the Trustee-Manager had signed a non-binding term sheet with Keppel Infrastructure Holdings Pte. Ltd. (“KIHPL”) (the Sponsor of KIT), with the intention to enter into definitive agreements with respect to the sale and purchase of a 50% equity interest in Marina East Water Pte. Ltd. (“MEW”) that will entitle KIT to the entire economic benefit from MEW, which owns the Keppel Marina East Desalination Plant (“KMEDP”).

KMEDP commenced commercial operations on 29 June 2020, was officially opened on 4 February 2021 and is currently in its fifth year of operations under a 25-year concession granted by Public Utilities Board (“PUB”) to MEW in respect of KMEDP under a Design, Build, Own and Operate (DBOO) arrangement for a period from 29 June 2020 to 29 June 2045 (the “Concession Period”), pursuant to a Water Purchase Agreement dated 20 January 2017 entered into between PUB and MEW, as amended and supplemented by the Supplemental Agreement to Water Purchase Agreement made between PUB and MEW dated 25 April 2022 (the “Water Purchase Agreement”).

On 25 April 2022, MEW obtained a term loan facility of up to S\$324,000,000 (the “Facility”) from a financial institution (the “Lender”), under which S\$315,000,000 was drawn down, for the purpose of paying the costs of the design, development, engineering, procurement, construction, testing, commissioning, trial operation and completion of KMEDP (including the repayment of shareholders’ loans advanced to MEW to fund such costs). No further amounts may be drawn down under the Facility as the availability period for further drawdowns has lapsed. Amortisation of the Facility commenced on 29 April 2022 and as at the Latest Practicable Date (as defined below), S\$288,240,894 remains outstanding on the Facility. Under the terms of the Proposed Acquisition, the Facility does not need to be repaid at completion of the Proposed Acquisition (“Completion”) and will continue on the same terms.

On 13 November 2024, subject to the fulfilment of certain conditions, the PUB granted its approval-in-principle (the “**PUB Approval-in-Principle**”) to, *inter alia*, the Restructuring Exercise, the Share Sale, the Share Subscription, the Share Conversion, the KIHPL Shareholder’s Loan, the KIT Loan (each as defined in the circular to the unitholders of KIT (the “**Unitholders**”) dated 26 November 2024 (the “**Circular**”) and herein) and all other transactions provided for in the conditional share purchase and subscription agreement dated 15 November 2024 entered between the Trustee-Manager, MEW and KIHPL (the “**SPSA**”) (collectively, the “**Proposed Acquisition**”), on the terms of, and subject to the conditions in, the PUB Approval-in-Principle (which include certain amendments to be made to the Water Purchase Agreement in connection with the Proposed Acquisition). Further details of the conditions which need to be fulfilled under the PUB Approval-in-Principle are set out in Section 2.5 of the Letter to Unitholders of the Circular. Once PUB is satisfied that all the conditions required to be fulfilled under the PUB Approval-in-Principle have been duly satisfied or performed (as the case may be), PUB will then confirm the grant of PUB’s approval to the aforesaid transactions.

On 13 November 2024, PUB granted its approval (the “**PUB PUA Approval**”) for the Trustee-Manager to become a 30% controller (as defined in the PU Act) of MEW, which was expressed to expire if the Proposed Acquisition does not take place by 31 March 2025. Further details relating to the PUB PUA Approval are set out in Section 2.6 of the Letter to Unitholders of the Circular.

On 15 November 2024, following the grant of the PUB Approval-in-Principle and the PUB PUA Approval, the Trustee-Manager, MEW and KIHPL entered into the SPSA.

As at 14 November 2024, being the latest practicable date prior to the issuance of the Circular (the “**Latest Practicable Date**”), the enterprise value of MEW is approximately S\$323 million, which comprises the Sale Shares Consideration (as defined below) of S\$2.00 payable by the Trustee-Manager to KIHPL at Completion, the KIT Loan of S\$35,000,000 to be provided by KIT to MEW at Completion and the amount of S\$288,240,894 which remains outstanding on the Facility at the Latest Practicable Date based on the amortisation of the Facility.

1.2 Overview of the Proposed Acquisition

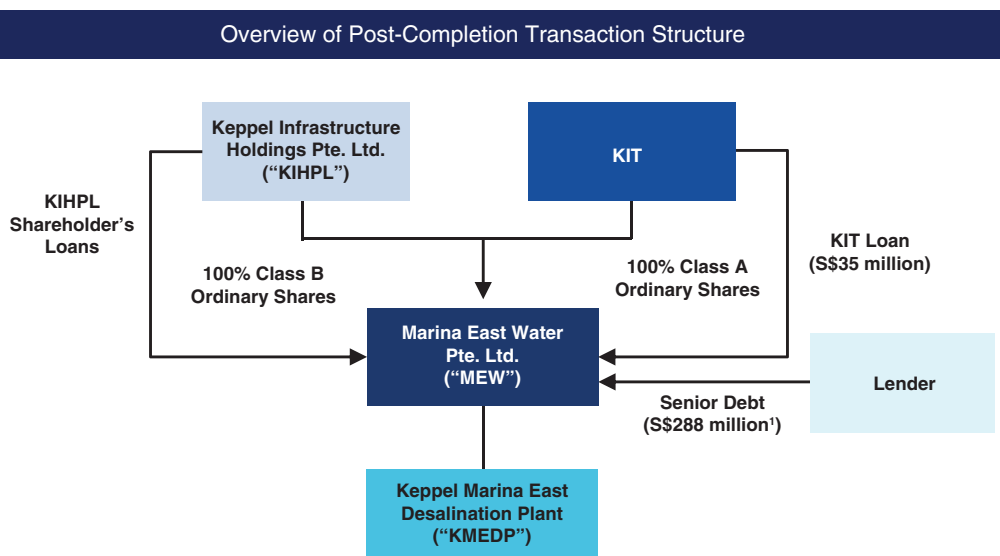
Following the grant of the PUB Approval-in-Principle and the PUB PUA Approval, in preparation for the Proposed Acquisition, on 14 November 2024, a restructuring of the share capital of MEW through a capital reduction exercise, the completion of which is a Condition Precedent (the “**Restructuring Exercise**”), was commenced, pursuant to which 40,000,000 Shares held by KIHPL (out of the 40,000,002 Shares currently held by KIHPL in total) will be cancelled and an amount of S\$40,000,000 will be returned to KIHPL by MEW, which will then be disbursed by KIHPL to MEW in the form of the non-interest bearing KIHPL Shareholder’s Loan immediately following the Completion of the Restructuring Exercise pursuant to the terms of the SPSA. Further details of the Restructuring Exercise are set out in Section 2.7 of the Letter to Unitholders of the Circular.

Pursuant to the SPSA, subject to the satisfaction (or the satisfaction subject only to Completion, as the case may be) of the Conditions Precedent set out in Section 2.8(h) of the Letter to Unitholders of the Circular, at Completion, *inter alia*:

- (a) KIHPL will sell to the Trustee-Manager two (2) ordinary shares in the capital of MEW (“**Shares**”) (the “**Sale Shares**”), representing the entire issued and paid-up share capital of MEW, immediately following the completion of the Restructuring Exercise (which is a condition precedent to Completion), for a consideration of S\$2.00 payable in cash (the “**Sale Shares Consideration**”) (the “**Share Sale**”);
- (b) after the Share Sale, MEW will adopt an amended constitution (the “**Amended Constitution**”);
- (c) after the adoption of the Amended Constitution:
 - (i) KIHPL will subscribe for two (2) new Class B ordinary shares in the capital of MEW (each a “**Class B Ordinary Share**”)(the “**Subscription Shares**”) for an aggregate subscription price of S\$2.00 (the “**Share Subscription**”); and
 - (ii) MEW will convert each Sale Share into a new Class A ordinary share in the capital of MEW (each a “**Class A Ordinary Share**”) (the “**Share Conversion**”) which entitles the holder thereof to the entire economic benefit from MEW (including any dividends or distributions by MEW), such that KIT will hold two (2) Class A Ordinary Shares (the “**Conversion Shares**”) immediately following the Share Conversion; and
- (d) after the Share Subscription and the Share Conversion, KIT will extend a non-interest bearing shareholders’ loan of S\$35,000,000 (the “**KIT Loan**”) to MEW, the proceeds of which will be fully applied by MEW to pay to KIHPL a sum of S\$35,000,000 towards partial repayment of the non-interest bearing shareholder loan of S\$40,000,000 to be provided by KIHPL to MEW immediately following the completion of the Restructuring Exercise (the “**KIHPL Shareholder’s Loan**”), in preparation for the Proposed Acquisition. The KIT Loan is structured to facilitate the repatriation of cash generated by MEW to KIT through periodic repayments of the KIT Loan by MEW to KIT following Completion.

As at the Latest Practicable Date, KIHPL owns the entire issued and paid-up share capital of MEW and has sole control of MEW. Following Completion, 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. The rights of the holders of the Class A Ordinary Shares and the Class B Ordinary Shares are described in Section 2.8(e) of the Letter to Unitholders of the Circular. The joint-controlling shareholding structure ensures that the interests and obligations of KIT and KIHPL regarding the operation of KMEDP are aligned, while ensuring that KIT is entitled to the entire economic benefit from MEW.

A diagrammatic representation of the shareholding structure of MEW immediately following Completion of the Proposed Acquisition (showing the KIHPL Shareholder's Loan, the KIT Loan and the Facility) is set out below:



Note 1: Amount outstanding on the Facility as at the Latest Practicable Date based on the amortisation of the Facility.

On the date of Completion (the “**Completion Date**”), KIHPL, the Trustee-Manager and MEW, will enter into a shareholders’ agreement (the “**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. The salient terms of the SHA are described in Section 2.10 of the Letter to Unitholders of the Circular.

Pursuant to the Operation and Maintenance Contract of the Desalination Plant at Marina East, Singapore dated 12 June 2017 (the “**O&M Agreement**”) entered into between MEW and Marina East Water O&M Pte. Ltd. (“**MEWOM**”), MEWOM, which is a wholly-owned subsidiary of KIHPL, will provide operation, maintenance and repair (“**O&M**”) services to MEW in respect of KMEDP and certain ancillary facilities throughout the Concession Period. Accordingly, following Completion, MEWOM will continue to provide O&M services to MEW pursuant to the O&M Agreement until the expiry of the Concession Period in 2045.

Completion of the Proposed Acquisition is conditional upon, *inter alia*, the approval of the Unitholders in respect of the transactions contemplated pursuant to the SPSA, including the Share Sale, the Share Subscription and the Share Conversion having being obtained in compliance with the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual (the “**Listing Manual**”) and such approval not having been cancelled, revoked or withdrawn, as noted further in Section 1.3 (*Interested Person Transaction*) and Section 3 (*The Proposed Acquisition as an Interested Person Transaction*) of the Letter to Unitholders of the Circular.

1.3 Interested Person Transaction

KIT is an entity at risk within the meaning of Chapter 9 of the Listing Manual.

As at the Latest Practicable Date:

- (a) KIHPL is the sponsor of KIT and holds an aggregate interest in 1,107,489,090 units in KIT (the “**Units**”) which is equivalent to approximately 18.21% of the total number of Units in issue, and is therefore regarded as a Controlling Unitholder¹ of KIT and an interested person within the meaning of Chapter 9 of the Listing Manual;
- (b) Keppel Ltd. (“**Keppel**”), through its wholly-owned subsidiary KIHPL, is deemed interested in 1,107,489,090 Units which is equivalent to approximately 18.21% of the total number of Units in issue, and is therefore regarded as an indirect Controlling Unitholder of KIT and an interested person within the meaning of Chapter 9 of the Listing Manual;
- (c) Temasek Holdings (Private) Limited (“**Temasek**”) has a more than 20% interest in Keppel. Further, Temasek, through Keppel and through its other subsidiaries and associated companies, is deemed interested as at 1 November 2024 in an aggregate of 1,875,365,204 Units which is equivalent to 30.82% of the total number of Units in issue. Therefore, Temasek is regarded as an indirect Controlling Unitholder of KIT and an interested person within the meaning of Chapter 9 of the Listing Manual;
- (d) the Trustee-Manager is wholly owned by Keppel Capital Holdings Pte. Ltd. (“**KCH**”), which in turn is a wholly-owned subsidiary of Keppel. Temasek, through Keppel, is also deemed interested in all the shares in the capital of the Trustee-Manager. Therefore, each of KCH, Keppel and Temasek is regarded as a controlling shareholder of the Trustee-Manager and an interested person within the meaning of Chapter 9 of the Listing Manual;
- (e) MEW is a wholly-owned subsidiary of KIHPL. Therefore, MEW is regarded as an associate of KIHPL and an interested person within the meaning of Chapter 9 of the Listing Manual; and
- (f) MEWOM is a wholly-owned subsidiary of KIHPL. Therefore, MEWOM is regarded as an associate of KIHPL and an interested person within the meaning of Chapter 9 of the Listing Manual.

Following Completion, as KIHPL and KIT will each hold a 50% joint-controlling equity interest in MEW:

- (a) MEW will be regarded as both an entity at risk and an interested person within the meaning of Chapter 9 of the Listing Manual, by virtue of being an associated company of KIT as well as an associate of KIHPL; and
- (b) MEWOM will be regarded as an interested person within the meaning of Chapter 9 of the Listing Manual by virtue of being a wholly-owned subsidiary of KIHPL.

¹ “**Controlling Unitholder**” means a person who: (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.

As MEW and MEWOM are each associates of KIHPL, for the purposes of Rule 906 of the Listing Manual, transactions between MEW and KIT, MEW and MEWOM and KIHPL and KIT are deemed to be transactions between KIT with the same interested person.

Based on the audited financial statements of KIT and its subsidiaries (the “**KIT Group**”) for the financial year ended 31 December 2023 (“**FY2023**”), the KIT Group’s audited net tangible assets (“**NTA**”) was approximately 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 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\$14.65 million, being 5.0% of KIT’s latest audited consolidated NTA, such a transaction would be subject to Unitholders’ approval.

Given that the aggregate of the Sale Shares Consideration and the KIT Loan is S\$35,000,002, which represents approximately 11.9% of the KIT Group’s audited NTA as at 31 December 2023, the value of the Proposed Acquisition (both on a standalone basis and when aggregated with the amount at risk to KIT of S\$8,007,000 under the shareholder loan facility entered into among KIT, Keppel Energy Pte Ltd and Keppel Merlimau Cogen Pte Ltd (further details of which are set out in the Trustee-Manager’s announcement dated 12 July 2024)) exceeds the said threshold and accordingly, Unitholders’ approval for the Proposed Acquisition (including, *inter alia*, the Share Sale, the Share Subscription, the Share Conversion, the entry into the SHA and the accession deeds in relation thereto, the KIT Loan and the KIT Share Charge) is required pursuant to Rule 906(1)(a) of the Listing Manual.

Accordingly, the Proposed Acquisition constitutes an interested person transaction under Chapter 9 of the Listing Manual and Unitholders’ approval is being sought by way of the ordinary resolution in relation to the Proposed Acquisition (the “**Ordinary Resolution**”) at the extraordinary general meeting (“**EGM**”) to be convened by the Trustee-Manager.

If Unitholders approve the Proposed Acquisition as an interested person transaction under Chapter 9 of the Listing Manual at the EGM, such approval will be deemed to include the entry into the SHA and the accession deeds in relation thereto, the KIT Loan and the KIT Share Charge as they form an integral part of the contractual rights, entitlements and obligations of KIT in connection with the Proposed Acquisition.

Ernst & Young Corporate Finance Pte Ltd (“**EYCF**”) has been appointed as the independent financial adviser (“**IFA**”) pursuant to Rule 921(4)(a) of the Listing Manual as well as to advise the directors of the Trustee-Manager who are considered independent in relation to the Proposed Acquisition (the “**Independent Directors**”) and the Audit and Risk Committee of the Trustee-Manager (the “**Audit and Risk Committee**”) on whether 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.

This letter sets out, *inter alia*, our evaluation of the Proposed Acquisition, and our opinion thereon. It forms part of the Circular to be issued by the Trustee-Manager which provides, *inter alia*, the details of the Proposed Acquisition and the recommendation of the Independent Directors and the Audit and Risk Committee in respect thereof.

Unless otherwise defined or the context otherwise requires, all terms in this letter shall have the same meaning as in the Circular.

2 TERMS OF REFERENCE

EYCF has been appointed to provide an opinion in respect of the Proposed Acquisition pursuant to Rule 921(4)(a) of the Listing Manual, as well as to the Independent Directors and the Audit and Risk Committee.

Our views as set forth in this letter are based on the prevailing market conditions, economic conditions, and financial conditions, and our evaluation of the Proposed Acquisition, as well as information provided to us by KIT and the management of the Trustee-Manager (the “**Management**”), as at the Latest Practicable Date. Accordingly, we assume no responsibility to update, revise or reaffirm our opinion as a result of any subsequent development after the Latest Practicable Date. Unitholders should take note of any announcement and/or event relevant to the proposed transaction which may be released by KIT and/or the Trustee-Manager after the Latest Practicable Date.

We are not and were not involved in any aspect of the discussions and negotiations pertaining to the Proposed Acquisition nor were we involved in the deliberations leading up to the decisions by the directors of the Trustee-Manager (the “**Directors**”) in connection with the Proposed Acquisition. We have not conducted a comprehensive review of the business, operations or financial condition of the KIT Group. It is not within our terms of reference to assess the rationale for, legal, strategic, commercial and financial merits and/or risks of the Proposed Acquisition, and to comment on such merits and/or risks of the Proposed Acquisition. We have only expressed our opinion on whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of KIT and its minority Unitholders. The assessment of the legal, strategic, commercial and financial merits and/or risks of the Proposed Acquisition remains the sole responsibility of the Directors, although we may draw upon their views in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at the opinion set out in this letter.

It is also not within our terms of reference to compare the relative merits of the Proposed Acquisition vis-à-vis any alternative transaction previously considered by KIT and/or the Trustee-Manager (if any) or that KIT and/or the Trustee-Manager may consider in the future, and as such, we do not express an opinion thereon.

In the course of our evaluation of the Proposed Acquisition, we have held discussions with the Directors and the Management. We have also examined and relied on information in respect of KIT collated by us, as well as information provided and representations and assurances made to us, both written and verbal, by the Directors, the Management and/or professional advisers of the Trustee-Manager, including information contained in the Circular. We have not independently verified such information or any representation or assurance, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information, representation or assurance. Nevertheless, the Directors (including those who may have delegated supervision of the Circular) and the Management have confirmed to us, after making all reasonable enquiries that, to the best of their knowledge and belief, all material information relating to KIT and the Proposed Acquisition has been disclosed to us, that such information constitutes a full and true disclosure, in all material respects, of all material facts about KIT and the Proposed Acquisition, and there is no material information the omission of which would make any of the information contained herein or in the Circular misleading in any material respect. The Directors have jointly and severally accepted such responsibility accordingly.

We have also made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or the reliability of such information. We have further assumed that all statements of fact, belief, opinion and

intention made by the Directors in relation to the Proposed Acquisition have been reasonably made after due and careful enquiry. We have not conducted a comprehensive review of the business, operations and financial condition of KIT and/or MEW. We have also not made an independent evaluation or appraisal of the assets and liabilities of KIT and/or MEW. However, we have been furnished with the independent valuation report commissioned by the Trustee-Manager and issued in connection with the Proposed Acquisition, which sets out the market value range of 100% of MEW on a cash-free, debt-free basis as at 30 June 2024 as appraised by the independent valuer (the “**Independent Valuation Report**”), being RSM SG Corporate Advisory Pte. Ltd. (the “**Independent Valuer**”). We are not experts and do not regard ourselves to be experts in the valuation of MEW, and we have taken into consideration the Independent Valuation Report prepared by the Independent Valuer.

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

We were not involved and have not provided any advice, whether financial or otherwise, in the preparation, review and verification of the Circular (other than in connection with this letter). Accordingly, we do not take any responsibility for, and express no views on, whether expressed or implied, the contents of the Circular (other than in connection with this letter).

This letter and our opinion are pursuant to Rule 921(4)(a) of the Listing Manual as well as addressed for the use and benefit of the Independent Directors and the Audit and Risk Committee in connection with and for the purpose of their consideration of the Proposed Acquisition, and the recommendation made by the Independent Directors and the Audit and Risk Committee to the Unitholders shall remain the sole responsibility of the Independent Directors and the Audit and Risk Committee.

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

3 THE PROPOSED ACQUISITION

The details of the Proposed Acquisition are set out in Paragraph 2 of the Letter to Unitholders of the Circular. We set out below the salient information in relation to the Proposed Acquisition.

3.1 Information on MEW, KMEDP, KIHPL and MEWOM

MEW

MEW is a private company incorporated in Singapore on 11 January 2017 with limited liability. MEW is a wholly-owned subsidiary of KIHPL. MEW does not have any subsidiaries.

As at the Latest Practicable Date (prior to the completion of the Restructuring Exercise), MEW has an issued and paid-up share capital of S\$40,000,002 comprising 40,000,002 Shares. Immediately following the completion of the Restructuring Exercise (which is a condition precedent to Completion), MEW will have an issued and paid-up share capital of S\$2.00 comprising two (2) Shares, being the Sale Shares.

Based on the audited accounts of MEW for FY2023, the net asset value (“NAV”), NTA and net profits of MEW were approximately S\$31.4 million, S\$31.4 million and S\$0.2 million respectively. The open market value of the Sale Shares is not available as the Shares in MEW are not publicly traded.

PUB has granted MEW a 25-year concession in respect of KMEDP for the Concession Period from 29 June 2020 to 29 June 2045 under a DBOO arrangement, pursuant to the Water Purchase Agreement. Pursuant to the O&M Agreement entered into between MEW and MEWOM, which is a wholly-owned subsidiary of KIHPL, MEWOM will provide O&M services to MEW in respect of KMEDP and certain ancillary facilities throughout the Concession Period.

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, or the conduct of the business and operations of MEW.

KMEDP

KMEDP is Singapore’s fourth desalination plant and is Singapore’s first and only large-scale, dual-mode desalination plant, which is capable of treating both seawater and reservoir water. KMEDP can produce 137,000 cubic metres (“m³”) (30 million gallons) of fresh drinking water per day. KMEDP operates at the water output required by PUB. KMEDP commenced commercial operations on 29 June 2020 and was officially opened on 4 February 2021.

KMEDP can treat either seawater or reservoir water drawn from the Marina Reservoir, depending on the prevailing weather conditions. For example, KMEDP can take in water from the Marina Reservoir when there is sufficient freshwater and desalinate seawater during dry weather. This results in more effective water use, operational flexibility and optimised operational costs, as reservoir water treatment consumes only one-third the energy required for seawater desalination. With its integrated sustainable stormwater management system, stormwater runoff from its extensive green roof landscaping flows into bioretention basins and collects in rainwater harvesting ponds, preventing excessive rainfall from entering the public drainage system and causing floods. Furthermore, the water collected is recycled in water features and used for irrigation.

KMEDP incorporates innovative, energy-efficient systems and equipment, such as the compact Dissolved Air Flotation system which forms fine air bubbles in the water being treated that enable the separation and removal of solid particles and reduces the footprint by 30%. KMEDP’s direct coupling of the ultrafiltration and reverse osmosis systems, where water filtered from the upstream ultrafiltration process is fed directly to the downstream reverse osmosis process, eliminates intermediate break tanks and minimises pumping cycles, resulting in a more energy-efficient process as well as significant cost and space savings. KMEDP is also the first water treatment plant in Singapore to use ultraviolet radiation as the primary disinfection process, which eliminates the need for dedicated chemicals handling. KMEDP’s state of the art treatment facilities are situated underground and are viewable via a private viewing gallery. In addition, KMEDP features nearly 20,000 square metres of open green rooftop space for community activity and recreation. KMEDP was named ‘Desalination Plant of the Year’ at the Global Water Awards 2021. For its outstanding design features and exceptional Active, Beautiful, Clean (ABC) standards, KMEDP became the first industrial plant in Singapore to be awarded the ABC Waters Certification (Gold) by PUB in October 2019.

KIHPL

KIHPL is a private company incorporated in Singapore on 25 February 2013 with limited liability. KIHPL is the sponsor of KIT and a Controlling Unitholder of KIT holding approximately 18.21% of the total number of Units in issue. KIHPL invests in, owns and operates competitive energy and environmental infrastructure solutions and services. KIHPL is a wholly-owned subsidiary of Keppel.

MEWOM

MEWOM is a private company incorporated in Singapore on 11 January 2017 with limited liability. MEWOM is a wholly-owned subsidiary of KIHPL.

3.2 Share Charges

Pursuant to a share charge dated 1 December 2022 entered into between KIHPL and the Lender as security agent (the “**KIHPL Share Charge**”), all present and future issued shares in the capital of MEW held by KIHPL are charged by KIHPL in favour of the Lender as security for the Facility.

Given that the Facility will not be repaid at Completion, the KIHPL Share Charge will remain in force following Completion.

In connection with the Proposed Acquisition, on the Completion Date, the Trustee-Manager and the Lender, as security agent, will enter into a share charge (the “**KIT Share Charge**”), pursuant to which all present and future issued shares in the capital of MEW held by the Trustee-Manager will be charged in favour of the Lender as security for the Facility.

Accordingly, the Sale Shares, the Subscription Shares and the Conversion Shares will, when transferred, issued or converted (as the case may be), be charged in favour of the Lender as security for the Facility. Save as aforesaid, the Sale Shares, the Subscription Shares and the Conversion Shares will be transferred, issued or converted (as the case may be) free from all Encumbrances.

3.3 Consent of the Lender

On 14 November 2024, MEW, as borrower under the Facility Agreement, sent a letter (the “**Request Letter**”) to the Lender, as facility agent, seeking the written approval of the Lender as facility agent to the Share Sale, the Share Subscription, the Share Conversion, the KIT Loan and the repayment of the KIHPL Shareholder’s Loan as required pursuant to the Facility Agreement.

The Lender had informed the Trustee-Manager on 14 November 2024 that, subject to certain terms and conditions stated in the Request Letter which must be fulfilled before Completion:

- (a) the lender(s) under the Facility have consented to the Share Sale, the Share Subscription, the Share Conversion, the KIT Loan and the repayment of the KIHPL Shareholder’s Loan; and
- (b) the Lender as facility agent and the lender(s) under the Facility shall waive any provision under the documentation relating to the Facility that may restrict or prohibit the Share Sale, the Share Subscription, the Share Conversion, the KIT Loan and the repayment of the KIHPL Shareholder’s Loan and any breach (however described) that may arise as a direct consequence of any step of the Share Sale, the Share

Subscription, the Share Conversion, the KIT Loan and the repayment of the KIHPL Shareholder's Loan pursuant to any provision under the documentation relating to the Facility.

3.4 PUB Approval-in-Principle

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 described above in Section 2.1 of the Letter to Unitholders of the Circular. In particular, any change proposed to be made to the corporate and/or financial structure of MEW or the conduct of the business and operations of MEW is subject to PUB's prior written approval. As such, MEW had submitted an application to PUB in respect of the Restructuring Exercise, the Share Sale, the Share Subscription, the Share Conversion, the KIHPL Shareholder's Loan, the KIT Loan and all other transactions contemplated pursuant to the SPSA and certain amendments to be made to the Water Purchase Agreement in connection with the Proposed Acquisition.

On 13 November 2024, PUB granted the PUB Approval-in-Principle, which is expressed to be subject to the overall transaction, MEW, KIHPL and KIT satisfying certain conditions (which are designed to preserve PUB's rights and interests in relation to the Water Purchase Agreement and KMEDP, and to ensure that neither PUB or MEW is adversely affected by the Restructuring Exercise, the Share Sale, the Share Subscription, the Share Conversion, the KIHPL Shareholder's Loan, the KIT Loan and/or the SPSA).

3.5 PUB PUA Approval

MEW is a designated entity under the PU Act. Under the PU Act, *inter alia*, except with the prior written approval of PUB, a person must not become a 30% controller of a designated entity. A 30% controller in relation to a designated entity is defined under the PU Act to be a person who, alone or together with the person's "associates" (as the term is defined in Section 44C(1) of the PU Act), (a) holds 30% or more of the total equity interests in; or (b) is in a position to control 30% or more of the voting power in a designated entity. The Trustee-Manager will become a 30% controller of MEW upon Completion. In view of this, the Trustee-Manager had submitted an application to PUB for the Trustee-Manager to become a 30% controller of MEW.

On 13 November 2024, PUB granted the PUB PUA Approval, which was expressed to expire if the Proposed Acquisition does not take place by 31 March 2025.

Furthermore, as a designated entity under the PU Act, MEW is subject to the provisions of the PU Act, including but not limited to the following:

- (a) persons who become specified controllers of MEW as set out in the PU Act must provide written notice to, or have received prior written approval from, the PUB;
- (b) MEW may not be wound up voluntarily without the consent of PUB, and certain actions under the Insolvency, Restructuring and Dissolution Act 2018 may not be taken against MEW without the consent of the PUB; and
- (c) MEW is subject to special administration orders made by the Minister for Sustainability and the Environment, being orders for the affairs, business and property of MEW to be managed by a person appointed by the aforesaid Minister for the purposes set out in the PU Act, under certain specified circumstances.

3.6 Restructuring Exercise

Following the grant of the PUB Approval-in-Principle and the PUB PUA Approval, on 14 November 2024, a restructuring of the share capital of MEW in preparation for the Proposed Acquisition was commenced, pursuant to which 40,000,000 Shares held by KIHPL (out of the 40,000,002 Shares currently held by KIHPL in total) will be cancelled and an amount of S\$40,000,000 will be returned to KIHPL by MEW. Under the terms of the SPSA, immediately following the completion of the Restructuring Exercise, KIHPL must disburse the non-interest bearing KIHPL Shareholder's Loan of S\$40,000,000 to MEW.

The completion of the Restructuring Exercise is a condition precedent to Completion. The Restructuring Exercise is expected to be completed after the date of the EGM.

As at the Latest Practicable Date, prior to the completion of the Restructuring Exercise, MEW has an issued and paid-up share capital of S\$40,000,002 comprising 40,000,002 Shares. Immediately following the completion of the Restructuring Exercise, MEW will have an issued and paid-up share capital of S\$2.00 comprising two (2) Shares, being the Sale Shares.

3.7 Salient Terms of the SPSA

The salient terms of the SPSA include, among others, the following:

(a) Share Sale

KIHPL agreed to sell, and the Trustee-Manager agreed to purchase, the Sale Shares, representing the entire issued and paid-up share capital of MEW immediately following the completion of the Restructuring Exercise, for the Sale Shares Consideration of S\$2.00, payable in cash.

(b) Sale Shares Consideration

The Sale Shares Consideration of S\$2.00 was arrived at after negotiations on an arm's-length basis and on a willing buyer-willing seller basis between KIHPL and the Trustee-Manager based on the amount of S\$2.00 paid-up on the Sale Shares, and taking into consideration the aforesaid market value range of 100% of MEW of S\$327 million to S\$334 million as appraised in the Independent Valuation Report, and was agreed on the basis of:

- (i) the original target date of Completion being 1 April 2022 ("**Target Date**"); and
- (ii) the following having taken place at Completion:
 - (A) MEW having drawn down an amount of S\$315,000,000 on the Facility⁽¹⁾;
 - (B) MEW having drawn down the KIT Loan pursuant to the loan agreement to be entered into between MEW and the Trustee-Manager on the Completion Date (the "**KIT Loan Agreement**") in full;
 - (C) certain bank accounts of MEW (namely, a debt service reserve account, a contingency reserve account, an operating account and a distribution account) having been funded in cash in the amounts of S\$10,260,000, S\$450,000, S\$2,200,000 and S\$5,664,000 respectively (collectively, the "**Funded Account Amounts**") by way of a non-interest bearing shareholders' loan advanced to MEW by KIHPL (the "**KIHPL FAA Shareholder's Loan**"), and the Funded Account Amounts remaining funded as at the Completion Date;

- (D) MEW having sufficient cash and cash equivalents to pay for the following items (collectively, the “**Cash Amounts**”); and

Amount	Item
S\$844,622	Fees payable to advisers of MEW, PUB and the Lender
S\$1,038,853	Interest rate swap payments
S\$4,439,000	Upfront fees, agency fees and account bank fees payable to the Lender
S\$2,337,368	First principal repayment under the Facility

- (E) KIHPL having disbursed the KIHPL Shareholder’s Loan to MEW immediately following completion of the Restructuring Exercise.

Note:

- (1) Amortisation of the Facility commenced on 29 April 2022 and as at the Latest Practicable Date, S\$288,240,894 remains outstanding on the Facility. Please see Section 1.1 of the Letter to Unitholders of the Circular for further information.

The Sale Shares Consideration will be fully satisfied in cash at Completion.

Under the terms of the SPSA, on Completion, MEW must deliver or make available to the Trustee-Manager evidence that each of the bank accounts of MEW in Section 2.8(b)(ii)(C) of the Letter to Unitholders of the Circular have been funded in cash, and remains funded at Completion, with the respective Funded Account Amounts, and the Trustee-Manager may, within three months after Completion, engage an independent firm of chartered accountants practising in Singapore to conduct an audit of MEW, for the purpose of verifying that the Funded Account Amounts and the Cash Amounts have been funded and paid by Completion in accordance with the SPSA. The cost of such audit shall be reimbursed by KIHPL to the Trustee-Manager in accordance with the terms of the SPSA.

(c) Share Subscription

Contingent upon and after the adoption of the Amended Constitution, KIHPL agreed to subscribe for, and MEW agreed to allot and issue, the Subscription Shares (being two (2) new Class B Ordinary Shares) for an aggregate subscription price of S\$2.00.

(d) Share Conversion

Contingent upon and after the Share Sale and the adoption of the Amended Constitution, MEW shall, and KIHPL and the Trustee-Manager shall procure that MEW shall, convert all the Sale Shares into the Conversion Shares (being two (2) new Class A Ordinary Shares which entitle the holders thereof to the entire economic benefit from MEW including any dividends or distributions by MEW).

Following Completion, KIT and KIHPL will each hold 50% of the total number of issued shares in MEW, with KIT holding all of the Class A Ordinary Shares and KIHPL holding all of the Class B Ordinary Shares.

(e) Class A Ordinary Shares and Class B Ordinary Shares

Except as otherwise agreed in writing between the holders of all of the Class A Ordinary Shares and the holders of all of the Class B Ordinary Shares, or as contemplated and in accordance with the SPSA:

- (i) the holders of the Class A Ordinary Shares shall be entitled to the entire economic benefit from MEW, including all dividends or distributions by MEW; and
- (ii) no holder of Class B Ordinary Shares shall be entitled to receive any dividend or distribution from MEW.

Accordingly, following Completion, KIT will be entitled to receive the entire economic benefit from MEW, including all dividends or distributions by MEW.

Where the holders of all of the Class A Ordinary Shares and holders of all of the Class B Ordinary Shares agree in writing, or where it is contemplated in the SPSA, that the holders of Class B Ordinary Shares shall receive any dividend or distribution, the right of the holders of the Class A Ordinary Shares then outstanding to receive dividends and distributions shall rank senior and prior to and in preference to the dividend right of the holders of Class B Ordinary Shares.

The holders of Class A Ordinary Shares and the holders of Class B Ordinary Shares have the same rights with respect to voting and general meetings. Each holder of Class A Ordinary Shares and each holder of Class B Ordinary Shares is entitled to:

- (i) receive notice of, and to attend and speak at, general meetings of MEW;
- (ii) to receive a copy of any written resolution circulated to eligible members of MEW on the circulation date in accordance with the Companies Act;
- (iii) vote at general meetings of MEW together with the holders of Class A Ordinary Shares or Class B Ordinary Shares (as the case may be) in a single class, and not as a separate class, unless otherwise specified in the constitution of MEW or required by law; and
- (iv) one vote only (where present in person or by proxy or by attorney) and in the case of a poll, one vote for each Class A Ordinary Share or Class B Ordinary Shares (as the case may be) held by such holder.

Upon the occurrence of a liquidation, dissolution or winding up of MEW and subject to the waterfall of priority set out in the SHA (if applicable) (further details of which are set out in Section 2.10(k) of the Letter to Unitholders of the Circular):

- (i) firstly, out of the assets and funds of MEW available for distribution, MEW shall pay to the holders of the Class A Ordinary Shares then outstanding, on a *pari passu* basis, prior to and in preference to the holders of the Class B Ordinary Shares and all other holders of shares in the capital of MEW, an amount per Class A Ordinary Share equal to the aggregate of (A) all of the issue price per Class A Ordinary Share (as appropriately adjusted for any subdivisions, consolidations, share dividends or similar recapitalisations); and (B) any accrued and unpaid dividends in respect of each Class A Ordinary Share; and

- (ii) secondly, if there are any assets and funds of MEW legally available for distribution after the payments referred to in sub-paragraph (i) above, all holders of Class A Ordinary Shares then outstanding shall be entitled to participate *pro rata* in the residual assets and funds of MEW.

(f) Amended Constitution of MEW

At Completion, the Amended Constitution of MEW will be adopted, which incorporates:

- (i) the terms of the Class A Ordinary Shares and the Class B Ordinary Shares as summarised above and in the Letter to Unitholders of the Circular; and
- (ii) such amendments as are necessary to reflect the provisions of the SHA or otherwise remove the inconsistencies between the constitution of MEW and the SHA.

(g) KIT Loan

At Completion, KIT will extend the KIT Loan, which is a non-interest bearing shareholders' loan of S\$35,000,000, to MEW, on the terms and subject to the conditions of the KIT Loan Agreement. The proceeds of the KIT Loan will be fully applied by MEW to pay to KIHPL S\$35,000,000 towards partial repayment of the non-interest bearing KIHPL Shareholder's Loan of S\$40,000,000 to be provided to MEW by KIHPL immediately following the completion of the Restructuring Exercise.

The KIT Loan is unsecured with no fixed terms of repayment.

The KIT Loan will be subordinated to all external financing obtained by MEW (including but not limited to the Facility but excluding any funding from KIHPL). Please refer to Section 2.10(k) of the Letter to Unitholders of the Circular for further details in relation to the waterfall of priority under the SHA.

(h) Conditions Precedent

Completion of the Proposed Acquisition is conditional upon the satisfaction of each of the following conditions precedent (the "**Conditions Precedent**"), or their satisfaction subject only to Completion:

- (i) there being no decree, determination, injunction, judgement or other order entered or issued by any supranational, national, federal, state, municipal or local court, administrative body, regulator or other governmental or quasi-governmental entity or authority, or any stock exchange, wherever located, of competent jurisdiction which has the effect of restraining or otherwise prohibiting the consummation of the Proposed Acquisition and which remains in force and effect as at the Completion Date;
- (ii) the approval of Unitholders in respect of the transactions contemplated pursuant to the SPSA, including the Share Sale, the Share Subscription and the Share Conversion, having been obtained in compliance with the Listing Manual and such approval not having been cancelled, revoked or withdrawn;

- (iii) the written approval of the Lender to the transactions contemplated pursuant to the SPSA, including the Share Sale, the Share Subscription and the Share Conversion as required pursuant to the Facility Agreement having been obtained in accordance with the Request Letter and such approval not having been cancelled, revoked or withdrawn as at the Completion Date;
- (iv) the written in-principle approval of PUB, as required under the Water Purchase Agreement and the written approval of PUB as required under the PU Act in connection with the transactions contemplated pursuant to the SPSA, including the Share Sale, the Share Subscription and the Share Conversion, having been obtained without the attachment thereto of any terms or conditions or if such approval is subject to any terms or conditions, such terms or conditions being acceptable to KIHPL and the Trustee-Manager, and such approval not having expired or been cancelled, revoked or withdrawn as at the Completion Date;
- (v) the written in-principle of PUB, as required under the terms of the Agreement for Lease and Agreement for Foreshore Lease dated 19 June 2017 entered into between PUB and MEW in connection with the Share Sale, having been obtained without the attachment thereto of any terms or conditions or if such approval is subject to any terms or conditions, such terms or conditions being acceptable to KIHPL and the Trustee-Manager, and such approval not having been cancelled, revoked or withdrawn as at the Completion Date; and
- (vi) the Restructuring Exercise having been completed.

If the Conditions Precedent are not satisfied on or before 31 March 2025 (or such other date as may be agreed in writing between KIHPL and the Trustee-Manager), KIHPL or the Trustee-Manager may, in its absolute discretion, terminate the SPSA (other than certain surviving provisions therein) and no party to the SPSA shall have any claim against any other party to the SPSA, save for any claim arising from antecedent breaches of the SPSA.

As at the Latest Practicable Date, the conditions in sub-paragraph (iv) and (v) above have been satisfied subject to Completion, the condition in sub-paragraph (vi) above is in the process of being satisfied and is expected to be satisfied after the EGM, and the condition in sub-paragraph (iii) above will only be satisfied on the Completion Date.

(i) Representations, Warranties and Undertakings

The SPSA contains customary representations, warranties and pre-Completion undertakings provided by KIHPL relating to the Proposed Acquisition, including undertakings by KIHPL in relation to the conduct of the business of MEW from the date of the SPSA to Completion.

3.8 Completion

Under the terms of the SPSA, Completion will take place on the first Business Day falling seven (7) Business Days following notification of the satisfaction of the last of the Conditions Precedent.

The Completion Date is expected to be no later than the end of the first quarter of 2025.

3.9 SHA

Following Completion, 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.

On the Completion Date, KIHPL, the Trustee-Manager and MEW, will enter into the 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.

Other salient terms of the SHA are set out in Paragraph 2.10 of the Letter to Unitholders of the Circular, including increases in capital, board of directors, reserved matters, general meetings, adjustment mechanism, repayment amount, dividend policy, right of audit inspection, transfer of Shares, finance for MEW, waterfall of priority, default put and call options and duration and termination.

3.10 O&M Agreement

Pursuant to the O&M Agreement entered into between MEW and MEWOM, which is a wholly-owned subsidiary of KIHPL, MEWOM will provide O&M services to MEW in respect of KMEDP and certain ancillary facilities throughout the Concession Period. Accordingly, following Completion, MEWOM will continue to provide O&M services to MEW pursuant to the O&M Agreement until the expiry of the Concession Period in 2045.

The principal terms of the O&M Agreement include, *inter alia*, the following:

- (i) MEWOM is engaged and retained by MEW as an independent contractor to operate, maintain and repair KMEDP on behalf of MEW, and MEW has delegated to MEWOM the overall day-to-day responsibility of operating, maintaining and repairing KMEDP for and on behalf of MEW, during the Concession Period;
- (ii) MEWOM shall be responsible for hiring, employing, training, instructing and managing the staff necessary to operate and maintain KMEDP and shall ensure that the necessary staff is on duty at KMEDP at all times throughout the Concession Period;
- (iii) MEWOM shall procure all spare parts, materials, equipment, supplies, consumables and other items required for the operation, maintenance and repair of KMEDP during the Concession Period, at its cost, as part of its obligations;
- (iv) MEWOM must maintain safety and security of KMEDP, including meeting the safety and security requirements of PUB;
- (v) MEWOM shall obtain, maintain and renew (where necessary) authorisations that are required by law or any government agency to be obtained or held under the name of MEW for carrying out the operation, maintenance and repair of KMEDP;
- (vi) MEWOM shall operate and maintain KMEDP in accordance with all environmental laws and all other laws, ensure that any discharge by KMEDP of all emissions, effluents and waste are in accordance with all environmental laws and all other laws and ensure that KMEDP does not cause or contribute to any environmental damage or pollution;

- (vii) MEWOM shall procure from any energy supply retailers or produce at its own risk and cost, sufficient electricity to enable KMEDP to be operated so as to comply with MEWOM's obligations under the O&M Agreement; and
- (viii) the O&M Agreement shall expire at the end of the Concession Period, subject to any other earlier termination or further extension as permitted under the O&M Agreement.

3.11 Method of Financing

The Trustee-Manager intends to fund the Sale Shares Consideration and the KIT Loan from the internal sources of funds and existing debt facilities of KIT.

4 EVALUATION OF THE PROPOSED ACQUISITION

In our analysis and evaluation of the Proposed Acquisition, and our recommendation thereon, we have taken into consideration the following:

- (a) rationale for and benefits of the Proposed Acquisition;
- (b) valuation of MEW by the Independent Valuer;
- (c) the expected distributable cash flow yield (the "**Distribution Yield**") of KIT's enlarged portfolio following Completion of the Proposed Acquisition;
- (d) comparison against the Distribution Yield of selected listed infrastructure funds (the "**Selected Infrastructure Funds**");
- (e) *pro forma* financial effects of the Proposed Acquisition; and
- (f) other factors which we deem to be relevant for our consideration.

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

4.1 Rationale for and key benefits of the Proposed Acquisition

The rationale and key benefits of the Proposed Acquisition are set out in Paragraph 2.2 of the Letter to Unitholders of the Circular, and extracted below:

"2.2 Rationale for the Proposed Acquisition

The Trustee-Manager believes that the Proposed Acquisition will bring the following key benefits to KIT and Unitholders:

- (a) The Proposed Acquisition will secure long term and stable cash flows for KIT and is DPU-accretive***

Following the completion of the Proposed Acquisition, KIT will be entitled to the entire economic benefit from MEW (including any dividends or distributions by MEW).

Pursuant to the Water Purchase Agreement, PUB has granted MEW a 25-year concession in respect of KMEDP until 2045. With PUB, Singapore's national water agency, as the customer/offtaker, KIT benefits from the stable cash flow backed by Singapore sovereign credit as the Singapore government is rated AAA and Aaa by Standard & Poor's and Moody's respectively. Furthermore, pursuant

to the O&M Agreement, MEWOM, which is a wholly owned subsidiary of KIHPL, will provide O&M services to MEW in respect of KMEDP until the expiry of the Concession Period in 2045. This ensures the operational stability of KMEDP and allows MEW to benefit from proven water services and diverse operating capabilities of its Sponsor KIHPL.

The Proposed Acquisition will improve KIT's cash flow visibility and is aligned with the Trustee-Manager's goal to create value for Unitholders through investments that generate sustainable returns and enhance total returns for Unitholders.

The Proposed Acquisition is expected to support the overall Distribution per Unit ("DPU") accretion to Unitholders. Please refer to Section 7 of this Circular for further details on the pro forma financial effects of the Proposed Acquisition on the DPU.

(b) The strategic addition of KMEDP is in line with KIT's investment mandate and will deepen its exposure to water treatment solutions in Singapore, enhancing the strength and resilience of KIT's portfolio

KIT currently owns two water treatment plants in Singapore, namely, the Keppel Seghers Ulu Pandan NEWater Plant with a daily production capacity of 162,800 m³, and the SingSpring Desalination Plant, which is Singapore's first large-scale seawater desalination plant with the capacity to supply 136,380 m³ of desalinated potable water per day.

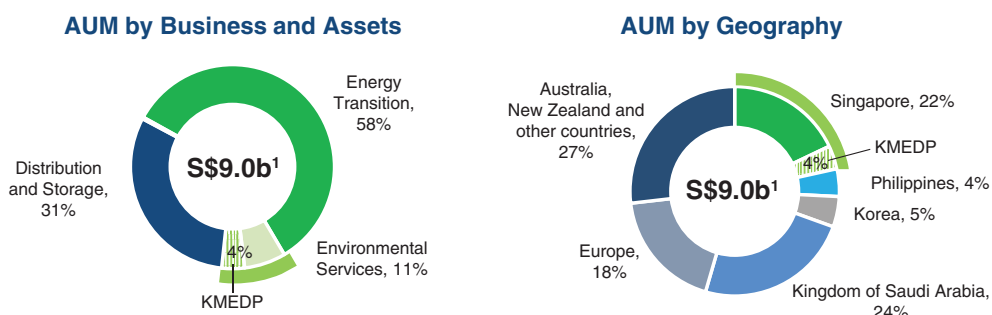
The Keppel Seghers Ulu Pandan NEWater Plant and the SingSpring Desalination Plant contribute to two of the "Four National Taps" in PUB's strategy to meet Singapore's water needs, which comprise local catchment water, imported water from Johor, NEWater and desalinated water.

KMEDP is Singapore's fourth seawater desalination plant and is Singapore's first and only large-scale, dual-mode desalination plant, capable of producing 137,000 m³ of fresh drinking water per day. KMEDP can treat either seawater or reservoir water drawn from the Marina Reservoir, depending on the prevailing weather conditions.

Accordingly, the strategic addition of KMEDP, with its state of the art, innovative features outlined above, will add to KIT's existing portfolio of water treatment plants, enhance the strength and resilience of KIT's portfolio and allow KIT to continue to play a critical role in contributing to Singapore's water security.

KIT's assets under management ("AUM") will increase from approximately S\$8.7 billion as at 30 September 2024 to approximately S\$9.0 billion upon Completion. Upon Completion, KIT's AUM contribution from the Environmental Services segment will increase to 11%, from 7% as at 30 September 2024, while AUM contribution from Singapore will increase to 22% from 19% as at 30 September 2024.

The below diagrams illustrate the expected contribution of KMEDP to the KIT Group upon Completion in terms of (a) AUM by business and assets and (b) AUM by geography.



Note 1: Based on AUM as at 30 September 2024. Please refer to 3Q 2024 Operational Updates presentation slides announced on 23 October 2024 for more information. Represents KIT's economic interest in the enterprise value of its investments plus cash held at the Trust.

(c) KMEDP is a high quality and energy-efficient asset

In addition to its state of the art, innovative features outlined above, KMEDP can treat either seawater or reservoir water drawn from the Marina Reservoir, depending on the prevailing weather conditions. KMEDP can take in water from the Marina Reservoir when there is sufficient freshwater and desalinate seawater during dry weather. This results in more effective water use, operational flexibility and optimised operational costs, as reservoir water treatment consumes only one-third the energy required for seawater desalination.

KMEDP also incorporates innovative, energy-efficient systems and equipment, such as the compact Dissolved Air Flotation system which forms fine air bubbles in the water being treated that enable the separation and removal of solid particles and reduces the footprint by 30%. KMEDP's direct coupling of the ultrafiltration and reverse osmosis systems, where water filtered from the upstream ultrafiltration process is fed directly to the downstream reverse osmosis process, eliminates intermediate break tanks and minimises pumping cycles, resulting in a more energy-efficient process as well as significant cost and space savings. KMEDP is also the first water treatment plant in Singapore to use ultraviolet radiation as the primary disinfection process, which eliminates the need for dedicated chemicals handling.

With a total area of 2.7 hectares and a plant process area of only 2.4 hectares, KMEDP is the most compact desalination plant in Singapore to date. The entire treatment facility and pumping station are also located underground, freeing up the space above for social recreation, while blending seamlessly into the surrounding greenery. The 20,000 square metres of green roof also reduces the urban heat island effect by minimising heat absorption to keep the rooftop recreational area cool. The bioretention basins and rainwater harvesting ponds in the landscaping within its confines also help to maximise rainwater capture and reduce stormwater runoff, thereby contributing to flood prevention.

KMEDP was named 'Desalination Plant of the Year' at the Global Water Awards 2021 for its efforts to optimise its physical footprint and energy efficiency. For its outstanding design features and exceptional Active, Beautiful, Clean (ABC) standards, KMEDP became the first industrial plant in Singapore to be awarded the ABC Waters Certification (Gold) by PUB in October 2019.

With the innovative and energy-efficient design and layout of KMEDP, the Proposed Acquisition underscores KIT's commitment to investing in high quality and energy-efficient assets."

We note that the Proposed Acquisition is in line with KIT's strategy of delivering value and sustainable returns to Unitholders by building a global well-diversified portfolio of sustainable businesses and assets in the infrastructure sector.

4.2 Valuation of MEW by the Independent Valuer

The Trustee-Manager has commissioned the Independent Valuer to perform an independent valuation on MEW. The valuation summary issued by the Independent Valuer is set out in Appendix B to the Circular.

The appraised value range arrived at by the Independent Valuer for 100% interest in MEW on a cash-free debt-free basis (the "**Appraised MEW Valuation**") is as follows:

Appraised MEW Valuation		Enterprise Value of MEW	Premium/(Discount) of the Enterprise Value of MEW to the Appraised MEW Valuation
Low	High		
S\$327.0 million	S\$334.0 million	S\$328.3 million ⁽¹⁾	Low: 0.40% High: (1.71)%

Source: Valuation Report, EY

Note:

(1) Figure as of 30 June 2024.

We have been provided the Independent Valuation Report by the Trustee-Manager and we note the following in our review:

- (a) The basis of valuation, being 'Market Value', is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. The basis of valuation and the definition are in line with market definition;
- (b) The Independent Valuer has used 30 June 2024 as the valuation date for MEW (the "**Valuation Date**"); and
- (c) The income approach method used by the Independent Valuer is a widely accepted method for the purpose of valuing income producing businesses, and the valuation has been prepared in accordance with the International Valuation Standards issued by the International Valuation Standards Council.

We also note the following assumptions made by the Independent Valuer in arriving at the Appraised MEW Valuation:

- (a) The Independent Valuer has used assumptions provided by the Trustee-Manager with respect to MEW and MEDP, including the present and future financial condition, business strategies and the environment in which MEW will operate in the future, and has also taken into account relevant project agreements;

- (b) MEW operating cash flows are projected on a stand-alone basis as per the assumptions of the Management and MEW;
- (c) The Independent Valuer has used the cash flows from the Valuation Date to the 25th anniversary of the expiry of the Water Purchase Agreement, i.e. 29 June 2045;
- (d) All cash flows generated by MEW are free for and will not be restricted from distribution or otherwise being returned to the shareholders and creditors of KIT Loan; and
- (e) Discount rate is calculated based on market discount rate, after considering applicable comparable listed companies.

We note that the enterprise value of MEW of S\$328.3 million is within the range of the Appraised MEW Valuation by the Independent Valuer.

4.3 Comparison of the Expected Distribution Yield of KIT's Enlarged Portfolio following the Proposed Acquisition

We have compared the Distribution Yield of KIT's existing portfolio against the expected Distribution Yield of KIT's enlarged portfolio following the Proposed Acquisition.

	Distribution Yield
KIT's Existing Portfolio	7.72% ⁽¹⁾
KIT's Enlarged Portfolio	7.75%⁽²⁾
Difference	0.03%

Source: Management, Annual Report

Notes:

- (1) Based on the distribution per unit of 3.86 Singapore cents for FY2023 which excludes the special distribution of 2.33 Singapore cents, divided by unit closing price of S\$0.50 at the last trading day of FY2023.
- (2) Based on the assumption that 100% of MEW FY23 distributable income is being distributed to KIT.

We note that the Proposed Acquisition is expected to be accretive, where the Distribution Yield of KIT's enlarged portfolio would have been higher by 0.03% assuming the Proposed Acquisition was completed with effect on 1 January 2023.

4.4 Comparison against the Distribution Yield of Selected Infrastructure Funds

Based on our discussions with the Management and a search for comparable listed infrastructure funds on available databases and relevant stock exchanges, we recognise that there is no particular listed infrastructure funds that we may consider to be directly comparable to MEW in terms of asset type, size, capital structure, scale of operations, risk profile, geographical spread of activities, stock exchange listing location, accounting standards and policies used, and other relevant factors.

However, we have extracted the following publicly available information on selected listed infrastructure funds with majority energy and environmental infrastructure assets as well as assets that are generally comparable to KIT's existing portfolio in order to compare the Distribution Yield of KIT's existing portfolio and Distribution Yield of KIT's enlarged portfolio implied from the Agreed MEW Value with the Distribution Yields of the Selected Infrastructure Funds.

The Independent Directors, the Audit and Risk Committee and the Unitholders should note that any comparison made with respect to the Selected Infrastructure Funds are for illustrative purposes only. For the analysis on the Selected Infrastructure Funds, we have used the available data/information as at the Latest Practicable Date. The conclusions drawn from such comparisons may not necessarily reflect the perceived or implied valuation of MEW as at the Latest Practicable Date. In addition, we wish to highlight that the Selected Infrastructure Funds are by no means exhaustive.

For illustrative purposes, the following are the Selected Infrastructure Funds:

Selected Infrastructure Fund and Stock Exchange Listing	Brief Business Description	Market Capitalisation (\$ million)
3i Infrastructure plc <i>London Stock Exchange</i>	3i Infrastructure plc is an investment firm specialising in infrastructure investments. The firm primarily invests in core infrastructure companies and assets with a focus on the utilities, transportation, energies, social infrastructure and adjacent sectors; primary Public-Private Partnership with a focus on greenfield projects in education, transport, healthcare; public sector accommodation sectors and low-risk energy projects with a focus on wind, solar, offshore transmission in developed markets; and mid-market economic infrastructure with a focus on low-risk energy projects.	5,200.0
Brookfield Infrastructure Partners L.P. <i>New York Stock Exchange</i>	Brookfield Infrastructure Partners is a global infrastructure company that provides essential services in utilities, transport, midstream, and data sectors. They own and operate assets such as electricity transmission lines, natural gas pipelines, railways, motorways, data centers and telecom towers.	21,097.0
Canadian Solar Infrastructure Fund, Inc. <i>Tokyo Stock Exchange</i>	Canadian Solar Infrastructure Fund, Inc. invests in renewable energy facilities and solar energy solution in all over Japan. It is headquartered in Tokyo, Japan.	283.2
CK Infrastructure Holdings Limited <i>Stock Exchange of Hong Kong</i>	CK Infrastructure Holdings Limited is a global infrastructure company that invests in and operates various infrastructure assets, including waste management, energy, water, and transportation.	22,763.9
Foresight Solar Fund Limited <i>London Stock Exchange</i>	Foresight Solar Fund Limited is an investment firm specialising in infrastructure investments, particularly in the solar power sector. It focuses on investing in solar power plants and solar farms primarily located in the UK.	781.4

Selected Infrastructure Fund and Stock Exchange Listing	Brief Business Description	Market Capitalisation (\$ million)
Greencoat UK Wind plc <i>London Stock Exchange</i>	Greencoat UK Wind plc is an investment firm specialising in renewable energy, particularly wind power investments. They invest in onshore and offshore wind farms with capacity of over 10 megawatt in the UK.	4,881.3
International Public Partnerships Limited <i>London Stock Exchange</i>	International Public Partnerships Limited specialises in investments in broader infrastructure sector with a focus on public or social infrastructure.	3,999.7
Macquarie Korea Infrastructure Fund <i>Korea Stock Exchange</i>	Macquarie Korea Infrastructure Fund specialises in investing in infrastructure assets in Korea, such as toll roads, ports, and subways.	5,133.7

Source: Capital IQ

For the purposes of our evaluation, we have considered the Distribution Yield of the Selected Infrastructure Funds:

Selected Infrastructure Funds	Distribution Yield⁽¹⁾
3i Infrastructure plc	3.64%
Brookfield Infrastructure Partners L.P.	4.86%
Canadian Solar Infrastructure Fund, Inc.	7.62%
CK Infrastructure Holdings Limited	5.93%
Foresight Solar Fund Limited	7.39%
Greencoat UK Wind plc	6.60%
International Public Partnerships Limited	5.92%
Macquarie Korea Infrastructure Fund	6.23%
Low	3.64%
High	7.62%
Median	6.08%
Average	6.02%
KIT's Existing Portfolio	7.72%
KIT's Enlarged Portfolio	7.75%
Difference	0.03%

Source: Annual reports, financial reporting announcements and Management

Note:

(1) Based on the total dividend declared for the latest audited financial year and the closing share price of the last trading day of the latest audited financial year for the respective infrastructure fund.

Based on the table above, we note that the expected Distribution Yield of KIT's enlarged portfolio assuming the Proposed Acquisition was completed with effect on 1 January 2023 is above the range of observed Distribution Yields of the Selected Infrastructure Funds.

4.5 **Pro Forma Financial Effects of the Proposed Acquisition**

The details of the *pro forma* financial effects of the Proposed Acquisition, which have been prepared strictly for illustrative purposes only, are set out in Paragraph 7 of the Letter to Unitholders of the Circular.

We note that the *pro forma* financial effects of the Proposed Acquisition have been prepared to show:

- (a) what the Funds from Operation (“**FFO**”) and distribution per Unit (“**DPU**”) for FY2023 would have been if the Proposed Acquisition had been completed with effect from 1 January 2023; and
- (b) what the NAV, NAV per Unit and Net Gearing¹ of the KIT Group as at 31 December 2023 would have been if the Proposed Acquisition had been completed as at 31 December 2023,

and are neither indicative nor do they represent any projection of the financial performance or position of the KIT Group after Completion.

We also note that the *pro forma* financial effects were prepared based on the KIT Group's audited consolidated financial statements for FY2023 and the audited accounts of MEW for FY2023, as well as the following assumptions:

- (a) 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;
- (b) Sale Shares Consideration and the KIT Loan is fully funded by internal sources of funds and/or external borrowings;
- (c) the *pro forma* financial effects on the FFO and DPU of the KIT Group are computed based on the assumption that the Proposed Acquisition had been completed with effect from 1 January 2023; and
- (d) the *pro forma* financial effects on the NAV, NAV per Unit and the Net Gearing of the KIT Group are computed based on the assumption that the Proposed Acquisition had been completed as at 31 December 2023.

¹ “**Net Gearing**” refers to net debt of the KIT Group divided by the total assets of the KIT Group.

We note that the *pro forma* financial effects of the Proposed Acquisition are generally favourable. Based on our review, we note the following:

- (a) assuming the Proposed Acquisition was completed on 1 January 2023 and KIT held the interests acquired pursuant to the Proposed Acquisition through to 31 December 2023, the *pro forma* FFO² for FY2023 increases by 3.6% from S\$287.9³ million to S\$298.4 million;
- (b) assuming the Proposed Acquisition was completed on 1 January 2023 and KIT held the interests acquired pursuant to the Proposed Acquisition through to 31 December 2023, the *pro forma* DPU for FY2023 increases by 0.01 Singapore cents or 0.4% from 3.86 Singapore cents to 3.87 Singapore cents based on the actual DPU declared for FY2023, excluding special distribution of 2.33 Singapore cents paid in November 2023;
- (c) assuming the Proposed Acquisition was completed on 31 December 2023, the *pro forma* NAV per Unit as at 31 December 2023 maintains at 15.8 Singapore cents per Unit;
- (d) assuming the Proposed Acquisition was completed on 31 December 2023, the *pro forma* Net Gearing as at 31 December 2023 increases slightly by 0.4% from 39.8% to 40.2%.

4.6 Other relevant factors

4.6.1 The SHA

We note that on the Completion Date, KIHPL, the Trustee-Manager and MEW, will enter into the SHA to regulate the affairs of MEW and the respective rights of KIHPL and KIT as shareholders of MEW, as KIHPL will retain significant shareholding interest of 50% in MEW upon Completion. KIHPL will hold two (2) Class B Ordinary Shares and KIT will hold two (2) Class A Ordinary Shares which will entitle the holder thereof to the entire economic benefit from MEW.

We note the following, among others, in relation to the SHA:

- (a) **On increases in share capital.** MEW shall not issue any shares in the capital of MEW (the “**MEW Shares**”) to any person who is not a party to the SHA, unless such subscriber first executes and delivers to each party to the SHA a Deed of Ratification and Accession under which such subscriber shall agree to be bound by and shall be entitled to the benefit of the SHA as if an original party thereto.
- (b) **On the board of directors of MEW.** Unless otherwise unanimously agreed upon by the shareholders of MEW (the “**MEW Shareholders**”) in writing, the board of directors of MEW (the “**MEW Board**”) shall consist of not more than six (6) directors (each, a “**MEW Director**”). There shall, at all times, be at least one (1) MEW Director who is ordinarily a resident in Singapore.

² The Distributable Income Per Unit (“**DIPU**”) for FY2023 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%.

³ Exclude effects of the Ixom capital optimisation which was distributed as a special distribution to Unitholders.

The MEW Board shall comprise three (3) persons appointed by KIHPL (the “**KIHPL Appointee Directors**”) and three (3) persons appointed by KIT (the “**KIT Appointee Directors**”), one of whom shall have no relationship with MEW, its related corporations, its shareholders or its officers that could interfere with, or be reasonably perceived to interfere, with the exercise of such director’s independent judgement in the best interests of MEW (the “**MEW Independent Director**”).

As long as KIHPL and KIT continue to hold MEW Shares, KIHPL and KIT shall be entitled to appoint an equal number of directors to the MEW Board. The Chairman of the MEW Board shall be appointed by the MEW Board, and shall not be entitled to a second or casting vote at any meeting of the MEW Board or at any general meeting of MEW.

All resolutions of the MEW Directors at a meeting or adjourned meeting of the MEW Directors shall be adopted by a simple majority vote of the MEW Directors present (including the affirmative vote of at least one (1) KIT Appointee Director and one (1) KIHPL Appointee Director).

- (c) **On reserved matters.** The SHA includes matters that require the prior approval of the MEW Board and such other consents as may be required by PUB, the Monetary Authority of Singapore or any other applicable regulatory body. Such matters include any amendment to the constitution of MEW and/or any of its subsidiaries, the payment or declaration of any dividend or other distribution on account of MEW Shares out of the available profits of MEW other than to finance capital expenditure relating to major capital expenditures, any determination or change in the dividend policy of MEW, and other customary matters relating to the shares, assets, investments and business operations of MEW.
- (d) **On dividend policy.** From the date of the SPSA, MEW shall declare and distribute to KIT the entire amount of MEW’s audited net profits after tax as certified by the auditors of MEW to KIT (the “**KIT Dividend**”) in the following manner:
 - (i) in respect of each quarter, within five Business Days after the provision of the quarterly management accounts by MEW to the MEW Shareholders, MEW shall declare and distribute to KIT an interim dividend amounting to not less than 80% of MEW’s unaudited net profit after tax as reflected in the relevant quarterly management accounts; and
 - (ii) in respect of each financial year, within five Business Days after the audited annual financial statements of MEW for such financial year have been laid before MEW at an annual general meeting, MEW shall declare and distribute to KIT a final dividend equal to the amount of:
 - (A) 100% of MEW’s audited net profits after tax as certified by the auditors of MEW in respect of such financial year; *less*
 - (B) the aggregate of all interim dividends declared and distributed by KIT in respect of each quarter of such financial year in accordance with sub-paragraph (i) above.

- (e) **On the right of audit inspection.** All books of accounts, vouchers, records and documents of MEW shall be available for inspection by any of the parties to the SHA or by their duly authorised representatives during regular business hours and upon prior appointment. The parties to the SHA shall each be entitled to conduct at its own cost its independent internal audit of MEW and MEW shall cooperate with such audit and supply all relevant information in its possession as the parties to the SHA may reasonably require for such purpose.
- (f) **On the transfer of MEW Shares.** Each MEW Shareholder will not, without the prior written consent of the other MEW Shareholder, PUB as required under the Water Purchase Agreement and the Lender as required under the Facility Agreement, transfer all or any part of the MEW Shares held by it or otherwise sell, dispose of or deal with all or any part of its interest in such MEW Shares, or create or have outstanding any encumbrance or security interest on or any MEW Shares or any part of its interest in such MEW Shares.

Each MEW Shareholder also has pre-emption rights in respect of any transfer, sale, disposal or dealing in of all or any part of the MEW Shares held by the other MEW Shareholder, save in the case of a transfer of all (and not some only) of the MEW Shares held by an MEW Shareholder to its related corporation or, in the case of KIT, to any fund under the direct or indirect management of KCH.

- (g) **On the waterfall of priority.** Subject to the terms of the Facility Agreement and ancillary documentation (if applicable), in the event of an Insolvency Event (as defined in the SHA) applicable to MEW, a sale, lease or disposition of all or substantially all of the assets of MEW and a transaction or series of transactions in which more than 50% of the voting power of MEW is disposed of, the following waterfall of priority (in descending order of priority) shall apply in respect of the KIT Loan, the KIT Dividend, the KIHPL Dividend, any shareholders' loans provided to MEW and the MEW Shares:
- (i) the KIT Dividend;
 - (ii) the KIT Loan;
 - (iii) such amounts of the KIHPL Dividend which remains unpaid from time to time;
 - (iv) the KIHPL FAA Shareholder's Loan;
 - (v) any shareholders' loan advanced to MEW by KIT (or any of its designated affiliates) other than the KIT Loan;
 - (vi) the Class A Ordinary Shares;
 - (vii) any shareholders' loan advanced to MEW by KIHPL after the date of the SHA;
 - (viii) the KIHPL Shareholder's Loan; and
 - (ix) the Class B Ordinary Shares.
- (h) **On the default put and call options.** The SHA includes (i) call and put options in the event of a material breach of the terms of the SHA by an MEW Shareholder and a change in control of an MEW Shareholder without prior written consent of PUB in accordance with the Water Purchase Agreement and/or (ii) call option in the event of an Insolvency Event (as defined in the SHA) occurring.

- (i) **On duration and termination.** The SHA shall continue in full force and effect without limit in point of time until the earlier of the MEW Shareholders agreeing in writing to terminate the SHA and an effective resolution being passed or a binding order being made for the winding-up of MEW, provided that the SHA shall cease to have effect as regards any MEW Shareholder who ceases to hold any MEW Shares save for any of its provisions which are expressed to continue in force after termination.

4.6.2 The KIT Loan

We note that at Completion, KIT will extend the KIT Loan, which is a non-interest bearing shareholders' loan of S\$35,000,000 to MEW, on the terms and subject to the conditions of the KIT Loan Agreement. The proceeds of the KIT Loan will be fully applied by MEW to pay to KIHPL S\$35,000,000 towards partial repayment of the non-interest bearing KIHPL Shareholder's Loan of S\$40,000,000 to be provided to MEW by KIHPL immediately following the completion of the Restructuring Exercise.

The KIT Loan is unsecured with no fixed terms of repayment, and is repayable by MEW in its sole discretion as may be permitted by its cashflow from time to time.

We also note that the KIT Loan will be subordinated to all external financial obtained by MEW (including but not limited to the Facility but excluding any funding from KIHPL).

4.6.3 The KIT Share Charge

We note that in connection with the Proposed Acquisition, on the Completion Date, the Trustee-Manager and the Lender, as security agent, will enter into the KIT Share Charge, pursuant to which all present and future issued shares in the capital of MEW held by the Trustee-Manager will be charged in favour of the Lender as security for the Facility.

As such, the Sale Shares, the Subscription Shares and the Conversion Shares will, when transferred, issued or converted (as the case may be), be charged in favour of the Lender as security for the Facility. Save as aforesaid, the Sale Shares, the Subscription Shares and the Conversion Shares will be transferred, issued or converted (as the case may be) free from all Encumbrances.

The KIT Share Charge is to be in place together with the KIHPL Share Charge that was entered into between KIHPL and the Lender on 1 December 2022 and will remain in force following Completion, as the Facility will continue to be utilised by MEW following Completion.

5 OUR OPINION ON THE PROPOSED ACQUISITION

In arriving at our opinion pursuant to Rule 921(4)(a) of the Listing Manual as well as our advice to the Independent Directors and the Audit and Risk Committee on the Proposed Acquisition, we have reviewed and deliberated on the factors which we consider to be relevant and to have a significant bearing on our assessment of the Proposed Acquisition. The factors we have considered in our evaluation, which are based on, among others, representations made by the Trustee-Manager, the Directors and the Management and discussed in detail in the earlier sections of this letter and which we have relied upon, are as follows:

- (a) the Proposed Acquisition being aligned with the Trustee-Manager's goal to create value for Unitholders through the investment in MEW that is expected to generate sustainable returns and enhance total returns for Unitholders;

- (b) the Proposed Acquisition representing an expansion to KIT's exposure to water treatment solutions, enhancing KIT's existing portfolio;
- (c) the Proposed Acquisition supporting KIT's environmental, social and governance goals;
- (d) KIT being entitled to the entire economic benefit from MEW, including any dividends or distributions by MEW;
- (e) valuation of MEW by the Independent Valuer;
- (f) the Proposed Acquisition being accretive, where the Distribution Yield of KIT's enlarged portfolio would have been higher assuming the Proposed Acquisition was completed with effect on 1 January 2023;
- (g) the expected Distribution Yield of KIT's enlarged portfolio assuming the Proposed Acquisition was completed with effect on 1 January 2023 is above the range of observed Distribution Yields of the Selected Infrastructure Funds;
- (h) *pro forma* financial effects of the Proposed Acquisition;
- (i) the terms of the SHA that will be entered into on the Completion Date by the Trustee-Manager, KIHPL and MEW to regulate the affairs of MEW and the respective rights of KIT and KIHPL as shareholders of MEW;
- (j) the KIT Loan that will be extended by KIT to MEW at Completion pursuant to the KIT Loan Agreement;
- (k) the KIT Share Charge that will be entered into by KIT with the Lender, as security agent, pursuant to which all present and future issued shares in the capital of MEW held by the Trustee-Manager will be charged in favour of the Lender as security for the Facility; and
- (l) the Proposed Acquisition is expected to support the overall DPU accretion to Unitholders.

Having considered the factors and the assumptions set out in this letter, we are of 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.

Accordingly, we advise the Independent Directors and the Audit and Risk Committee to recommend that Unitholders vote in favour of the Proposed Acquisition.

The Independent Directors and the Audit and Risk Committee should note that we have arrived at our opinions based on information made available to us prior to, and including, the Latest Practicable Date. Our opinion on the Proposed Acquisition cannot and does not take into account any subsequent developments after the Latest Practicable Date as these are governed by factors beyond the scope of our review, and would not fall within our terms of reference in connection with our evaluation of the Proposed Acquisition.

We have prepared this letter pursuant to Rule 921(4)(a) of the Listing Manual as well as for the use of the Independent Directors and the Audit and Risk Committee in connection with and for the purposes of their consideration of the Proposed Acquisition, but any recommendation made by the Independent Directors and the Audit and Risk Committee in respect of the Proposed Acquisition shall remain their responsibility.

While a copy of this letter may be reproduced in the Circular, no other person may reproduce, disseminate or quote this letter (or any part thereof) for any purpose (other than the intended purpose in relation to the Proposed Acquisition) at any time and in any manner without our prior written consent in each specific case. For the avoidance of doubt, nothing in this letter prevents KIT, the Trustee-Manager, the Directors or the Unitholders from reproducing, disseminating or quoting this letter without our prior consent for the purpose of any matter relating to the Proposed Acquisition. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully

For and on behalf of

Ernst & Young Corporate Finance Pte Ltd

Luke Pais
Chief Executive Officer

Elisa Montano
Associate Partner

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APPENDIX B – INDEPENDENT VALUATION SUMMARY LETTER

23 September 2024

The Board of Directors
Keppel Infrastructure Fund Management Pte Ltd
(as Trustee-Manager of Keppel Infrastructure Trust)
1 Harbourfront Ave
#18-01 Keppel Bay Tower
Singapore 098632

Independent Valuation Report for Keppel Infrastructure Fund Management Pte Ltd

Dear Sirs

1. INTRODUCTION

RSM SG Corporate Advisory Pte Ltd (“**RSMCA**”) has been engaged by Keppel Infrastructure Fund Management Pte Ltd (“**KIFM**”) in its capacity as the Trustee-Manager of Keppel Infrastructure Trust (“**KIT**”), to provide assistance in conducting an independent valuation to estimate the Market Value (“**Market Value**” or “**MV**”) range of 100% of Marina East Water Pte Ltd (“**MEWPL**” or the “**Target**”) on a cash-free debt-free basis as at 30 June 2024 (the “**Valuation Date**”). MEWPL has been granted a 25-year concession in respect of Keppel Marina East Desalination Plant (the “**Plant**”).

We understand that KIT is considering the acquisition of a 50% equity interest in the Target (the “**Proposed Acquisition**”) and would require an independent valuation to be conducted on MEWPL. The Proposed Acquisition is an interested person transaction (“**IPT**”) under Chapter 9 of the Listing Manual of the SGX-ST and would require the approval of KIT’s unitholders at a general meeting.

This valuation summary letter (“**Letter**”) has been prepared for the purpose of inclusion in the circular to unitholders of KIT (“**Circular**”) to be issued in relation to the Proposed Acquisition. Unless otherwise defined, all capitalised terms used in this Letter shall have the same meanings as ascribed to them in the Circular.

This Letter sets out a summary of the information contained in our valuation report (the “**Valuation Report**”) dated 23 September 2024. Accordingly, this Letter should be read in conjunction with the full text of the Valuation Report.

This Letter and the Valuation Report are addressed strictly to the Board of Directors (“**Directors**”) and for the intended purpose as set out above and accordingly neither the Valuation Report nor this Letter may be used or relied upon in any other connection by, and are not intended to confer any benefit on, any person (including without limitation the respective unit holders of KIT).

2. TERMS OF REFERENCE

The objective of this Letter and the Valuation Report is to provide an independent view of the Market Value range of 100% of MEWPL on a cash-free debt-free basis as at the Valuation Date in accordance with the International Valuation Standards (“**IVS**”) as prescribed by the International Valuation Standards Council (“**IVSC**”).

We are not required and have not conducted a comprehensive review of the business, technical, operational, strategic or other commercial risks and merits of the Target and accordingly make no representation or warranty, expressed or implied, in this regard.

We do not express any opinion on the commercial merits and structure of the Proposed Acquisition, nor are we providing any opinion, expressed or implied, as to the future trading price of the units or the financial condition or performance of the Target upon the completion of the Proposed Acquisition. Our terms of reference do not require us to evaluate or comment on the rationale, or the strategic or long-term prospects of the Proposed Acquisition.

We have not undertaken any due diligence or audit of the information provided to us. Our procedures and inquiries do not constitute an audit in accordance with auditing standards generally accepted in Singapore. Therefore, we do not express any opinion on the financial statements of the Target.

However, our work entails the review of the information provided to us and discussions with the management of KIFM, KIT and the Target (the “**Management**”) in relation to the financial information agreed by KIT and Keppel Infrastructure Holdings Pte Ltd (“**KIH**”) on the projected distributions to the Class A shareholder and projected costs to MEWPL (“**Agreed Financial Model**”) that was provided to us by the Management.

Our scope in this engagement does not require us to provide advice on legal, regulatory, accounting or taxation matters and, if specialist advice has been obtained by the KIFM and/or the Target and made available to us, we have considered, and where appropriate, relied upon such advice.

We have no present or prospective interest in the KIFM, KIT and/or the Target and are not a related corporation of nor do we have a relationship with the owners or other party/parties whom the KIFM, KIT and/or the Target is contracting with.

RSMCA’s compensation is not contingent upon the reporting of a pre-determined value or direction in value that favours anyone, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

The Valuation Report, which is available for inspection, is not intended to be and is not included in the Circular and does not purport to contain all the information that may be necessary or desirable to fully evaluate the Proposed Acquisition. Our independent opinion on the estimate of the Market Value of the Target on a cash-free debt-free basis will not form the sole basis of the price at which the Target is to be invested and is not intended to form the sole basis of any investment decision in relation to the Proposed Acquisition. Other than our engagement as set out above, RSMCA has had no involvement in any other aspect pertaining to the Proposed Acquisition including, without limitation, the negotiations, the deliberations or the decision by the respective parties to enter into the Proposed Acquisition.

Limitations of our Valuation Report and this Letter

This letter and the Valuation Report are addressed strictly to KIFM and for the intended purpose as set out above and accordingly neither the Valuation Report nor this Letter may not be used or relied upon in any other connection by, and is not intended to confer any benefit on, any person (including without limitation the respective unitholders of KIT).

Reliance on Information

In conducting our review and for the purpose of preparing our valuation range, the Valuation Report and this Letter, we have held discussions with the Management. We have also read and relied on the information provided by them and other publicly available information, upon which our valuation analysis is based.

We have not independently verified the accuracy, completeness and adequacy of all such information provided or otherwise made available to us or relied upon by us as described above, whether written or verbal, and no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information. However, we have made reasonable enquiries and exercised our judgement on such information and have performed our valuation on such basis.

Management has confirmed to us, upon making all reasonable enquiries and to their best knowledge and belief, that all material information available to them with respect to the Target that is relevant for the purpose of our terms of reference, has been disclosed to us and that such information is fair and accurate in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to us to be inaccurate or misleading in any material respect on the Target.

3. VALUATION PREMISE, APPROACH & METHODOLOGY

For the purpose of this valuation, Market Value is defined as “*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*”, as set out in the IVS.

We considered the following three approaches in estimating the Market Value of the Target:

- Cost / Net Asset Value (“**NAV**”) Approach;
- Market Approach; and
- Income Approach.

Based on the financial information and the Agreed Financial Model provided to us by the Management, we applied the Income Approach to estimate the Market Value range of 100% of MEWPL on a cash-free debt-free basis. The projected cash flows from MEWPL’s operations over the forecast period is derived using the Direct Cash Flow method.

The Market Value range of 100% of MEWPL on a cash-free debt-free basis as at the Valuation Date was subsequently determined with reference to the projected operating cash flow of MEWPL on a stand-alone basis as per the assumptions of the Management. In estimating the Market Value range of 100% of MEWPL on a cash-free debt-free basis, we have:

- a) Included the cash flows from the Valuation Date (i.e. 30 June 2024) to the 25th anniversary of the expiry of the Water Purchase Agreement (“**WPA Agreement**”) (i.e. 29 June 2045) as per the Agreed Financial Model;
- b) Assumed that all the cash flows generated by MEWPL are free for and will not be restricted from distribution or otherwise being returned to the shareholders and the creditors of the KIT Loan; and
- c) Applied a risk-adjusted discount rate.

The Market Value range of 100% of MEWPL on a cash-free debt-free basis is based on various management assumptions with respect to MEWPL and the Plant, including the present and future financial condition, business strategies and the environment in which MEWPL will operate in the future. These assumptions are based on the information provided by and discussions with or on behalf of the Management and reflect current expectations and views regarding future events and therefore, necessarily involve known and unknown risks and uncertainties. The basis and assumptions of the future performance of MEWPL and the Plant are solely the responsibility of the Management.

Other than the general assumptions mentioned in the Valuation Report, the following key assumptions were applied in arriving at the Market Value range of the Target on a cash-free debt-free basis as at the Valuation Date:

- a) MEWPL is operating on a going concern basis and will continue to have sufficient liquidity and capability to achieve the forecast;
- b) The assumptions used in the Agreed Financial Model;

- c) The Plant will be operating at the warranted capacity and able to treat and supply the water at the capacity projected in the Agreed Financial Model. In the event there is a reduction in the availability or quality of the water, any deductions in excess of what Operation and Maintenance (“O&M”) Contractor, Marina East Water O&M Pte Ltd (“MEWOM”), is liable for as agreed under WPA Agreement will be borne by MEWPL, which will reduce the Free Cash Flows of MEWPL and thus affect the estimated MV range of MEWPL;
- d) The availability of the information known or knowable as at the Valuation Date. Any information that is known or knowable after the Valuation Date was not considered in this valuation analysis;
- e) The WACC (i.e. the discount rate) is estimated at 4.1% and we have applied a range of the discount rate ranging from 4.0% to 4.2%; and
- f) Other information and representations made to us by Management during our discussions.

We have set out in the Valuation Report the key assumptions used in our valuation that, in our opinion, may have a material impact on the valuation of the Target. It should be noted that it is not an exhaustive list of all risk factors relevant to the Target.

We do not provide assurance on the achievability of the future free cash flows results because events and circumstances may differ from the assumptions and expectations of the Management; and achievement of future results is dependent on the subsequent actions, plans and execution, as well as other external factors.

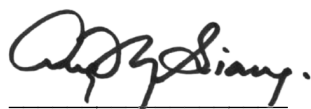
4. CONCLUSION

In accordance with the terms of reference, limitations, key assumptions and factors set out herein, the Market Value of 100% of MEWPL on a cash-free debt-free basis is in the range of **S\$327 million to S\$334 million** as at the Valuation Date. Included in this Market Value on a cash-free debt-free basis is the present value of cashflows from the Valuation Date (i.e. 30 June 2024) to 29 June 2045.

Our estimate of the Market Value range of 100% of the Target on a cash-free debt-free basis is based on prevailing market, economic, industry, monetary and other conditions and on the information available as at the Valuation Date. Such conditions may change significantly over a relatively short period of time and we assume no responsibility and are not required to update, revise or reaffirm our valuation conclusion to reflect events or developments subsequent to the Valuation Date.

Yours faithfully,

For and on behalf of RSM SG Corporate Advisory Pte Ltd



Terence Ang
Executive Director
Chartered Valuer and Appraiser, Singapore

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 of Keppel Infrastructure Trust (“**KIT**”, and the holders of units of KIT, “**Unitholders**”) will be held at Suntec Singapore Convention & Exhibition Centre, Nicoll 1 & 2, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 11 December 2024 at 10.30 a.m. (Singapore time) to transact the following business for the purposes of considering and, if thought fit, passing with or without modifications, the following resolution which will be proposed as an Ordinary Resolution:

ORDINARY RESOLUTION

PROPOSED ACQUISITION OF A 50% EQUITY INTEREST IN MARINA EAST WATER PTE. LTD. THAT WILL ENTITLE KIT TO THE ENTIRE ECONOMIC BENEFIT FROM MEW, WHICH OWNS THE KEPPEL MARINA EAST DESALINATION PLANT, AS AN INTERESTED PERSON TRANSACTION

That:

- (1) the acquisition of a 50% equity interest in Marina East Water Pte. Ltd. (“**MEW**”) that will entitle KIT to the entire economic benefit from MEW (the “**Proposed Acquisition**”), which owns the Keppel Marina East Desalination Plant, from Keppel Infrastructure Holdings Pte. Ltd. (“**KIHPL**”), the sponsor and controlling unitholder of KIT, on the terms and conditions set out in the share purchase and subscription agreement (the “**SPSA**”) dated 15 November 2024 entered into between KIHPL, MEW and Keppel Infrastructure Fund Management Pte. Ltd., acting in its capacity as trustee-manager of KIT (the “**Trustee-Manager**”) including all transactions contemplated pursuant to the SPSA, be approved and authorised; and
- (2) the Trustee-Manager and any Director, Chief Executive Officer, Chief Financial Officer or Head, Asset Management be severally authorised to do all such acts and things and execute all documents as they 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

26 November 2024

Singapore

Explanatory notes:

1. The EGM will be held, in a wholly physical format, at Suntec Singapore Convention & Exhibition Centre, Nicoll 1 & 2, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 11 December 2024 at 10.30 a.m.. **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/aggm-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 26 November 2024. This announcement may be accessed at Keppel Infrastructure Trust's website at <https://www.kepinfratrust.com/investor-information/aggm-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/aggm-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 10:30 a.m. on 9 December 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 5.00 p.m. on 29 November 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 5.00 p.m. on 29 November 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 10.30 a.m. on 4 December 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 10.30 a.m. on 4 December 2024 through the publication of its responses on Keppel Infrastructure Trust’s website and on SGXNet by 10.30 a.m. on 7 December 2024.
12. All documents (including the Proxy Form, this Notice of EGM and the Circular dated 26 November 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/agg-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 & Exhibition Centre, Nicoll 1 & 2, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 11 December 2024 at 10.30 a.m.. **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.kepinfratrust.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 26 November 2024. This announcement may be accessed at Keppel Infrastructure Trust's website at <https://www.kepinfratrust.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 26 November 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 5.00 p.m. on 29 November 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 5.00 p.m. on 29 November 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 26 November 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 & Exhibition Centre, Nicoll 1 & 2, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 11 December 2024 at 10.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote or abstain from voting on the resolution 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 proposed acquisition of a 50% equity interest in Marina East Water Pte. Ltd. ("MEW") that will entitle KIT to the entire economic benefit from MEW, which owns the Keppel Marina East Desalination Plant, as an interested person transaction (Ordinary Resolution 1)			

* 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	
----------------------------	--

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 5.00 p.m. on 29 November 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 5.00 p.m. on 29 November 2024 to specify his/her/its voting instructions, including but not limited to, whether he/she/it wishes to vote at the EGM.
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 10:30 a.m. on 9 December 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.



Keppel Infrastructure Fund Management Pte. Ltd.

(as Trustee-Manager of Keppel Infrastructure Trust)

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

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