



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

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

1. INTRODUCTION

Reference is made to the joint media release of Keppel Ltd. and Keppel Infrastructure Fund Management Pte. Ltd., acting in its capacity as trustee-manager of KIT (the "**Trustee-Manager**") dated 30 June 2022 in relation to the signing by the Trustee-Manager of 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 MEW that will entitle KIT to the entire economic benefit from MEW (the "**Proposed Acquisition**"), which owns the Keppel Marina East Desalination Plant ("**KMEDP**").

The Trustee-Manager wishes to announce that it has entered into a conditional share purchase and subscription agreement (the "**SPSA**") on 15 November 2024 with KIHPL for the Proposed Acquisition, including 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 contemplated pursuant to the SPSA, on the terms and subject to the conditions in the SPSA.

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Background

Public Utilities Board ("**PUB**") has granted MEW a 25-year concession 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 date of this Announcement, 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 SPSA, 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 paragraph 2.7 of this Announcement. 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 Public Utilities Act ("**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 paragraph 2.8 of this Announcement.

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

As at the date of this Announcement, 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 date of this Announcement based on the amortisation of the Facility.

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 in connection with the Proposed Acquisition (the "**Independent Valuation Report**"), a summary in respect of which will be appended to the circular in relation to the Proposed Acquisition to be despatched to unitholders of KIT ("**Unitholders**") in due course (the "**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 Concession Period which was derived using the direct cash flow method. According to the Independent Valuation Report, 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.

2.2 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, a restructuring of the share capital of MEW through a capital reduction

exercise, the completion of which is a Condition Precedent (the "**Restructuring Exercise**"), has been commenced, pursuant to which 40,000,000 ordinary shares in the capital of MEW ("**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 (as defined herein) 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 2.9 of this Announcement.

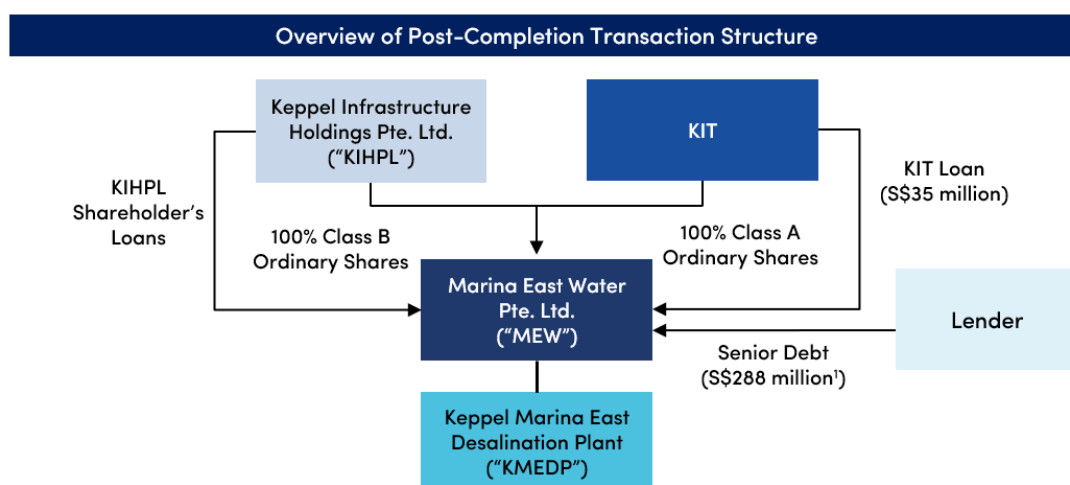
Pursuant to the SPSA, subject to the satisfaction (or the satisfaction subject only to Completion, as the case may be) of the conditions set out in paragraph 2.10(b) of this Announcement (each a "**Condition Precedent**" and collectively, the "**Conditions Precedent**"), *inter alia*:

- (a) KIHPL will sell to the Trustee-Manager two (2) 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 incorporating the terms of the Class A Ordinary Shares and the Class B Ordinary Shares (each as defined below) and amendments to reflect the provisions of the SHA (as defined below) or remove the inconsistencies between the constitution of MEW and the SHA (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 will be 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). 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 date of this Announcement, 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 will be described in further detail in 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 date of this Announcement 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 will be set out in 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 been obtained in compliance with the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Listing Manual**") and such approval not having been cancelled, revoked or withdrawn, as noted further in paragraph 2.10(b) of this Announcement.

2.3 Interested Person Transaction

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

As at the date of this Announcement:

- (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 (as defined in the Listing Manual) 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 (as defined in the Listing Manual) 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.

Accordingly, the Proposed Acquisition constitutes an interested person transaction under 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 (as defined in the Listing Manual) 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.

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 net tangible assets ("**NTA**"), Unitholders' approval is required in respect of the transaction.

Based on the audited consolidated financial statements of KIT and its subsidiaries (the "**KIT Group**") for the financial year ended 31 December ("**FY**") 2023, 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 (as defined herein)) is required pursuant to Rule 906(1)(a) of the Listing Manual, and will be sought at an extraordinary general meeting ("**EGM**") to be convened.

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.

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.

⁽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.

For completeness, as at the date of this Announcement, 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.

2.4 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 date of this Announcement (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**"), 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.

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 137,000m³ 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.

2.5 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 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.

2.6 Consent of the Lender

Under the terms of the Facility Agreement, the written approval of the Lender (as facility agent) is required for the Share Sale, the Share Subscription, the Share Conversion, the KIT Loan and the repayment of the KIHPL Shareholder's Loan. Completion of the Proposed Acquisition is conditional upon, *inter alia*, the aforesaid written approval of the Lender having been obtained and not having been cancelled, revoked or withdrawn as at the Completion Date, as noted further in paragraph 2.10(b) of this Announcement. Such written approval from the Lender will be sought and further details will be disclosed in the Circular.

2.7 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 paragraph 2.4 of this Announcement. 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 was 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).

2.8 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.

2.9 Restructuring Exercise

Following the grant of the PUB Approval-in-Principle and the PUB PUA Approval, the Restructuring Exercise has been commenced, 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. 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.

2.10 Other Salient Terms of the SPSA

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

(a) 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 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 date of this Announcement, S\$288,240,894 remains outstanding on the Facility. Please see paragraph 2.1 of this Announcement 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 paragraph 2.10(a)(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.

(b) 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 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, each 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 neither party to the SPSA shall have any claim against the other party, save for any claim arising from antecedent breaches of the SPSA.

As at the date of this Announcement, the conditions in sub-paragraphs (iv) and (v) above have been satisfied subject to Completion, the condition in sub-paragraph (vi) above is expected to be satisfied either prior to or shortly after the EGM, and the condition in sub-paragraph (iii) above will only be satisfied on the Completion Date.

(c) 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.

(d) Completion

Under the terms of the SPSA, Completion will take place on the first business day falling seven (7) business day 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.

2.11 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.

3. 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 paragraph 5 of this Announcement 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 162,800m³, and the SingSpring Desalination Plant, which is Singapore's first large-scale seawater desalination plant with the capacity to supply 136,380m³ 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.

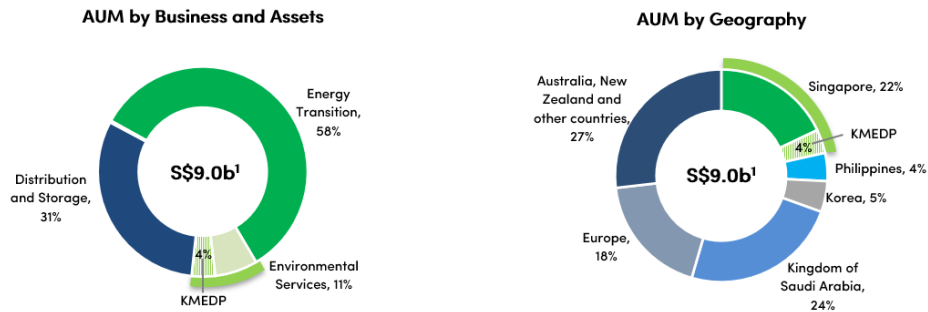
KMEDP is Singapore's fourth seawater desalination plant and is Singapore's first and only large-scale, dual-mode desalination plant, capable of producing 137,000m³ of fresh drinking water per day. KMEDP can treat either seawater or reservoir water drawn from the Marina Reservoir, depending on the prevailing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

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 ⁽¹⁾ attributable to the assets acquired, compared with the KIT Group's FFO.	3.8 ⁽²⁾
(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 ⁽³⁾
(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 ⁽⁴⁾
(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 ⁽⁵⁾

Notes:

- (1) 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.
- (2) 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.

- (3) 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.
- (4) This basis is not applicable as no equity securities will be issued by KIT as consideration for the Proposed Acquisition.
- (5) 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 Announcement 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 will be sought at the EGM for the Proposed Acquisition.

5. 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 debt divided by the total assets ("**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 paragraph 5 of this Announcement 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.

5.1 **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.

	Actual	Adjusted for the Proposed Acquisition	% change
For FY2023			
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.

5.2 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.

	Actual	Adjusted for the Proposed Acquisition	% change
For FY2023			
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.

5.3 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

5.4 Pro Forma Net Gearing

The table below sets out the *pro forma* financial effects of the Proposed Acquisition on the net debt of the KIT Group divided by the total assets of the KIT Group ("**Net Gearing**") 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

6. INTERESTS OF DIRECTORS AND CONTROLLING UNITHOLDERS

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.

Based on information available to the Trustee-Manager, save as disclosed in paragraphs 2.3 and 6 of this Announcement, none of the Directors of the Trustee-Manager or the controlling Unitholders has any interest, direct or indirect, in the Proposed Acquisition (other than through their respective unitholdings in KIT, if any).

7. INDEPENDENT FINANCIAL ADVISER

Ernst & Young Corporate Finance Pte Ltd has been appointed as the independent financial adviser (the "**Independent Financial Adviser**") 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 and the Audit and Risk Committee of the Trustee-Manager ("**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 is not prejudicial to the interests of KIT and its minority Unitholders. The letter from the Independent Financial Adviser will be set out in the Circular.

8. STATEMENT OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee will obtain an opinion from the Independent Financial Adviser before forming its view (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) as to whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of KIT and its minority Unitholders, which will be set out in the Circular.

9. CIRCULAR

The Circular containing, *inter alia*, the notice of the EGM and further details of the Proposed Acquisition will be despatched to Unitholders in due course.

10. 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.

11. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPSA and the Independent Valuation Report will be made 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 Announcement up to the date falling three months after the date of this Announcement.

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

18 November 2024

IMPORTANT NOTICE

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Trustee-Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Trustee-Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units. The past performance of KIT is not necessarily indicative of the future performance of KIT. This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Trustee-Manager's current view on future events.