



(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))

ANNOUNCEMENT

PROPOSED JOINT ACQUISITION OF ENTIRE STAKE IN ECO MANAGEMENT KOREA HOLDINGS CO., LTD

1. INTRODUCTION

1.1. The Proposed Acquisition

Reference is made to the joint announcement dated 13 July 2022 entitled "Keppel Infrastructure Trust, Keppel Infrastructure, Keppel Asia Infrastructure Fund Selected As Preferred Bidder For Eco Management Korea Holdings".

Keppel Infrastructure Fund Management Pte. Ltd. (the "**Trustee-Manager**"), acting in its capacity as trustee-manager of Keppel Infrastructure Trust ("**KIT**") wishes to announce that, together with each of Keppel Infrastructure Holdings Pte Ltd ("**KIH**") and Keppel Asia Infrastructure Fund LP (together with a co-investor, "**KAIF**") (acting through their respective subsidiaries, where applicable), it has entered into a conditional sale and purchase agreement ("**SPA**") on 5 August 2022 with Kabod Co., Ltd. (the "**Seller**") for the proposed acquisition of all issued and outstanding shares of common stock ("**Sale Shares**") of Eco Management Korea Holdings Co., Ltd. ("**Target**") upon the terms and subject to the conditions of the SPA (the "**Proposed Acquisition**").

In connection with the Proposed Acquisition, KIT, KIH and KAIF (acting through their respective subsidiaries, where applicable) (collectively, the "**Consortium**") propose to establish a joint venture amongst themselves ("**Joint Venture**"), to be undertaken through a joint venture vehicle (the "**JVCo**") which will be held by KIT, KIH and KAIF in the proportions 52%, 18% and 30% respectively (the "**Agreed Shareholding Proportion**"). The Consortium members intend to assign their rights under the SPA to JVCo such that following completion of the Proposed Acquisition ("**Completion**"), the Target will become a wholly-owned subsidiary of JVCo.

The Trustee-Manager has determined that the Proposed Acquisition is in the ordinary course of KIT's business and does not constitute a "transaction" as defined under Chapter 10 of the listing manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Joint Venture is an interested person transaction under Chapter 9 of the Listing Manual, details of which are further set out in paragraph 8 of this Announcement.

2. INFORMATION ON THE TARGET AND THE SALE SHARES

*All information in respect of the Target and its subsidiaries after completion of the Spin-Off (defined below) ("**Target Group**") set out in this paragraph 2 is based solely on information and representations made and provided by the Target and the Seller to KIT and the Trustee-Manager. In respect of such information, KIT and the Trustee-Manager have not independently verified the accuracy and correctness of the same and the responsibility of KIT and the Trustee-Manager is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this announcement in its proper form and context.*

2.1. Information on the Target

The Target is a leading integrated waste management services player in South Korea, offering waste treatment and recycling, as well as waste-to-energy services. Operating six waste-to-energy plants and five sludge drying facilities located across South Korea, the Target has the third largest incineration capacity (404 tonnes per day) in the nation. It is also the largest waste oil refiner in South Korea (154 tonnes per day) and owns a landfill in Yeongnam, which has the fourth largest capacity in the nation (1.5 million m³).

The Target currently has nine subsidiaries. After undergoing the Spin-Off (defined below), the Target shall have eight subsidiaries operating in key industrial regions across South Korea, including Ansan, Hwaseong, Cheongju, Iksan, Gyeongju and Ulsan, forming a robust nationwide network.

2.2. Ongoing Horizontal Spin-off being undertaken by the Target (the "**Spin-Off**")

The Target is undergoing a horizontal spin-off ("**Spin-Off**") to spin-off and transfer all the issued and outstanding equity interests in Shindaehan Refined Fuel Co., Ltd. ("**Shindaehan**") and other related assets and liabilities to a new subsidiary of the Seller. Shindaehan is in the business of wastewater treatment and waste oil refining and will not be part of the Target Group to be acquired by JVCo under the SPA.

The consummation of the Spin-Off is a Condition (as defined in paragraph 4.3 of this announcement) to the Proposed Acquisition.

2.3. Financial Information on the Sale Shares

Based on the consolidated financial statements of the Target Group for the financial year ended 31 December 2021 ("**FY2021**")¹:

- (a) the aggregate book value of the Sale Shares was approximately KRW 105,692 million (approximately S\$112.4 million);
- (b) the aggregate net tangible asset value of the Sale Shares was approximately KRW 57,970 million (approximately S\$61.7 million); and
- (c) the aggregate net profits attributable to the Sale Shares was approximately KRW 5,184 million (approximately S\$5.5 million).

¹ For the purpose of this announcement, an exchange rate of S\$1 : KRW 940 is used to convert all values expressed in South Korean Won to Singapore Dollars for reference only.

The open market value of the Sale Shares is not available as the Sale Shares are not listed or traded on any securities exchange. No independent valuation was commissioned on the Sale Shares for the purpose of the Proposed Acquisition.

3. RATIONALE FOR THE PROPOSED ACQUISITION

The Trustee-Manager believes that the Proposed Acquisition will be beneficial to KIT and its Unitholders for the reasons set out below.

3.1. Strategic expansion into a waste management market supported by strong sector tailwinds

Waste management is an essential service for building sustainable and liveable cities. The outlook for waste management services in South Korea is expected to remain positive, underpinned by favourable demand-supply dynamics including:

- (a) increase in demand due to growth in waste production as the South Korean economy continues to expand; and
- (b) limited growth in supply of waste treatment capacity due to high barriers of entry (refer to paragraph 3.2 of this announcement).

3.2. High barriers of entry favouring incumbent players with scale

The waste management sector in South Korea is highly regulated and licences or permits are required for many of the activities in the sector. Application for such licenses or permits requires interfacing with multiple agencies at both the national and regional levels, and sometimes includes consent from the local community as a prerequisite. This leads to a protracted approval process which could extend to more than 5 years for new entrants.

This is paired with a backdrop of higher environmental standards leading to the roll out of increasingly stringent regulations. This trend has resulted in smaller operators exiting the market as such operators have found it difficult to adhere to tighter standards.

These conditions serve as natural barriers to entry, deterring new players from entering the market, while favouring incumbents like the Target which have sufficient scale and operational expertise to shoulder such substantial compliance obligations.

3.3. Leading integrated waste management platform in South Korea with a sticky blue-chip customer base that is well positioned to grow organically and inorganically

The Target is one of the largest integrated waste management platforms in South Korea with the third largest incineration capacity, largest waste oil refining capacity and fourth largest landfill capacity. It has a strong presence in key regions such as the Seoul Metropolitan Area and Yeongnam – a key industrial region. The Target has demonstrated a strong EBITDA² compound annual growth rate of 25% from the financial year ended 31 December 2019 to FY2021.

² Earnings before interest, taxes, depreciation and amortisation, prepared via a pro-forma consolidation of the income statements of the Target Group.

The Target has a diverse customer base comprising of municipalities, commercial and industrial companies, including several blue-chip companies such as Samsung, LG and Coupang Inc.

Additionally, due to the fragmented nature of the South Korean waste management sector, the Target serves as an ideal and suitable platform to consolidate the sector through additional acquisitions in the sector. Leveraging Keppel's proven and patented waste-to-energy technologies used in more than 100 facilities globally, KIT will be able to draw on the group's development and operational track record to grow the Target organically and inorganically.

3.4. Diversification and enhancing the income stability of KIT's investment portfolio

The Proposed Acquisition will mark KIT's first acquisition in South Korea, contributing to KIT's geographical and income diversification.

On a pro-forma basis that KIT consolidates the financials of the JVCo, Target and its subsidiaries, KIT's assets under management is expected to grow from approximately S\$4.7 billion as at 30 June 2022 to approximately S\$5.3 billion. With the Target's defensive cashflows, the Proposed Acquisition will also enhance the income stability of KIT's portfolio.

The Proposed Acquisition is also in line with the Trustee-Manager's investment and business strategy of acquiring and investing in good quality core and core plus infrastructure businesses that generate long-term cash flows with potential for growth.

3.5. DIPU accretive to Unitholders

Based on the proposed method of financing and the pro forma financial effects of the Proposed Acquisition on the Distributable Income per Unit ("**DIPU**") of KIT for FY2021, the Proposed Acquisition is expected to be DIPU accretive to Unitholders. Please refer to paragraph 6 of this announcement for the financial effects of the Proposed Acquisition.

3.6. Supports KIT's ESG targets

The Proposed Acquisition is consistent with KIT's firm focus on sustainability and its commitment to a low carbon future. The waste management sector is a critical component of the circular economy, allowing for the recycling and reuse of essential resources and the sustainable treatment of waste. Solid waste incineration helps to reduce waste volumes by up to 90%, ensuring long term sustainability of landfill. In addition, energy generated from incineration plants is also used for steam and heat supply to key customers.

Aside from staying ahead of ever tightening environmental regulations and standards, the Target Group also demonstrates a strong adherence to health and safety standards.

4. THE PROPOSED ACQUISITION

4.1. Acquisition of the Target by the Consortium

As at the date of this announcement, each of the Consortium members, namely KIT, KAIF and KIH (acting through their respective subsidiaries, where applicable), has entered into the SPA with the Seller. Subsequent thereto, the Consortium members will incorporate JVCo in South Korea as their joint venture vehicle to undertake the Proposed Acquisition. JVCo will be held and funded by the Consortium members in the Agreed Shareholding Proportion, and the Consortium members will assign their rights under the SPA to JVCo.

In connection with the establishment of JVCo, it is further contemplated that the Consortium members will enter into a shareholders' agreement on or prior to Completion to regulate their relationship as shareholders of JVCo.

4.2. Consideration

The consideration for the Proposed Acquisition ("**Purchase Consideration**") will be fully satisfied in cash by the Consortium. The Purchase Consideration for the Proposed Acquisition is estimated at KRW 626.1 billion (approximately S\$666.1 million) (the "**Estimated Purchase Consideration**"), subject to certain post-Completion adjustments.

The Purchase Consideration payable by JVCo shall be funded by the respective members of the Consortium in accordance with their Agreed Shareholding Proportion. Accordingly, the estimated amount of the Purchase Consideration payable by KIT is KRW 325.6 billion (approximately S\$346.4 million) (the "**Estimated KIT Purchase Consideration**"), being 52% of the Estimated Purchase Consideration.

The Purchase Consideration was arrived at on a willing buyer-willing seller basis and after arm's-length negotiations with the Seller through a bid process, taking into consideration, among others, the business plan of the Target, its defensive and growth characteristics, any adjustments for the Spin-Off, as well as the benefits of the Proposed Acquisition to KIT as disclosed in paragraph 3 of this announcement.

4.3. Conditions for Completion

Under the terms of the SPA, the Proposed Acquisition is subject to certain conditions precedent (the "**Conditions**" and each a "**Condition**"), including:

- (a) **Consummation of the Spin-Off.** The Spin-Off shall have been consummated on or prior to Completion;
- (b) **No Material Adverse Change.** No event or development which has or is reasonably expected to have a material adverse change on the business of the Target Group shall have occurred and be continuing; and
- (c) **Approvals.** All relevant governmental approvals, including the confirmation of the Korea Fair Trade Commission that the transactions contemplated under the SPA do not violate Article VII of the Monopoly Regulation and Fair Trade Act of Korea ("**Purchaser Required**")

Approval") have been obtained.

4.4. Completion

Completion shall take place on the later of (i) the fifteenth (15th) business day from the date on which the last of the Conditions have been satisfied and (ii) 30 September 2022. In the event that Completion has not occurred by the date that is 3 months from the date of the SPA (the "**Long-Stop Date**"), or by such date as extended pursuant to the terms of the SPA, save in certain circumstances, either the Seller or the Consortium shall be entitled to terminate the SPA.

In the event any one of the Consortium members fails to proceed with Completion, the Seller shall have the right to decide whether or not to proceed with Completion with the remaining Consortium members ("**Participating Purchasers**"), and where the Seller elects to proceed with Completion, the Participating Purchasers shall have the right (but not the obligation) to purchase up to 100% of the Sale Shares in excess of their combined Agreed Shareholding Proportion of the Sale Shares.

4.5. Termination Fee

In the event:

- (a) the Seller terminates the SPA as a result of (i) a breach by the Consortium of its fundamental representations and warranties, or a material breach by the Consortium of any other representation and warranty or covenant under the SPA which cannot be or is not cured within the agreed period or (ii) a breach by the Consortium of its Completion obligations, each Consortium member shall be required to pay the Seller its respective Agreed Shareholding Proportion of a termination fee ("**Termination Fee**") equivalent to 5% of the Estimated Purchase Consideration; or
- (b) the Seller or the Consortium terminates the SPA as a result of (i) a final and non-appealable governmental order prohibiting the Proposed Acquisition having been issued and outstanding or (ii) Completion not having occurred on or prior to the Long-Stop Date or extended Long-Stop Date (as the case may be) due to any Purchaser Required Approval not having been obtained, each Consortium member shall be required to pay the Seller its respective Agreed Shareholding Proportion of a Termination Fee equivalent to 2.5% of the Estimated Purchase Consideration,

and once the Termination Fee is paid in full as aforesaid, the Seller may not bring claims against the Consortium members for any losses suffered by the Seller arising out of the relevant breach by the Consortium of its obligations under the SPA which gave rise to the Seller's termination right.

4.6. Other Terms of the SPA

The SPA contains customary provisions relating to the Proposed Acquisition, including representations and warranties and pre-Completion covenants regarding the operation of the business and other commercial terms.

5. METHOD OF FINANCING FOR THE PROPOSED ACQUISITION

The Trustee-Manager intends to fund its portion of the Purchase Consideration through an optimum combination of internal sources of funds, proceeds from equity and/or debt capital market issuances and/or external borrowings.

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

6.1. Assumptions

The pro forma financial effects of the Proposed Acquisition on KIT presented below are strictly for illustrative purposes only and are neither indicative nor do they represent any projection of the financial performance or position of KIT and its subsidiaries (the “**KIT Group**”) after Completion.

Due to their nature, the pro forma financial effects may not give a true picture of: (i) what the funds from operations (“**FFO**”)³, DIPU, net asset value (“**NAV**”) per unit in KIT (“**Unit**”) and net gearing of the KIT Group as at and for FY2021 might have been if the Proposed Acquisition had actually been completed as at 31 December 2021 or with effect from 1 January 2021 (as applicable), and (ii) the actual method and combination of financing to be utilised.

The pro forma financial effects in paragraphs 6.2, 6.3, 6.4 and 6.5 of this announcement have been prepared based on the KIT Group’s audited consolidated financial statements for FY2021 (being the latest audited financial statements of the KIT Group) (the “**Audited FY2021 Financial Statements**”), taking into account:

- (a) the Estimated Purchase Consideration, Estimated KIT Purchase Consideration and estimated transaction expenses of the Proposed Acquisition, and assuming that the Estimated KIT Purchase Consideration is fully funded by existing free cash and external debt;
- (b) KIT’s commitment of €131.2 million (approximately S\$191.6 million⁴) (“**KIT Investment Commitment Amount**”) in its proposed investment in Wind Fund I AS which will in turn co-invest in a diversified portfolio of operational and pipeline onshore wind projects across Norway, Sweden and the United Kingdom which was announced on 13 July 2022 (“**Proposed Investment**”) and estimated transaction expenses of the Proposed Investment, assuming that the KIT Investment Commitment Amount (with respect to the three initial operational projects being acquired (“**Initial Portfolio**”)) is fully funded by existing free cash; and
- (c) The pro-forma FFO and DIPU figures:
 - (i) include adjustments to the Target Group’s FY2021 financials arising from adjustments to the FY2021 utilisation levels which are based on actual figures or

³ “**FFO**” means 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.

⁴ For the purpose of this announcement, an exchange rate of €1 : S\$1.46 is used to convert all values expressed in Euros to Singapore Dollars for reference only.

contracts which the Target's management has indicated as secured for the financial year ending 31 December 2022 ("FY2022") and does not factor in any cash tax impact to the aforesaid adjustments as tax is only payable in the following year which it incurs. The adjustments have been made to better reflect a normalised state of business operations for FY2021, assuming any upgrade of machinery resulting in higher utilisation rates, any ramp-up in sales volumes or operations or any businesses which only began operations in FY2022 had instead taken place from 1 January 2021, and discounting any one-off income-encumbering procedures at the commencement of operations;

- (ii) assumes the existing loans taken up by the Target Group are paid down post-Completion and includes all interest costs attributable to new loans raised to fund the Purchase Consideration and repay existing loans; and
- (ii) assumes that post-Completion the maintenance capital expenditure of the Target Group will be fully funded by a loan facility to free up additional cash to be distributed to the Consortium or JVCo during the initial years as the Target Group ramps up its business activities.

6.2. Pro Forma Funds from Operations

The table below sets out the pro forma financial effects of the Proposed Acquisition on the FFO of KIT for FY2021, as if the Proposed Acquisition had been completed on 1 January 2021 and (where applicable) the acquisition of the Initial Portfolio under the Proposed Investment had been completed on 1 January 2021 and the Initial Portfolio were held through to 31 December 2021⁵:

	Actual	Adjusted for the Proposed Acquisition⁽¹⁾	% change	Adjusted for the Proposed Acquisition and Proposed Investment⁽²⁾	% change
FFO (S\$ million)	198.8	206.8	4.0%	210.3	5.8%

Notes:

- (1) Assuming this is fully funded by existing free cash and external debt.
- (2) Assuming this is funded applying the following funding sequence: (i) 40% debt funding (ii) existing free cash, then (iii) remaining balance by equity funding.

⁵ As disclosed in the Trustee-Manager's announcement of 13 July 2022, one of the projects in the Initial Portfolio only commenced operations in December 2021, hence the pro forma financial effects of the Proposed Investment for FY2021 may not fairly reflect the performance of the Initial Portfolio.

6.3. Pro Forma DIPU^{6 7}

The table below sets out the pro forma financial effects of the Proposed Acquisition on DIPU for FY2021, as if the Proposed Acquisition had been completed on 1 January 2021 and (where applicable) the acquisition of the Initial Portfolio under the Proposed Investment had been completed on 1 January 2021 and the Initial Portfolio were held through to 31 December 2021⁵:

	Actual	Adjusted for the Proposed Acquisition ⁽¹⁾	% change	Adjusted for the Proposed Acquisition and Proposed Investment ⁽²⁾	% change
DIPU (S\$ cents)	3.85	4.01	4.2%	4.02	4.4%

Notes:

- (1) Assuming this is fully funded by existing free cash and external debt.
(2) Assuming this is funded applying the following funding sequence: (i) 40% debt funding (ii) existing free cash, then (iii) remaining balance by equity funding.

6.4. Pro Forma NAV

The table below sets out the pro forma financial effects of the Proposed Acquisition on the NAV per Unit as at 31 December 2021, as if (a) the Proposed Acquisition had been completed on 31 December 2021 and (b) (where applicable) the KIT Investment Commitment Amount was fully utilised on 31 December 2021:

	Actual	Adjusted for the Proposed Acquisition ⁽¹⁾	Adjusted for the Proposed Acquisition and Proposed Investment ⁽²⁾
NAV per Unit (S\$ cents)	22.3	21.9 ⁸	22.4

Notes:

- (1) Assuming this is fully funded by existing free cash and external debt.
(2) Assuming (a) the Estimated KIT Purchase Consideration is funded applying the following funding sequence: (i) 40% debt funding (ii) existing free cash, then (iii) remaining balance by equity funding; and (b) the KIT Investment Commitment Amount is funded by existing free cash and external debt.

⁶ Rule 1010(9) of the Listing Manual requires that the issuer disclose the effect of the transaction on the earnings per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the beginning of that financial year. The effect of the Proposed Acquisition on the DIPU is used instead as it is a more appropriate measure for a business trust.

⁷ Distributable Income is computed as FFO less mandatory debt repayment and other charges, credits or adjustments as deemed appropriate by the Trustee-Manager. DIPU is computed as Distributable Income divided by total Units of 4,991,263,352 as of 31 December 2021.

⁸ The slight reduction in NAV per Unit is mainly due to the estimated transaction expenses

6.5. Pro Forma Net Gearing⁹

The table below sets out the pro forma financial effects of the Proposed Acquisition on the net gearing of the KIT Group for FY2021, as if (a) the Proposed Acquisition had been completed on 31 December 2021 and (b) (where applicable) the KIT Investment Commitment Amount was fully utilised on 31 December 2021:

	Actual	Adjusted for the Proposed Acquisition⁽¹⁾	Adjusted for the Proposed Acquisition and Proposed Investment⁽²⁾
Net Gearing (%)	20.3	29.5	31.2

Notes:

(1) Assuming this is fully funded by existing free cash and external debt.

(2) Assuming (a) the Estimated KIT Purchase Consideration is funded applying the following funding sequence: (i) 40% debt funding (ii) existing free cash, then (iii) remaining balance by equity funding; and (b) the KIT Investment Commitment Amount is funded by existing free cash and external debt.

7. CHAPTER 10 OF THE LISTING MANUAL

The Trustee-Manager has determined that the Proposed Acquisition is in the ordinary course of KIT's business and does not constitute a "transaction" as defined under Chapter 10 of the Listing Manual of the SGX-ST. For disclosure purposes, the size of the relative figures¹⁰ computed in respect of Rule 1006(b) and Rule 1006(c) of the Listing Manual (which exceed 5% but do not exceed 20%) are set out below:

- (a) In respect of Rule 1006(b), the FFO attributable to KIT's portion of the Proposed Acquisition compared with the FFO of the KIT Group, in each case for FY2021 and the 6-months period ended on 30 June 2022 ("**1H2022**"): ¹¹ ¹²

Financial Year / Period	FFO Attributable to KIT's portion of the Proposed Acquisition (\$ million)	FFO of KIT Group (\$ million)	Relative Figures (%)
FY2021	5.4 ¹²	198.8	2.7%
1H2022	2.7 ¹²	92.5	2.9%

⁹ Net Gearing means net debt divided by the total assets of the KIT Group.

¹⁰ Rule 1006(a), Rule 1006(d) and Rule 1006(e) of the Listing Manual are not applicable to the Proposed Acquisition as this is an acquisition (and not disposal) of assets, and the Purchase Consideration will be paid entirely in cash.

¹¹ 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.

¹² As the financial statements of the Target Group for the financial periods 1 January 2021 to 30 June 2021 and 1 January 2022 to 30 June 2022 are not available, the relative figure under Rule 1006(b) has been calculated using (i) financials for FY2021 for both the KIT Group and the Target Group, and (ii) the financial statements of the KIT Group for 1H2022 and the pro-rated FFO of the Target Group for FY2021 (which is divided in two).

- (b) In respect of Rule 1006(c), the aggregate value of the Estimated KIT Purchase Consideration paid for the Proposed Acquisition, compared with KIT's market capitalisation based on the total number of issued Units excluding treasury units:

Estimated KIT Purchase Consideration (S\$ million)	Market Capitalisation of KIT (S\$ million)	Relative Figures (%)
346.4	2,845.8	12.2%

Note:

- (1) This figure is based on 4,991,789,782 Units in issue and the weighted average price of S\$0.5701 per Unit on SGX-ST as at market close on 5 August 2022.

8. CHAPTER 9 OF THE LISTING MANUAL

- 8.1. Under Chapter 9 of the Listing Manual, where an entity at risk enters into a transaction with an interested person ("IPT") and the value of the transaction (either in itself or when aggregated with 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% of KIT's latest audited net tangible asset value ("NTA"), Unitholders' approval is required in respect of the transaction. Both KIT and (on incorporation) the JVCo are considered entities at risk under Chapter 9 of the Listing Manual.¹³

In the case of a business trust, "interested person" means:

- (a) a director, chief executive officer, or controlling shareholder of the trustee-manager of the business trust;
- (b) the trustee-manager or controlling unitholder of the business trust; or
- (c) an associate of any of the persons or entities in (a) or (b) above.

8.2. Joint Venture with KAIF and KIH

The establishment of the Joint Venture would constitute an IPT for which Unitholder approval would be required pursuant to Rule 906 of the Listing Manual in view that:

- (a) KIH would be considered an "interested person" under Chapter 9 of the Listing Manual as KIH is a controlling Unitholder; while KAIF, although not strictly falling under the definition of an "interested person" under Chapter 9 of the Listing Manual, is considered by KIT to be an "interested person" in the spirit of Chapter 9 of the Listing Manual.
- (b) Based on the Audited FY2021 Financial Statements, the latest audited NTA of KIT was S\$827.0 million as at 31 December 2021, and therefore the value of the transaction would exceed 5% of the latest audited NTA of KIT.

¹³ Entity at risk means:

- (a) the issuer;
- (b) subsidiary of the issuer that is not listed on SGX-ST or an approved exchange; or
- (c) an associated company of the issuer that is not listed on SGX-ST or an approved exchange.

However, under the exception set out in Rule 916(2) of the Listing Manual, Unitholders' approval would *not* be required for KIT's participation in the Joint Venture if:

- (a) the risks and rewards to KIT, KAIF and KIH are in proportion to their respective equity in JVCo;
- (b) the audit and risk committee of the Trustee-Manager has considered the terms of the Joint Venture and is of the view that the risks and rewards of the Joint Venture are in proportion to the equity of each of KIT, KAIF and KIH and the terms of the Joint Venture are not prejudicial to the interests of KIT and its minority Unitholders; and
- (c) neither KAIH nor KIH has any existing equity interest in JVCo prior to KIT becoming a shareholder of JVCo.

The Consortium members propose to enter into a shareholders' agreement to govern the terms of the Joint Venture which would fulfil the requirements set out under Rule 916(2) of the Listing Manual. The Trustee-Manager will release announcements to update Unitholders on the terms of the shareholders agreement in due course.

9. INTERESTS OF DIRECTORS AND CONTROLLING UNITHOLDERS

Ms Christina Tan Mua Mui, who is a Director, is also a director of Keppel Asia Infra Fund (GP) Pte. Ltd., the general partner of KAIF. Ms Christina Tan Hua Mui and Mr Kunnasagaran Chinniah are also members of the investment committee of KAIF.

Save as set out above, as at the date of this announcement, based on information available to the Trustee-Manager, 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).

10. SERVICE CONTRACTS

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

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the SPA will be made available for inspection during normal business hours at the registered office of the Trustee-Manager (prior appointment with the Trustee-Manager will be required) at 1 Harbourfront Avenue, #18-01 Keppel Bay Tower, Singapore 098632 from the date of this announcement up to and including the date falling three (3) months from the date of this announcement.

12. CAUTIONARY STATEMENT

Unitholders are advised to refrain from taking any action in respect of their Units which may be prejudicial to their interests, and for Unitholders and potential investors to exercise caution when trading in the Units. Unitholders are advised to read this announcement and any further announcements by the Trustee-Manager carefully. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

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

Darren Tan
Company Secretary

8 August 2022

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.