



(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))

**ANNUAL GENERAL MEETING ON 20 APRIL 2021
RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS**

Keppel Infrastructure Fund Management Pte. Ltd., as Trustee-Manager of Keppel Infrastructure Trust (“KIT”) refers to:

- (a) KIT’s notice of annual general meeting (“AGM”) dated 29 March 2021; and
- (b) the accompanying announcement released on 29 March 2021 setting out, inter alia, the alternative arrangements relating to attendance at the AGM via electronic means.

The Trustee-Manager wishes to inform that the responses to all substantial and relevant questions which have been submitted by unitholders shall be published in this announcement.

Please refer to Annex A hereto for the list of substantial and relevant questions, and the Trustee-Manager's responses to these questions.

Marc Tan / Darren Tan
Company Secretaries
19 April 2021

ANNEX A - LIST OF SUBSTANTIAL AND RELEVANT QUESTIONS AND ANSWERS

No.	Responses
<p>1.</p> <p>Will Basslink be able to start contributing cash flows to KIT post arbitration? What are the long-term plans for the asset?</p>	<ul style="list-style-type: none"> • Basslink, being the only interconnector transmitting clean energy between Tasmania and Victoria in Australia, is a strategic asset for inter-state power transmission, with a remaining operational lifespan of potentially 50 years. • Basslink does not contribute cash flows to KIT and KIT does not depend on Basslink for distributions. Nonetheless, Basslink has historically recorded positive cash flows that were used to service its debt and interest payments. • With the conclusion of the arbitration proceedings in December 2020, we are currently working towards securing a long-term refinancing package that will match the long operational lifespan of the Basslink interconnector. • After such refinancing is secured, the Trustee-Manager will evaluate all opportunities to extract value from Basslink.
<p>2.</p> <p>Will KIT be issuing new Units to repay the equity bridge loan (EBL) for Philippine Coastal?</p>	<ul style="list-style-type: none"> • The Trustee-Manager will consider multiple options including debt, equity, perpetuals, cash or a combination to repay the EBL at the appropriate time, taking into account the then prevailing market conditions and the interests of Unitholders.
<p>3.</p> <p>Will KIT be increasing its distribution per Unit (DPU) with the acquisition of Philippine Coastal?</p>	<ul style="list-style-type: none"> • No. The Trustee-Manager is focused on delivering sustainable distributions and growth over the long-term. • Part of our strategy is to continue to grow through reinvesting capital into our current key businesses and assets, as well as for future acquisitions to capture growth opportunities that will drive long-term growth, which will be beneficial for KIT and Unitholders.
<p>4.</p> <p>Can you explain the net loss recorded in FY 2020?</p>	<ul style="list-style-type: none"> • Net profit after tax of -\$87.7m and -\$52.2m in 2H 2020 and FY 2020 respectively was primarily due to Basslink's arbitration provision as well as one-off acquisition related cost incurred for Ixom's acquisition of Medora, Ixom's divestment of its non-core Latin America and China Life Science businesses. • Excluding these one-off items, 2H 2020 and FY 2020 net profit after tax would have been \$5.5m and \$41.7m respectively. Net profit after tax also includes depreciation, which is a large non-cash item for infrastructure businesses. • As a Business Trust, KIT pays its distribution to Unitholders from its free cash flows, hence Unitholders should also focus on the cash generated from KIT's portfolio of businesses and assets. • KIT achieved free cash flow to equity (FCFE) of \$225.7m in FY 2020, a 19.6% increase compared to FY 2019.
<p>5.</p> <p>KIT's cost of debt is 4-5% as at 31 December 2020, why is it so high?</p>	<ul style="list-style-type: none"> • The weighted average cost of debt as at end-December 2020 were approximately 2% for Singapore denominated loans and 5% for Australia denominated loans.

		<ul style="list-style-type: none"> To mitigate against interest rate fluctuations, approximately 89% of total loans have been hedged as at 31 December 2020.
6.	How can KIT take advantage of the favourable interest rate environment?	<ul style="list-style-type: none"> As part of our prudent capital management approach, we monitor the interest rate environment closely to seize available opportunities. For example, KIT benefitted from the low interest rate environment when we secured the EBL to fund the acquisition of Philippine Coastal which was completed on 29 January 2021. At the same time, the Trustee-Manager may choose to refinance some of its loans that are maturing in the near-term to benefit from lower interest costs.
7.	On page 25 of the Annual Report 2020, can you explain the variance in performance between Senoko Waste-to-Energy (WTE) Plant and Keppel Seghers Tuas WTE Plant?	<ul style="list-style-type: none"> Both Senoko WTE Plant and Keppel Seghers Tuas WTE plant have consistently met their availability targets. A plant's Contractual Time Availability is driven by its design specifications and the age of the plant. Senoko WTE plant was built in 1992 and retrofitted in 2009, while Keppel Seghers Tuas WTE plant was built in 2009. As such, the actual Time Availability of Senoko WTE plant, which is an older plant and will require more planned maintenance works, is expected to be slightly lower compared to the Keppel Seghers WTE Plant.
8.	Is KIT exploring the purchase of the remaining 30% stake in SingSpring Desalination Plant from and/or other assets from Hyflux?	<ul style="list-style-type: none"> The Trustee-Manager is open to acquiring the remaining 30% stake in SingSpring Desalination Plant and other assets from Hyflux if it adds strategic long-term value to KIT and Unitholders. There is no certainty or assurance that a transaction will materialise or be concluded. The Trustee-Manager will make further announcements as appropriate, if and when there are any material developments which warrant disclosure.
9.	On page 102 of the Annual Report 2020, what caused the increase in doubtful receivables at Ixom? Why wasn't there additional allowance taken for the increase in doubtful receivables?	<ul style="list-style-type: none"> Although Ixom has a higher balance of receivables classified as doubtful in 2020, the balance is still manageable, and it makes up only approximately 1% of Ixom's total revenue in FY 2020. The credit risk of Ixom's customers is also limited given that Ixom has a well-diversified and large customer base. Loss provisions are made for specific customers only if there are evidence that the doubtful receivable is not collectable. The loss provisions made by Ixom in both 2020 and 2019 reflects that uncollectable receivables have been statistically very low. Management continues to monitor and manage the receivables levels.
10.	What are the growth plans for KIT in FY 2021? Are there new business segments that the Trust is targeting?	<ul style="list-style-type: none"> The strategic additions of Ixom and Philippine Coastal in the last two years have been a key stepping stone for KIT to deliver long-term total returns to Unitholders through a combination of sustainable distributions and capital growth. The Trustee-Manager continues to evaluate opportunities in the sectors which KIT is currently invested in, as well as highly

		<p>defensive leading businesses and assets in industries which have predictable cash flows and opportunities for growth and expansion. At the same time, as part of our investment considerations, we seek businesses or assets that include key characteristics such as:</p> <ul style="list-style-type: none"> ○ High barriers to entry ○ Creditworthy off-takers and/or a large and stable customer base ○ Provider of essential products and services <ul style="list-style-type: none"> ● For our existing businesses and assets, we aim to: <ul style="list-style-type: none"> ○ Build sustainable earnings through proactive asset management ○ Improve operational performance and efficiencies ○ Fulfill contractual requirements and uphold high safety and environmental standards ○ Identify potential bolt-on acquisitions at City Gas, Ixom and Philippine Coastal
<p>11.</p>	<p>What are some of the key risk in the next few years?</p>	<ul style="list-style-type: none"> ● KIT has remained resilient and continued to deliver stable returns during the COVID-19 pandemic in 2020. ● That said, and as with all businesses, there will be business and operational risks we face, including: <ul style="list-style-type: none"> ○ the lack of acquisition opportunities that will underpin KIT’s long-term growth; ○ operational disruptions that could potentially impact cash flows from our businesses and assets; as well as ○ the expiration of concession contracts, which will impact distributions to Unitholders. ● To manage these potential risks, the Trustee-Manager has and will continue to seek quality acquisitions of businesses and assets that will complement and reinforce KIT’s well-diversified and defensive portfolio of essential businesses and assets. ● At the same time, the strategic additions of Ixom and Philippine Coastal in the last two years, both of which are leading businesses in their respective markets that have long-term growth potential, and supported by favourable industry dynamics, will provide stability of returns to Unitholders. ● We will also continue to uphold high levels of operational readiness and execution in our day-to-day operations. ● The Trustee-Manager has a motivated and experienced leadership team that is committed to growing KIT and create long-term value for our Unitholders.
<p>-END-</p>		