Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

BT: Keppel Infrastructure Trust
(Trustee-manager: Keppel Infrastructure Fund Management Pte. Ltd.)

Stock code: A7RU

Meeting details:
Date: 3 June 2020
Time: 3.00 p.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. As disclosed in the trust's presentations posted on SGXNet, all of the trust's business and assets are classified as essential services by governments in Singapore, Australia and New Zealand.

(i) **While there has been no impact to the group's operations during the current COVID-19 pandemic, is there a decline in the volume of business as a result of the pandemic on clients' underlying businesses?**

(ii) **How much of the trust's revenue/cash flow (especially for Ixom) is dependent on business volume?**

(iii) **Does the trust benefit from lower energy costs?**

(iv) **Does the trust see any silver lining during this challenging time?**

(v) In the 1st quarter of FY2020, the profit and Funds from operation from City Gas declined 45.7% and 25.1% respectively. Given that City Gas is a mature business, **can management help shareholders understand the reasons for the drop?**

Q2. With the acquisition of Ixom, the group now has over 40% of its total assets outside of Singapore, and mainly in Australia and New Zealand. Distribution & Network assets account for 53.7%, Energy assets take up 15.9% of the portfolio and Waste & water assets stood at 9.9% of the group's total assets.

(i) **Can the board clarify on the long term capital allocation target by business and by geography?**

Even with the acquisition of Ixom, the trust maintained a stable distribution of 3.72 cents per unit. The trust has maintained the same 3.72 cents per unit since FY 2016.

(ii) **What guidance has the board given to the trustee-manager to ensure that the trust prioritises unitholders interests and creates sustainable long-term value which leads to higher distribution per unit?**

Q3. In FY2019, the trust raised gross proceeds of approximately $500.8 million through a private placement cum preferential offering to partially repay the bridge loan for the acquisition of Ixom. It then followed up with two issues of perpetual securities which raised a gross total of $300 million as part of a newly established $1 billion Multicurrency Debt Issuance Programme.

The perpetual securities bear distributions at a rate of 4.75% per annum and is subject to reset every ten years and a one-time step-up from and including the first reset date, being June 12, 2029 (Note 31 – Perpetual securities).

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Since the issue of the perpetual securities to the end of the financial year, the trust paid out $7.0 million to the perpetual securities holders. The full year amount is estimated to be $14.25 million for FY2020.

In the accounting treatment, the perpetual securities are presented within equity, and distributions are treated as dividends.

(i) **Can the trustee-manager elaborate further on the pros and cons of issuing perpetual securities?**

(ii) **When the trust refers to its low gearing of 32.8%, did the trustee-manager consider the $300 million perpetual securities fully as equity?**

(iii) **Has the board set a limit on the amount of perpetual securities that may be issued and the maximum gearing for the trust?**

[The following question was sent to the business trust following the review of the 2018 annual report. As the trust did not respond nor has the situation improved, the question has been updated and resent to the trustee-manager.]

Q4. The attendance of directors at board and board committee meetings is shown in the table below.

BOARD AND BOARD COMMITTEE MEETINGS FOR FY 2019

	Board Meetings	Audit and Risk Committee Meetings	Nominating & Remuneration Committee Meetings	Conflicts Resolution Committee Meetings	Board Safety Committee Meetings	Non-Executive Directors' Meeting (without presence of Management)
Koh Ban Heng	9	6	3	-	-	1
Thio Shen Yi	7	-	3	1	-	0
Daniel Cuthbert Ee Hock Huat	9	6	-	2	-	1
Mark Andrew Yeo Kah Chong	9	6	-	-	1	1
Kunnasagaran Chinniah [2]	9	-	3	2	-	1
Christina Tan Hua Mui	8	-	2	-	-	1
Cindy Lim Joo Ling [3]	8	-	-	-	1	1
Number of Meetings Held in FY 2019	**9**	**6**	**3**	**2**	**1**	**1**

(Source: 2019 annual report)

Of the six directors remaining on the board, two of the directors were absent for one/two board meetings and other board committee meetings. The attendance shows a similar pattern in 2018 with three directors missing the board meetings. It is observed that the directors who missed some board meetings in 2019 also missed some board meetings in 2018.

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Board and Board committee meetings for FY 2018

	Board Meetings	Audit and Risk Committee Meetings	Nominating & Remuneration Committee Meetings	Conflicts Resolution Committee Meetings	Non-Executive Directors' Meeting (without presence of Management)
Koh Ban Heng	9	4	2	-	2
Thio Shen Yi	7	-	2	1	2
Daniel Cuthbert Ee Hock Huat	9	4	-	1	2
Mark Andrew Yeo Kah Chong	8	4	-	-	2
Kunnasagaran Chinniah	9	-	2	1	2
Christina Tan Hua Mui	7	-	1	-	2
Cindy Lim Joo Ling [3]	4 out of 4	-	-	-	0 out of 0
Number of Meetings Held in FY 2018	**9**	**4**	**2**	**1**	**2**

(Source: 2018 annual report)

(i) **As the trustee-manager's constitution allows directors to participate in a board meeting by way of conference by telephone or any other electronic means of communication, did the directors call in?**

(ii) **What were the extenuating circumstances, if any, that led the directors to be absent for the board meetings two years in a row?**

(iii) **As the chairman of the nominating and remuneration committee ("NRC"), would Mr Thio Shen Yi be setting himself a higher bar and be leading by example?**

(iv) **Should Mr Thio Shen Yi receive unitholders' endorsement for re-appointment, would Mr Thio consider reducing his other commitments and improve his attendance at the board meetings?**

^Amid the global COVID-19 outbreak, issuers who choose to proceed with the AGM before 30 April 2020 must provide opportunities for shareholders to ask questions. Shareholders are encouraged to read the annual report and submit any questions they might have to the companies in advance. Issuers would then publicly address the questions at the general meeting via the issuer's website, through "live" webcast and on SGXNet.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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^ Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation dated 31 Mar 2020 (https://www.sgx.com/media-centre/20200331-acra-mas-and-sgx-regco-update-guidance-general-meetings)

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