Keppel Infrastructure Trust

GLOBAL MARINE GROUP ACQUISITION: A CASE FOR REJECTION

NOVEMBER 2025

CORPORATE MONITOR LIMITED

CORPORATE MONITOR
ACTIVISM+

ABOUT CORPORATE MONITOR LIMITED

Corporate Monitor Limited (CML) is an independent firm dedicated to producing holistic, unbiased and insightful research. With a mission to foster stronger corporate performance and benefit the investment community, Corporate Monitor emphasizes thorough research and active engagement with companies.

Corporate Monitor does not provide investment advice nor does it engage in any stock trading. Learn more about the Corporate Monitor and its Constitution at https://corporate-monitor.org/about/

The firm can be reached at contact@corporate-monitor.org.

This report is based on the Annual Reports of respective firms and other publicly available information.

Table of Contents

EXECUTIVE SUMMARY

Corporate Monitor strongly recommends that unitholders of Keppel Infrastructure Trust (“KIT”) reject the proposed acquisition of a 46.7% interest in Global Marine Group (“GMG”) for approximately S$119 million, with additional equity commitment of S$68 million. Keppel Infrastructure Fund (“KIF”), managed by Keppel Ltd., owns another 46.7% stake and the balance is held by a co-investor.

KIT argues that GMG operates in a resilient, high-barrier subsea cable industry supported by strong structural demand drivers. However, detailed analysis indicates that GMG is a capital-intensive, low-yield, ageing-asset business competing against competitors which are far bigger, better capitalised and equipped with newer and more capable fleets.

A. Industry Dynamics

The subsea cable industry is currently experiencing strong cyclical tailwinds. Global demand for digital data and offshore renewable energy connectivity is growing rapidly, supporting demand for cable installation and maintenance vessels. However, just like other capital-intensive industries, strong prospects often attract substantial new capacity that tends to come on stream at the same time, leading to a glut. GMG’s major competitors such as Prysmian, Nexans SA, Orange Marine, and ASN have invested in new high-specification vessels coming online between 2023 and 2027. These modern DP3 vessels will increase capacity and productivity, undermining claims of supply scarcity. Contrary to KIT trustee-manager’s claim, the global fleet size will grow as at least 9 or more newbuilds are entering service, even as 6 are projected to retire in the next 5-7 years.

B. GMG-Specific Issues

GMG’s fleet of six vessels is among the oldest in the industry, averaging 29 years in age. Replacement cost per cable laying vessel is estimated at US$150–170 million, implying nearly US$1 billion for full renewal. GMG’s limited access to capital and high leverage leaves it unable to modernise without substantial external funding. The equity commitment and proposed Future Capital Injection of US$100 million by KIT and KIF barely covers 30% of the required amount. GMG will fall further behind its competitors.

C. GMG is a Poor Fit for KIT

According to KIT’s trustee-manager, proforma Funds from Operations (FFO) will only be marginally higher post-acquisition. There is further downside given GMG’s volatile historical performance. GMG’s improved profitability in 1H 2025 was driven by an installation contract which may not repeat. (GMG currently performs short-haul installation work, using off-hire or charter-in vessels. Such work will therefore not be regular, unless GMG is able to add new installation vessels.)

According to KIT trustee-manager's projection, the proforma increase in FFO is only S$4 million, representing a yield of 2.1% against the investment amount of S$187.6 million (including the equity commitment), well below KIT's cost of capital.

GMG may saddle KIT unitholders with massive future equity raises because of KIT's limited leverage headroom, which can dilute future distribution per unit ("DPU").

D. KIT's Poor Track Record of Acquisitions

KIT's recent acquisitions, namely Borkum Riffgrund 2 (BKR2), Eco-Management Korea (EMK), and Aramco Gas Pipelines Company (AGPC) have all underperformed initial projections. These deals all failed to deliver the increase in FFO and/or distributable income that KIT manager touted at the time of acquisitions. Worse, the FFO of EMK is now negative! As a result of such poor acquisitions, KIT's DPU has remained flat since 2018, while fees paid to its trustee-manager have grown. Minutes of the 2025 AGM show unitholders taking management to task for KIT's poor performance and inadequate due diligence. Some even challenged management's ability to manage the current portfolio, let alone make more acquisitions.

E. Misleading Presentation

KIT's circular claims that GMG installed 20% of global subsea cables. This number could give the impression that it represents GMG's current market share. Instead, this is based on the cumulative historical installation, and not current market share. In any case, such a high "market share" is improbable because GMG's 6 ships comprise roughly 11% of the global fleet of 54.

KIT's circular also claims that 6 vessels will retire in the next 5-7 years, implying that the global fleet will shrink, indirectly playing up GMG's "scarcity value". The reverse is true: our research shows that there are at least 9 newbuilds by competitors that are slated to be operational in the next 2-3 years, more than offsetting the potential retirements. In fact, the newer DP3 vessels deliver higher productivity. In summary, GMG's position will weaken, not strengthen. KIT manager's assertion that "scarcity of specialised cable vessels ensures a favourable competitive landscape for an established player like GMG" cannot be further from the truth!

In a question-and-answer session organised by the Securities Investors Association of Singapore (SIAS) on 30 October 2025, KIT's trustee-manager did not clarify the statements when asked directly.

F. Keppel's Strategic Value Overstated

Keppel Ltd is portrayed as a strategic partner that can provide operational synergies. In reality, Keppel no longer operates major shipyards or subsea Engineering Procurement and Construction

("EPC") capabilities relevant to GMG. The group has exited large-scale offshore fabrication and does not manufacture submarine cables. Any synergy is limited to brand association.

KIT also touted Keppel's strategic value-add when it co-invested with Keppel in EMK in 2022. However, EMK is the worst-performing recent acquisition, with negative FFO in the almost 3 years under KIT's ownership. BKR2 also underperformed substantially despite Keppel being a co-investor.

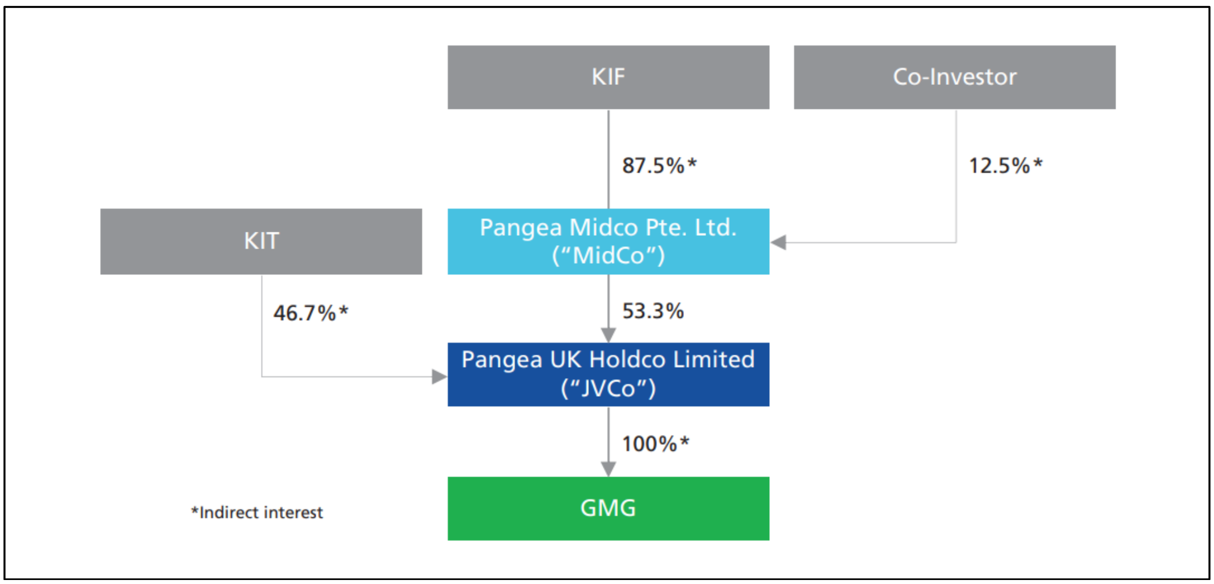
G. Conclusion and Recommendation

The GMG acquisition offers little strategic or financial justification. Projected returns are meagre, the asset base is obsolete, and future capital demands are beyond KIT's and KIF's ability to support. Misleading representations in the circular further erode trust. KIT should focus on improving underperforming assets rather than pursuing low-yield acquisitions. Unitholders should vote **AGAINST** the proposed transaction.

1. TRANSACTION OVERVIEW

Keppel Infrastructure Trust ("KIT") is proposing to acquire a 46.7% stake in Global Marine Group ("GMG") from Keppel Infrastructure Fund ("KIF"), which is managed by Keppel Ltd. At KIT's upcoming extraordinary general meeting ("EGM") on 11 November 2025, unitholders are asked to approve:

- **Resolution 1**: KIT will pay a total of US$91.7 million (approximately S$119.2 million) which comprises US$86.6 million as the subscription consideration, and approximately US$5.1 million as a "ticking fee". The ticking fee is to be paid to KIF for the "time value of money". In addition, KIT has an equity commitment to provide ~US$52.6 million (~S$68.4 million) to support GMG's growth plans. These amounts add up to around US$144.3 million.
- **Resolution 2**: KIT may, but is not obligated to, provide Future Capital Injection to JVCo (see below), to support the continued growth of GMG and for working capital, up to US$100 million, to be contributed in 1 or more tranches within 5 years.



Source: KIT's Circular to Unitholders

1.1 Background of GMG

GMG is one of the largest independent subsea cable solution providers in the world and operates a fleet of 6 specialised cable-laying vessels (CLVs)[1]. 55% of its 2024 revenue came from maintenance of these subsea cables in 3 consortium maintenance zones, while 25% came from multi-year charter of vessels on take-or-pay contracts. Another 11% came from universal joint and ancillary services while 7% was from turnkey installation contracts.

[1] Please refer to the **Appendix** for more information on CLVs and how they function.

2. INDUSTRY DYNAMICS & COMPETITORS

The subsea cable industry is experiencing strong cyclical tailwinds, driven by data traffic growth, hyperscale cloud expansion, and offshore wind power transmission. The strong global demand has driven expansion in the installation and maintenance of submarine cable networks.

Yet, these same industry tailwinds also attract capital inflows and intensify competition. Major integrated subsea players such as Prysmian, Nexans SA, Subcom LLC, Orange Marine, and ASN (Alcatel Submarine Networks) are expanding aggressively. Between 2026 and 2028, at least 9 new CLVs are scheduled to enter global service. Prysmian alone has launched a new flagship vessel, Leonardo da Vinci, with DP3[2] capability, and commissioned a sister ship Monna Lisa for delivery in 2025. Prysmian also ordered another CLV, Alessandro Volta, for delivery in 2027. Nexans' DP3-class Electra will launch in 2026; while Orange Marine has already replaced its ageing Raymond Croze with the Sophie Germain in 2023.

However, KIT's circular implies that the market is capacity constrained, claiming that "only 54 cable vessels exist worldwide and six are expected to retire within 5-7 years." That statement may be technically correct but does not provide the full picture. It ignores the incoming newbuilds and the productivity gains of modern DP3 vessels, which have higher redundancy capabilities, thus minimising downtime and can be used for more mission-critical projects. In contrast, GMG's ageing fleet is technologically inferior, which negatively impacts its competitiveness when bidding for new contracts.

In short, while demand is growing, supply and capabilities are also growing, thereby eroding any scarcity premium. Global demand may sustain high utilisation rates for now, but intense competition from these larger, vertically-integrated conglomerates may, in a few years, cap margins and prospects for GMG.

To understand the competitive threat to GMG, CML looked at each of the major players in the cable-laying space, their fleets, and capabilities (see table on page 9). The focus is on players with a sizable fleet that can deploy multiple vessels simultaneously in different regions, thereby capturing the lion's share of contract flow. These integrated players can offer manufacturing, survey, engineering, cable laying and burial along with installation, repair, and maintenance, a package that GMG will find hard-pressed to compete against. GMG is just a mid-sized player that specialises in maintenance with occasional installation contracts.

There are also other players such as DEME group (Belgium), LS Marine Solution (South Korea) and Penta-Ocean Construction (Japan) that have ordered CLVs to be delivered by 2028.

---

[2] DP stands for "dynamic positioning", and is a feature of CLVs. DP3 is the next-generation upgrade from DP2. Please refer to the **Appendix** for details of each competitor and its fleet.

Table 1: Competitors' Fleet Size, Age, Recent and Newbuild CLV Deliveries

Competitor	Country	Current CLV Fleet	Average Vessel Age (Years)	Recent CLV Deliveries	Future CLV Deliveries
Prysmian Group	**Italy**	6	14.5	1 CLV delivered in 2024; another in early 2025	2 new CLVs scheduled for 2027
Nexans SA	**France**	2	24	None	Nexans Electra CLV scheduled for 2026
SubCom LLC	**USA**	7	20	1 CLV delivered in 2023 (CS Endeavour)	None
NKT A/S	**Denmark**	1	8	None	2 new CLVs scheduled for 2027
OMS (Optic Marine) Group	**Malaysia**	6	Not Disclosed	Launched 1 new CLV in 2022	2 new CLVs ordered, 1 scheduled for 2027. RFP issued in Jan 2025 for the construction of 2 more CLVs
Orange Marine	**France**	6	18.5	Sophie Germain CLV delivered in 2023	None
Alcatel Submarine Networks	**France**	7	27.9	Acquired 2 CLVs in 2021; refurbished and relaunched one of them in 2023	None
Global Marine Group	**UK**	**6**	**29**	**None**	**None**

3. GMG-SPECIFIC CONCERNS

3.1 Fleet obsolescence

While GMG may have a storied history since 1850, it has had several owners in recent years, contributing to under-investment and hence a bigger problem – its fleet's technological obsolescence. GMG operates six vessels with an average age of 29 years. While the design lifespan of the vessels can be longer, their economic lifespan is shorter due to technological obsolescence. For example, newer vessels come with the DP3 standard increasingly required for high-capacity power-cable work. GMG may lose out on future jobs against larger players with newer and better-equipped vessels.

3.2 High capital expenditure requirements

Even if GMG wishes to commence its fleet renewal, it may be too late and these CLVs do not come cheap. A recent CLV order placed by Penta-Ocean Construction came up to an eye-watering US$243 million, and was touted as the "world's largest and most advanced cable layer". Even if we dial this number down to US$200 million, it still means the company will need to pony up US$1 billion to steadily refresh its fleet. To put this number in perspective, GMG churned out a net profit of just US$14.3 million for 1H 2025 and this was because of a one-off installation contract. We discuss GMG's financials in the next section.

The lead time for the delivery of a new vessel is long. Using Penta-Ocean Construction's example, it was reported by Marine Insight that the order was placed in December 2024 but the vessel will only be scheduled for delivery by February 2028, implying a lead time of around 3 years. Moreover, this new vessel will only enter active service from 2029, after another year of preparation and commissioning, thus lengthening the total lead time to 4 years (or more).

Even if GMG plays catch up now, its competitors, which already have younger and more advanced vessels to begin with, continue to add new state-of-art vessels and will be further ahead of GMG.

3.3 Funding gap

Based on the funding plan outlined in KIT's circular, GMG will not have sufficient capital to close the technological gap. KIT has committed an additional US$52.6 million equity to GMG. Assuming that KIF and its co-investor commit their pro-rata portions, this means an additional US$110.5 million for GMG. A further capital injection of US$100 million is proposed, but which KIT (and presumably KIF) is not obligated to provide. Even if we included it, GMG will only have US$320.6 million, which is woefully insufficient against the US$1 billion needed for its fleet renewal.

4. GMG AS A POOR FIT FOR KIT

4.1 Poor return on investment

KIT's trustee-manager is projecting that proforma Funds from Operations ("FFO") will increase by S$7.1 million, from S$290.8 million in 2024, if KIT deploys all of the funding (S$317.6 million), including the S$130 million of Future Capital injection (which KIT is not obligated to provide). This translates to a return of just 2.2%.

Assuming the deployment of only the initial investment and the equity commitment, adding up to S$187.6 million, the proforma FFO is projected to be S$4 million higher, or a return of 2.1%.

4.2 Fluctuating profitability and volatile margins

Based on full year audited financials summarized in Table 2 below, GMG only made a profit in 2024 in the past 5 years. Aggregate net profit from 2020 to 2024 was a negative US$57.9 million.

Table 2: GMG's Historical Financials

US$ Millions	1H 2025	2024	2023	2022	2021	2020
Revenue	116.5	177.1	162.4	175.4	187.1	228.3
Operating Profit	14.8	14.2	2.7	2.3	-24.0	6.5
Operating Profit Margin	12.7%	8.0%	1.7%	1.3%	-12.8%	2.8%
Net Profit/(Loss)	14.3	5.1	-13.4	-20.1	-29.1	-0.4
Net Profit Margin	12.3%	2.9%	-8.3%	-11.5%	-15.5%	-0.2%
Net Current Assets/(Liabilities)	-314.4	-121.1	-31.4	-86.0	-74.6	-2.9
Net Assets/(Liablities)	-4.1	-14.2	-18.8	29.3	97.3	148.7

Revenue declined steadily from 2020 to 2023 and only picked up in 2024. GMG's historical operating profit margin fluctuated wildly, and 2024 saw its highest operating profit margin of 8%, after losses in all 4 prior years. The business eked out a small net profit of US$5.1 million but still reported a negative net worth position.

GMG's results in 1H 2025 were boosted by the recognition of an installation contract, which pushed up GMG's net profit to US$14.3 million. There is no breakdown of revenue and profit for such installation project for 1H 2025. Note that installation revenue made up just 7% of GMG's revenue in 2024. GMG could perform installation jobs only with off-hire or charter-in vessels (i.e., vessels it does not own). Such jobs are therefore opportunistic and operate on a project basis.

Given that contribution from installation projects is not regular, unitholders are cautioned against extrapolating the unaudited revenue and net profit for 1H 2025. Instead, 2023 and the prior years may represent a more typical performance.

Unitholders therefore should question the rationale of adding GMG KIT's portfolio before it has time to demonstrate consistent profits.

4.3 The need for substantial capital injections

As we argue in Section 3, GMG will need to invest substantial sums to renew its vessel fleet. KIT's equity commitment, along with the future capital injection, are earmarked for the construction of one or more newbuild specialised vessels that will be operational by 2028. This is far from a fleet renewal.

Given KIT's high leverage ratio, an equity fund raising is likely in the not-too-distant future, which will dilute future DPU. It may be a massive equity fund raise or a series of equity fund raises, because GMG is in a "go big or go home" situation. Should these fund raises occur, the DPU dilution will be severe.

5. KIT'S DISMAL TRACK RECORD OF ACQUISITIONS

5.1 Basslink Submarine Power Cable

KIT's ownership of Basslink[3] is a cautionary tale in the context of GMG. Basslink is a high-voltage submarine power cable linking Tasmania's grid to Victoria. In December 2015, the cable experienced a fault 100km off the Tasmanian coast and caused an outage, which was eventually rectified in June 2016. Basslink was sued by both the Tasmanian government and Hydro Tasmania for A$70 million in damages. The case was eventually settled through arbitration.

While this is arguably a power cable and not a telecoms cable, and GMG is not an owner of submarine cables, it underscores the operational risks of subsea cables.

5.2 Recent Acquisitions have underperformed substantially

KIT's acquisition history also gives investors little confidence that the GMG deal will fare better. We look at three past acquisitions where the trustee-manager's promises fell flat. In 2 of the 3 cases, Keppel (and/or a Keppel subsidiary) was a co-investor with KIT.

[3] For more information on Basslink, please refer to the **Appendix**.

5.2.1 Eco-Management Korea ("EMK")

Eco-Management Korea, or EMK, was acquired jointly by Keppel and KIT in August 2022 for around S$608.1 million. KIT contributed around S$316.2 million to purchase a 52% stake while Keppel contributed the remaining S$291.9 million. EMK is a leading integrated waste management services player in South Korea with blue-chip customers. At the time of the acquisition, the announcement from KIT and Keppel group included statements like "…tap on Keppel Group's collective strength…EMK is a prime example of how we can collaborate and unlock value as OneKeppel to grow… synergies with Keppel Seghers' leading WTE (waste to energy) technology…"

Management projected that KIT's FFO will increase by 4% or S$8 million post-acquisition, from S$198.8 million (in 2021) to S$206.8 million. The post-acquisition performance of EMK has been dismal, racking up cumulative negative FFO of $1.46 million for the close to 3 years of ownership under KIT:

- For the final 2 months of 2022, EMK generated FFO of **negative** S$1.96 million.
- In 2023 (the first full year after acquisition), EMK generated around S$3.9 million of FFO.
- In 2024, the FFO generated by EML was "nominal".
- For the first nine months of 2025 (9M 2025), EMK generated **negative** FFO of S$3.4 million.

So, instead of generating a positive FFO of S$8 million a year, EMK ended up generating negative FFO. Unitholders received nothing but DPU dilution from this S$316.2 million investment!

5.2.2 Borkum Riffgrund 2 ("BKR2")

Borkum Riffgrund 2, or BKR2, is an offshore wind asset in Germany. This investment was made in August 2022 where KIT and Keppel took a joint 25% stake in the asset; KIT's effective stake is 20.5%. As in EMK, Keppel spoke of "… we can harness the Group's eco-system… to …. grow recurring income…"

KIT's contribution amounted to S$365.1 million. FFO was projected to jump 28.7% from S$198.8 million in 2021 to S$255.9 million. KIT's trustee-manager pitched this investment as having long-term contracted cash flows along with a predictable cash yield.

For 2024, BKR2's FFO declined from S$67.3 million to S$57 million (-15.3% year on year). BKR2's distributable income plunged from around S$43.2 million in 2023 to just S$7.7 million in 2024, representing close to 81.4% year-on-year decline. For 9M 2025, BKR2's performance was lumped together a Swedish onshore windfarm portfolio and titled "Renewables Portfolio (Windfarm Assets)", and FFO for the two assets declined from S$48.2 million to S$26.7 million (-44.6% year on year).

At the 2025 AGM, unitholders took KIT's trustee-manager to task for failure of due diligence after the CEO told the AGM that BKR2's underperformance was due to adverse wind conditions.

5.2.3 Aramco Gas Pipelines Company ("AGPC")

AGPC was acquired in February 2022 with KIT investing around US$250 million in a consortium, with Aramco as a counterparty. The main benefit touted then was diversification by asset and geography, rather than an increase in FFO or DPU.

This investment is treated as a financial investment in KIT's financial statements and KIT trustee-manager's role is purely passive. Aramco retains full ownership and operational control of the gas pipelines.

AGPC's distributable income to KIT fell from S$49 million in 2023 to S$41 million in 2024. This represents a roughly 16.3% year-on-year decline. For 9M 2025, AGPC's FFO was lower compared to a year ago.

The three deals above illustrate how FFO and / or distributable income has declined shortly after the acquisitions closed. They are a clear demonstration of how the promise of higher returns and/or FFO have not been met.

Even after adding many assets, KIT's DPU has stagnated since 2018, due to the significant underperformance of most of its acquisitions. Please refer to CML's previous report published in March 2025 for details on this underperformance.

Unitholders at KIT's AGMs have also repeatedly expressed their concerns that the trustee-manager was engaged in "empire-building", rather than delivering increased returns and higher DPU for unitholders. KIT's recent 2025 AGM minutes, which can be found here, also saw repeated calls for management to focus its attention on improving the operational and financial performance of its underperforming assets before pursuing new acquisitions.

6. MISLEADING REPRESENTATION

KIT's circular contains several statements that, in our view, create a misleading impression of GMG's market standing. In a Question-and-Answer session ("Q&A session") held on 30 October 2025 with SIAS, KIT manager did not clarify the following statements when directly asked.

The circular claims that GMG "installed 20% of the global subsea cable base." This percentage number is in fact based on the cumulative kilometres of cables GMG laid, not the installation in any recent year or period. In fact, installation is a minor and irregular revenue source for GMG, accounting for just 7% of revenue in 2024. GMG does install regional or short-haul subsea cables using off-hire or charter-in vessels, which makes this business opportunistic rather than regular.

It is improbable that GMG could have a market share of 20% or more as its fleet of six represents only about 11% of today's global total of 54. In the Q&A session, KIT's trustee-manager in fact argued that it was possible that GMG's "market share in the maintenance and installation markets can be higher than 11%, simply by virtue of the fact that it can target both segments." Installation is indeed a more profitable business, as evidenced by GMG's stronger profit in 1H 2025. It is also a growing business. However, with older vessels against new ones added by competitors, it is unlikely GMG will gain from this segment.

KIT's circular asserted that scarcity of specialised cable vessels ensures a highly favourable competitive landscape for established players like GMG. This was repeated at the Q&A session. The Hardiman Commercial Due Diligence Report projected that 6 CLVs are slated for retirement in 5 to 7 years, implying that overall global fleet will shrink, thereby bolstering GMG's "scarcity premium". The reality is that many of GMG's competitors have either taken delivery of new CLVs in recent years or are slated to take delivery of such vessels in the coming years, which will add to the overall CLV supply. With the subsea cable sector seeing a cyclical boom, all signs are pointing towards an expanding global fleet size, potentially depressing day rates and utilisation rates. This addition of new vessels was neither acknowledged in the circular nor in the Q&A session.

7. KEPPEL'S STRATEGIC VALUE OVERSTATED

KIT claims that it can harness its sponsor Keppel Ltd's operating capabilities in the connectivity space to "unlock value and drive enhanced returns for GMG". The circular cites Keppel's "proven track record" in subsea cable development by quoting its involvement in the Bifrost Cable System, a joint build agreement between Keppel, Meta Platforms, and Telin. This Bifrost Cable System is the first subsea cable system to directly connect Singapore to the west coast of North America via Indonesia, and spans 20,000 kilometres. It is also Keppel's first investment in a subsea cable system.

That said, Keppel no longer operates a major offshore yard capable of building CLVs after selling off its offshore and marine division in 2023. In recent years, its Keppel 2030 pivot toward asset-light project management limits any operational overlap. In addition, Keppel also lacks subsea cable manufacturing or Engineering, Procurement and Construction capacity. The purported synergy therefore relates more to brand association rather than real operational advantage.

Past joint investments with Keppel or in sectors where Keppel purportedly has operational expertise did not pan out well, either. EMK and BKR2 are examples of this. Even Keppel's balance sheet investment in M1 did not perform well. After taking M1 private in 2019, M1's profits more than halved. Keppel merely recovered the cost of the S$1.23 billion invested at the time of the privatisation transaction but failed to earn a profit. Please read CML's two reports on M1 which can be found here and here.

8. CONCLUSION & RECOMMENDATION

The GMG acquisition does not meet the financial, strategic, or governance standards expected of a mature listed infrastructure trust. This acquisition is yet another chapter in KIT's all-too-familiar playbook of making acquisitions, which typically underperform immediately, then making more acquisitions. The result is stagnant DPU, but more fees to the trustee-manager.

Financially, the deal is unattractive. A projected 2.1% FFO yield offers no cushion against execution risk. By contrast, as per KIT's circular, private infrastructure funds normally adopt a hurdle rate of 8%, which represents the minimum annual return a fund (and its acquisitions) must achieve.

Strategically, GMG is a poor fit. Its six ageing vessels expose KIT to a highly cyclical, technologically evolving business that bears little resemblance to the stable, concession-based assets that KIT should own. Competing operators are larger, vertically integrated, and well financed. GMG's inability to match their newbuild programmes will steadily erode its market relevance. Even if the industry continues to grow, GMG is unlikely to capture proportional benefit.

CML also notes that KIT's trustee-manager demonstrates an egregious pattern of overpromising when it comes to the performance of its acquired assets, or neglecting to fully highlight all the risks involved. In the subsequent few years, the asset begins to underperform and generate less FFO or distributable income than initially envisaged. KIT's trustee-manager then pads the Trust's numbers through more acquisitions to mask the deteriorating underlying performance of its previously-acquired assets. CML finds this pattern of behaviour disturbing as there is persistent destruction of unitholders' value, while the trustee-manager earns more fees. Unitholders of KIT are, however, suffering from DPU erosion amid a deluge of false promises.

The acquisition of GMG will likely perpetuate this cycle. To top it off, governance considerations amplify these concerns. KIT manager's presentation of "market share" and "scarcity" claims are misleading.

Accordingly, CML recommends that unitholders vote AGAINST the proposed transaction.

Appendix 1: GMG's Competitors

Prysmian Group

Prysmian is an Italian company operating in the energy and telecommunications systems industries. The company is vertically integrated and manufactures, installs and maintains terrestrial and subsea cables for power transmission and distribution. The company has over 80 plants producing a wide range of products and solutions for a global customer base.

Prysmian maintains a current fleet of 6 CLVs with 2 more on the way by 2027. The average age of its fleet is 14.5 years, and includes 2 vessels that were delivered recently in 2024 (Leonardo Da Vinci) and early 2025 (Monna Lisa). The Italian giant reported strong financial numbers, with the first half of 2025 (1H 2025) seeing revenue jump 23.5% year on year to €9.6 billion. Adjusted EBITDA came in at €1.9 billion and net profit improved by 6% year on year to €426 million over the same period. The business has been consistently profitable and had a 5-year (i.e. 2020 to 2024) average EBITDA (earnings before interest, taxes, depreciation and amortisation) margin of 9.4% along with a 5-year average net margin of 3%.

During its 2024 earnings release, Prysmian upgraded its 2025 guidance as it booked continued margin expansion. During its recent Capital Markets Day presentation, the company projected EBITDA of between €2.95 billion to €3.15 billion by 2028 with €1.5 billion to €1.7 billion of free cash flow.

Nexans SA

Nexans SA is a French company and a global leader in cable systems and services. The company provides end-to-end solutions and is also vertically integrated – designing, manufacturing, and installing complex subsea cable systems. Nexans SA has remodelled itself as an electrification specialist and is now also handling offshore cables and wind export cables.

Nexans SA owns a fleet of 2 CLVs with one new CLV, Nexans Electra, slated to be delivered by 2026. Including this new vessel, Nexans SA's fleet age will be around 18 years old. The company also boasted strong financials, with revenue for 1H 2025 rising 11.2% year on year to €4.7 billion. EBITDA increased by 7% year on year to €441 million while net profit more than doubled year on year to €372 million. Nexans SA boasted a 5-year average EBITDA margin of 7.5% and an average net profit margin of 2.5%.

Nexans Electra is a state-of-the-art vessel that will enhance the company's ability to take on larger contracts, thereby allowing the business to address its substantial and growing backlog. For 2025, Nexans SA expects to achieve EBITDA of between €770 million to €850 million, along with free cash flow in the range of €225 million to €325 million. Management has also come up with a 2025 to 2028 roadmap with the aim of achieving €1.15 billion in EBITDA by 2028, 43% higher than what was reported for 2024.

SubCom LLC

SubCom LLC is an American firm and a leading global supplier of undersea fibre-optic cable systems. The company designs, manufactures, deploys, and maintains these subsea networks for telecommunications companies, internet providers, governments, and scientific and offshore energy clients worldwide.

The company, which is private, owns a fleet of 7 CLVs and took delivery of a new CLV (CS Endeavour) in 2023.

NKT Group

NKT Group is a Danish company that designs, manufactures, and installs high-voltage, medium-voltage, and low-voltage power cable solutions for the energy, construction, and railway industries.

Although the company only owns one CLV since 2017, it has ordered two new CLVs that will be delivered in 2027. For 1H 2025, revenue rose 18.8% year on year to €1.35 billion while EBITDA increased by 15.5% year on year to €186 million.

Optic Marine Group (OMS Group)

OMS Group is a global, integrated telecommunications infrastructure company headquartered in Malaysia, offering a wide range of services covering subsea telecommunications installation and maintenance, digital infrastructure ownership and digital infrastructure engineering. The company has capabilities in submarine fibre-optic cable systems, including installation and repair of deep and shallow water subsea fibre-optic cable systems, permitting in principle acquisitions, project management, direct shore ends, engineering and subsea surveys.

OMS Group is a private company with a fleet of 6 CLVs, with the latest, CS Cable Vigilance, launched in 2022. The company has ordered 2 new CLVS, one of which will be delivered in 2027. A request for proposal was also sent out in January 2025 for the construction of two more CLVs.

Orange Marine

Orange Marine is a unit of Orange SA, a French multinational telecommunications company. Orange Marine specialises in the field of submarine telecommunications and designs, engineers, installs, and maintains cables. In total, the company has installed more than 288,000 km of fibre optic submarine cables and its ships have carried out more than 1,200 repairs on routes.

The company boasts a fleet of 6 CLVs, with the most recent, Sophie Germain, delivered recently in 2023. Its seventh vessel is a survey vessel used for seabed exploration and mapping. Excluding this survey vessel, the average age of Orange Marine's fleet is around 18.5 years. Although Orange Marine's financials are not separately disclosed by its parent, we can get hints of the cable-laying division's operating performance.

Orange SA disclosed that its "other revenues" for 2024 improved because of "strong performance of Orange Marine's submarine cable laying and maintenance activities". From this statement, CML concludes that Orange Marine's business is doing well, and that their new vessel is also well-equipped to bid for newer, larger contracts.

Alcatel Submarine Networks (ASN)

Alcatel Submarine Networks, or ASN, has been manufacturing, installing, and maintaining advanced submarine cables and equipment since 1994. Based in France, ASN used to be a unit of Nokia Oyj, but was sold last year to the French Government. The company has a fleet of 7 CLVs, with two, Ile d'Yeu and Ile de Molene, acquired in 2021. The former vessel was refurbished in 2023 and then re-launched.

Table 3: Summaries of GMG's Competitors

Company	Country	Description	Currency	Market Cap (Billions)	2024 Revenue (Millions)	2024 EBITDA (Millions)	2024 Net Profit (Millions)
Prysmian Group	Italy	Prysmian is an Italian company operating in the energy and telecommunications systems industries. The company is vertically integrated and manufactures, installs and maintains terrestrial and subsea cables for power transmission and distribution	€	26.3	17,165	1,927	729
Nexans SA	France	Nexans SA is a French company and a global leader in cable systems and services. The company provides end-to-end solutions and is also vertically integrated – designing, manufacturing, and installing complex subsea cable systems	€	5.4	8,546	804	279
SubCom LLC	USA	SubCom LLC is an American firm and a leading global supplier of undersea fibre-optic cable systems. The company designs, manufactures, deploys, and maintains these subsea networks for telecommunications companies, internet providers, governments, and scientific and offshore energy clients worldwide.	US$	N/A	No info	No info	No info
NKT A/S	Denmark	NKT Group is a Danish company that designs, manufactures, and installs high-voltage, medium-voltage, and low-voltage power cable solutions for the energy, construction, and railway industries.	€	DKK 40	3,252	344	337
OMS (Optic Marine) Group	Malaysia	OMS Group is a global, integrated telecommunications infrastructure company headquartered in Malaysia, offering a wide range of services covering subsea telecommunications installation and maintenance, digital infrastructure ownership and digital infrastructure engineering	MYR	N/A	No info	No info	No info
Orange Marine	France	Orange Marine is a unit of Orange SA, a French multinational telecommunications company. Orange Marine specialises in the field of submarine telecommunications and designs, engineers, installs, and maintains cables	€	N/A	No info	No info	No info
Alcatel Submarine Networks	France	Alcatel Submarine Networks, or ASN, has been manufacturing, installing, and maintaining advanced submarine cables and equipment since 1994	€	N/A	No info	No info	No info
Global Marine Group	UK	GMG is one of the largest independent subsea cable solution providers in the world and operates a fleet of 6 specialised cable-laying vessels	US$	N/A	177.1	No info	5.1

Appendix 2: What is a Cable-Laying Vessel (CLV)?

Source: Global Marine Group's website

A cable-laying ship or cable layer is a vessel used to lay cables underwater on the ocean or seabed. The cables are laid for several purposes, including data and electricity transmission, military reasons, etc.

Cable-laying ships are powerful vessels built to be stable and highly manoeuvrable. As cable laying isn't done throughout the year, these ships also function as research vessels, collecting data about the ocean and seas. Sometimes, they also sit at port for long periods.

Modern Cable Layers are of two kinds: cable repair vessels and cable-laying ones. The former are small and highly manoeuvrable. Their main task is to fix or repair broken underwater cables, while the latter are bigger, less manoeuvrable, and built to lay new cables.

The latest cable layers are, in fact, a combination of cable repair and cable-laying ships. For instance, the USNS Zeus is a U.S. Navy vessel that can lay new cables and repair broken cables. With two diesel-electric engines, the vessel can lay about 1,600 kilometres of cables and has a speed of around 15 knots.

Appendix 3: The Basslink Saga

The Basslink interconnector, owned by a subsidiary of KIT, is a 370-kilometre high-voltage direct current (HVDC) submarine cable linking Tasmania with mainland Australia (Victoria). Commissioned in 2006, Basslink was designed to enable Tasmania to export hydroelectric power and import mainland electricity during droughts.

In December 2015, Basslink suffered a major subsea cable fault approximately 100 km off Tasmania's north coast, resulting in a complete outage that lasted nearly six months. The failure occurred during a period of record-low dam levels, forcing Tasmania to rely on costly emergency diesel generation and industrial curtailments.

Basslink engaged Nordic engineering consultancy NKT (formerly Nexans) and other specialists to analyse the failure. The independent expert's report, released in 2018, concluded that the fault was likely caused by internal cable failure due to elevated operating temperatures, rather than by an external event such as anchor drag or seabed movement. The report noted that sections of the cable had been operating above the design temperature, which may have degraded the insulation and precipitated breakdown.

Following the finding, the Tasmanian Government and Hydro Tasmania asserted that Basslink's maintenance and operational practices had contributed to the fault and sought over A$70 million in compensation. Basslink rejected liability, arguing that the cable had been operated within contractual limits and that the failure was a force majeure event. The matter went to arbitration, which later confirmed that while temperature had been a contributing factor, the precise cause could not be definitively attributed to negligence.

The outage and the expert determination underscored the vulnerability of long-distance submarine cable assets to thermal and operational stress. For KIT, the Basslink episode highlighted the technical, financial, and reputational risks inherent even in seemingly stable infrastructure assets — a cautionary precedent as KIT evaluates further exposure to the subsea cable sector.

SOURCES

Link to circular regarding KIT’s purchase of GMG
https://links.sgx.com/FileOpen/2.%20Keppel%20Infrastructure%20Trust%20Circular%20dated%2022%20October%202025.ashx?App=Announcement&FileID=864490

Source for GMG’s financials
https://find-and-update.company-information.service.gov.uk/company/12424368/filing-history

Minutes of KIT’s AGM 2025
https://links.sgx.com/FileOpen/KIT%20AGM%20Minutes%202025.ashx?App=Announcement&FileID=845515

KIT’s 9M 2025 Business Update and Presentation Slides
https://links.sgx.com/FileOpen/20251028_KIT%203Q%202025_Presentation%20Slides.ashx?App=Announcement&FileID=865056

KIT & SIAS Dialogue Session on GMG (Transcript)
https://links.sgx.com/FileOpen/SIAS%20QnAs_Transcript_30%20Oct%202025.ashx?App=Announcement&FileID=865734

Baird Maritime’s article on GMG
https://www.bairdmaritime.com/offshore/column-three-blind-mice-see-how-they-run-part-two-global-marine-systems-and-keppel-offshore-accounts

Marine Insight on CLVs
https://www.marineinsight.com/types-of-ships/what-is-a-cable-laying-ship/