

**KEPPEL INFRASTRUCTURE TRUST
SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2020 FINANCIAL STATEMENTS
TABLE OF CONTENTS**

<u>Paragraph</u>	<u>Description</u>	<u>Page</u>
	INTRODUCTION	1
1(a)	INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME	2-3
1(b)(i)	STATEMENTS OF FINANCIAL POSITION	4
1(b)(ii)	AGGREGATE AMOUNT OF BORROWINGS AND DEBT SECURITIES	5
1(c)	CONSOLIDATED STATEMENT OF CASH FLOWS	6-7
1(d)(i)	STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS	8-10
1(d)(ii)	DETAILS OF ANY CHANGE IN THE UNITS	11
1(d)(iii)	TOTAL NUMBER OF ISSUED UNITS EXCLUDING TREASURY UNITS AS AT THE END OF THE CURRENT FINANCIAL PERIOD, AND AS AT THE END OF THE IMMEDIATELY PRECEDING YEAR	11
1(d)(iv)	STATEMENT OF ALL SALES, TRANSFERS, DISPOSAL, CANCELLATION AND/OR USE OF TREASURY UNITS AS AT THE END OF THE CURRENT FINANCIAL PERIOD REPORTED ON	11
2	AUDIT	11
3	AUDITORS' REPORT	11
4	ACCOUNTING POLICIES	11
5	CHANGES IN THE ACCOUNTING POLICIES	12
6	EARNINGS PER UNIT	12
7	NET ASSET VALUE PER UNIT	12
8	REVIEW OF PERFORMANCE	12-14
9	VARIANCE FROM FORECAST STATEMENT	14
10	PROSPECTS	14-15
11	DISTRIBUTIONS	16
12	INTERESTED PERSON TRANSACTIONS	17
-	CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720 (1)	18
-	CONFIRMATION BY THE BOARD	18

INTRODUCTION

Keppel Infrastructure Trust (“KIT” or “Trust”), was originally listed on 12 February 2007 on the Singapore Exchange Securities Trading Limited as CitySpring Infrastructure Trust (“CIT”).

KIT’s portfolio as at 30 June 2020 included the following businesses and assets:

Geography/ Segment	Distribution and Network	Energy	Waste and Water
Singapore	<u>100% Interest</u> City Gas 51% interest City-OG Gas	<u>51% interest</u> Keppel Merlimau Cogen	<u>100% Interest</u> 1. Senoko Waste-to-Energy WTE Plant 2. Keppel Seghers Tuas WTE Plan 3. Keppel Seghers Ulu Pandan NEWater Plant <u>70% interest</u> 4. SingSpring Desalination Plant
Australia	<u>100% Interest</u> 1. Ixom 2. Basslink 3. Basslink Telecoms		

On 31 January 2020, Ixom completed its acquisition of Medora source water management solutions business (“Medora”) in the United States of America, strengthening Ixom’s goal to be one of the industry leaders in the source water management industry.

The sponsor of KIT is Keppel Infrastructure Holdings Pte. Ltd., a wholly owned subsidiary of Keppel Corporation Limited (“KCL”). Keppel Infrastructure Fund Management Pte. Ltd. is the Trustee-Manager of KIT, and wholly owned by Keppel Capital Holdings Pte. Ltd., which is in turn a wholly owned subsidiary of KCL.

KIT is included in the FTSE ST Large/Mid Cap Index and FTSE ST Mid Cap Index.

KIT, being a business trust, is allowed to pay distributions to Unitholders out of its retained cash and residual cash flows, in accordance with its distribution policy. This is unlike companies, which are governed by the Companies Act, and can only make dividend payments out of accounting profits.

1. UNAUDITED RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2020

The Directors of **Keppel Infrastructure Fund Management Pte. Ltd.**, as **Trustee-Manager of Keppel Infrastructure Trust**, advises the following unaudited results of the Group for the second quarter and half year ended 30 June 2020.

1(a) INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME

(i) Consolidated Income Statement

	<u>Group</u>					
	2Q FY20	2Q FY19	Change	1H 2020	1H 2019	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	385,106	418,025	(7.9)	791,336	736,487	7.4
Other income	3,776	1,372	>100.0	6,066	2,452	>100.0
Other gain / (losses) - net	1,238	(4,287)	N/M	1,874	(11,561)	N/M
Expenses						
Fuel and electricity costs	(18,582)	(41,317)	(55.0)	(49,707)	(77,666)	(36.0)
Gas transportation, freight and storage costs	(40,806)	(43,647)	(6.5)	(85,318)	(71,722)	19.0
Depreciation and amortisation	(43,327)	(36,195)	19.7	(87,540)	(67,040)	30.6
Staff costs	(33,648)	(37,414)	(10.1)	(70,336)	(58,444)	20.3
Operation and maintenance costs	(22,354)	(22,522)	(0.7)	(44,797)	(42,635)	5.1
Raw materials, consumables used and changes in inventories	(144,281)	(152,911)	(5.6)	(290,709)	(259,788)	11.9
Finance costs	(35,301)	(38,799)	(9.0)	(71,092)	(72,853)	(2.4)
Trustee-Manager's fees	(2,713)	(3,007)	(9.8)	(5,865)	(16,300)	(64.0)
Other operating expenses	(24,331)	(29,025)	(16.2)	(49,785)	(71,773)	(30.6)
Total expenses	<u>(365,343)</u>	<u>(404,837)</u>	(9.8)	<u>(755,149)</u>	<u>(738,221)</u>	2.3
Profit/(loss) before joint venture	24,777	10,273	>100.0	44,127	(10,843)	N/M
Share of results of joint venture	-	1,012	(100.0)	-	2,030	(100.0)
Profit/(loss) before tax	24,777	11,285	>100.0	44,127	(8,813)	N/M
Income tax expense	(3,218)	(2,988)	7.7	(8,579)	(7,649)	12.2
Net profit/(loss) after tax	<u>21,559</u>	<u>8,297</u>	>100.0	<u>35,548</u>	<u>(16,462)</u>	N/M
Profit/(loss) attributable to:						
Unitholders	26,239	15,960	64.4	45,180	(251)	N/M
Perpetual securities holders	3,553	742	>100.0	7,105	742	>100.0
Non-controlling interests	(8,233)	(8,405)	(2.0)	(16,737)	(16,953)	(1.3)
	<u>21,559</u>	<u>8,297</u>	>100.0	<u>35,548</u>	<u>(16,462)</u>	N/M

N/M - Not meaningful

Please refer to paragraph 8.2 for further details.

1(a) INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME (CONT'D)

(ii) Consolidated Statement of Comprehensive Income

	<u>Group</u>					
	2Q FY20	2Q FY19	Change	1H 2020	1H 2019	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Net profit/(loss) after tax	21,559	8,297	>100.0	35,548	(16,462)	N/M
Other comprehensive income:						
<u>Items that may be reclassified</u> <u>subsequently to income statement</u>						
Cash flow hedges:						
- Fair value losses	(28,218)	(27,315)	3.3	(44,945)	(46,067)	(2.4)
- Transfer to income statement	6,532	6,560	(0.4)	8,541	15,341	(44.3)
Share of net change in fair value of cash flow hedges of a joint venture	-	(263)	(100.0)	-	(184)	(100.0)
Currency translation differences relating to consolidation of foreign subsidiaries	6,453	(7,652)	N/M	(1,101)	(26,592)	(95.9)
Other comprehensive income, net of tax	(15,233)	(28,670)	(46.9)	(37,505)	(57,502)	(34.8)
Total comprehensive income	6,326	(20,373)	N/M	(1,957)	(73,964)	(97.4)
Attributable to:						
Unitholders	10,339	(12,875)	N/M	6,480	(58,536)	N/M
Perpetual securities holders	3,553	742	>100.0	7,105	742	>100.0
Non-controlling interests	(7,566)	(8,240)	(8.2)	(15,542)	(16,170)	(3.9)
	6,326	(20,373)	N/M	(1,957)	(73,964)	(97.4)

N/M - Not meaningful

1(b)(i) STATEMENTS OF FINANCIAL POSITION

	<u>Group</u>		<u>Trust</u>	
	30 Jun 2020 S\$'000	31 Dec 2019 S\$'000	30 Jun 2020 S\$'000	31 Dec 2019 S\$'000
Non-Current Assets				
Property, plant and equipment	2,314,409	2,354,813	-	-
Intangibles	1,001,591	985,341	-	-
Investment in subsidiaries	-	-	1,289,003	1,305,565
Notes receivables	-	-	775,712	775,712
Amount receivable from a subsidiary	-	-	10,908	12,407
Service concession receivables	259,778	284,372	-	-
Finance lease receivables	79,824	84,772	-	-
Derivative financial instruments	228	40	-	-
Right-of-use asset	113,624	115,596	-	-
Other assets	141,329	149,093	-	-
Total non-current assets	3,910,783	3,974,027	2,075,623	2,093,684
Current Assets				
Cash and bank deposits	498,933	470,093	202,077	215,275
Trade and other receivables	259,684	269,885	12,602	8,946
Service concession receivables	48,538	47,856	-	-
Finance lease receivables	10,661	10,487	-	-
Derivative financial instruments	601	847	8	-
Inventories	209,394	198,772	-	-
Other current assets	26,197	31,308	42	15
Total current assets	1,054,008	1,029,248	214,729	224,236
Current Liabilities				
Borrowings	673,883	1,318,473	-	-
Trade and other payables	282,356	318,733	3,307	6,606
Provisions	25,656	23,235	-	-
Derivative financial instruments	27,242	25,589	-	-
Lease liabilities	14,307	13,786	-	-
Income tax payable	9,100	6,281	129	87
Total current liabilities	1,032,544	1,706,097	3,436	6,693
Net Current Assets/(Liabilities)	21,464	(676,849)	211,293	217,543
Non-Current Liabilities				
Borrowings	1,495,358	793,180	99,832	99,783
Notes payable to non-controlling interests	260,000	260,000	-	-
Derivative financial instruments	166,298	127,441	3,546	1,230
Other payables	250,681	246,373	-	-
Provisions	33,260	32,387	-	-
Lease liabilities	79,319	81,500	-	-
Defined benefit obligation	24,124	23,586	-	-
Deferred tax liabilities	13,765	18,542	-	-
Total non-current liabilities	2,322,805	1,583,009	103,378	101,013
Net Assets	1,609,442	1,714,169	2,183,538	2,210,214
Represented by:				
Unitholders' Funds				
Units in issue	2,628,761	2,630,307	2,628,761	2,630,307
Other reserves	(294,113)	(255,413)	(3,538)	(1,230)
Accumulated losses	(1,098,164)	(1,050,488)	(740,616)	(717,834)
Total Unitholders' funds	1,236,484	1,324,406	1,884,607	1,911,243
Perpetual securities	298,931	298,971	298,931	298,971
Non-controlling interests	74,027	90,792	-	-
	1,609,442	1,714,169	2,183,538	2,210,214

Please refer to paragraphs 8.3 and 8.4 for further details.

1(b)(ii) AGGREGATE AMOUNT OF BORROWINGS AND DEBT SECURITIES

	<u>Group</u>	
	30 Jun 2020	31 Dec 2019
	S\$'000	S\$'000
Unsecured borrowings		
Amount repayable after one year	<u>277,459</u>	<u>277,361</u>
Secured borrowings		
Amount repayable within one year	673,883	1,318,473
Amount repayable after one year	<u>1,217,899</u>	<u>515,819</u>
	1,891,782	1,834,292
Total borrowings	<u>2,169,241</u>	<u>2,111,653</u>

Details of collaterals

The bank borrowings are secured over the assets and business undertakings of SingSpring, Basslink Group and Ixom Group. The bank borrowings granted to SingSpring is also secured by a charge over the units in SingSpring held by the Trustee-Manager and Hyflux Ltd¹, and a charge over the shares held by the Trustee-Manager in SingSpring Pte Ltd. The bank borrowings granted to KMC is secured mainly by an assignment of KMC's rights under the Capacity Tolling Agreement.

In November 2019, Basslink announced a 12-month extension of the maturity date of the financing arrangements in place for the Basslink Interconnector and the waiver by the lending syndicate of all breaches and events of default that had arisen under the financing arrangements as at 27 November 2019.

Basslink remains current on its debt payments under the project financing subsequent to the return to service of the interconnector on 13 June 2016.

¹ 30% unitholder of SingSpring Trust

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS

	<u>Group</u>			
	2Q FY20 S\$'000	2Q FY19 S\$'000	1H 2020 S\$'000	1H 2019 S\$'000
Operating activities				
Profit/(loss) before tax	24,777	11,285	44,127	(8,813)
Adjustments for:				
Depreciation and amortisation	43,327	36,195	87,540	67,040
Finance costs	35,301	38,799	71,092	72,853
Interest income	(766)	(646)	(2,051)	(1,304)
Fair value gain on derivative financial instruments	1,650	2,963	795	10,372
Impairment loss on trade and other receivables (net)	1,264	(257)	1,309	(35)
Property, plant and equipment written off	6	-	6	-
Transaction cost	662	-	662	35,125
Loss/(gain) on disposal of property, plant and equipment	3	-	(1)	-
Loss on disposal of joint venture	13	-	13	-
Share of results of joint venture	-	(1,012)	-	(2,030)
Unrealised foreign exchange (gain)/loss	(3,436)	1,569	(3,209)	1,432
Management fees paid in units	115	111	398	239
Operating cash flows before working capital changes	<u>102,916</u>	<u>89,007</u>	<u>200,681</u>	<u>174,879</u>
Changes in working capital :				
Trade and other receivables	47,543	25,995	49,664	35,718
Trade and other payables	(9,577)	(28,643)	(43,206)	(32,384)
Inventories	(19,878)	27,005	(3,886)	24,332
Cash generated from operations	<u>121,004</u>	<u>113,364</u>	<u>203,253</u>	<u>202,545</u>
Interest received	777	650	1,956	1,100
Interest paid	(31,237)	(43,703)	(63,474)	(73,050)
Income tax paid	(1,583)	(6,067)	(7,650)	(12,940)
Net cash from operating activities	<u>88,961</u>	<u>64,244</u>	<u>134,085</u>	<u>117,655</u>
Investing activities				
Net cash outflow on acquisition of subsidiary (Note b)	(662)	-	(24,433)	(1,096,707)
Dividend received from joint venture	-	1,018	-	2,045
Repayment of advances from joint venture	-	360	-	658
Purchase of property, plant and equipment and intangible assets	(3,269)	(6,645)	(9,835)	(10,400)
Proceeds from sale of property, plant and equipment	94	-	94	-
Proceeds from sale of inventories	156	15	160	49
Net cash used in investing activities	<u>(3,681)</u>	<u>(5,252)</u>	<u>(34,014)</u>	<u>(1,104,355)</u>
Financing activities				
Decrease/(Increase) in restricted cash	660	(111)	(1,024)	2,123
Proceeds from issuance of units (net)	-	195,717	-	492,235
Proceeds from issuance of perpetual securities (net)	-	298,101	-	298,101
Purchase of units	(1,350)	-	(1,944)	-
Proceeds from borrowings	738,263	3,759	761,113	1,507,924
Repayment of borrowings	(702,873)	(406,415)	(718,755)	(1,032,485)
Repayment of obligations under finance leases	(8,250)	(3,521)	(9,937)	(4,782)
Payment of loan upfront fees	(2,450)	-	(2,450)	(13,239)
Distributions paid to Perpetual securities holders	(7,145)	-	(7,145)	-
Distributions paid to Unitholders of the Trust	(46,408)	(36,706)	(92,856)	(72,588)
Distributions paid by subsidiaries to non-controlling interests	(672)	(1,782)	(1,223)	(2,487)
Net cash (used in)/from financing activities	<u>(30,225)</u>	<u>49,042</u>	<u>(74,221)</u>	<u>1,174,802</u>
Net increase in cash and cash equivalents	<u>55,055</u>	<u>108,034</u>	<u>25,850</u>	<u>188,102</u>
Cash and cash equivalents at beginning of the period	<u>416,346</u>	<u>259,727</u>	<u>445,290</u>	<u>179,705</u>
Effect of currency translation on cash and cash equivalents	1,705	(129)	1,966	(175)
Cash and cash equivalents at end of the period (Note a)	<u>473,106</u>	<u>367,632</u>	<u>473,106</u>	<u>367,632</u>

1(c) **CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)**

Note a:

	30 Jun 2020 S\$'000	30 Jun 2019 S\$'000
Cash and bank deposits	498,933	417,407
Less: Restricted cash	<u>(25,827)</u>	<u>(49,775)</u>
Cash and cash equivalents	<u>473,106</u>	<u>367,632</u>

Restricted cash represents the amount of cash and cash equivalents required to be set aside to meet interest and principal repayments for loans extended to, and for secured bank guarantees of, the Group. Also included in the Group's restricted cash is the insurance proceeds received in relation to Basslink cable outage, the usage of which is subject to the consent of the lenders.

Refer to paragraph 8.1 for further details.

Note b:

The Group's wholly-owned subsidiary, Ixom, has completed the acquisition of Medora on 31 January 2020. The provisional fair values of the net assets of the subsidiary acquired were as follows:

	Fair value S\$'000
Property, plant and equipment	1,713
Identifiable intangible assets	343
Financial liabilities	(1,976)
Inventories	6,790
Financial assets	<u>1,867</u>
Total identifiable assets acquired and liabilities assumed	8,737
Goodwill	22,820
Total purchase consideration	<u>31,557</u>
Net cash outflow arising on acquisition:	
Total purchase consideration	31,557
Less: deferred cash consideration	<u>(7,786)</u>
	<u>23,771</u>

The Group incurred acquisition costs of S\$0.7m.

The purchase price allocation of the acquisition of Medora for the quarter ended 30 June 2020 is provisional and the Group expects to complete the purchase price allocation exercise within 12 months from date of acquisition of Medora.

1(d)(i) STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS

<u>Group</u>	Attributable to Unitholders of the Trust										
	Units in Issue S\$'000	Treasury Units S\$'000	Hedging Reserve S\$'000	Translation Reserve S\$'000	Capital Reserve S\$'000	Defined Benefit Plan Reserve S\$'000	Accumulated Losses S\$'000	Total Unitholders' Funds S\$'000	Perpetual Securities S\$'000	Non-controlling Interests S\$'000	Total S\$'000
2020											
At 1 January 2020	2,630,307	-	(239,613)	(46,609)	38,710	(7,901)	(1,050,488)	1,324,406	298,971	90,792	1,714,169
<u>Total comprehensive income</u>											
Profit/(loss) for the period	-	-	-	-	-	-	18,941	18,941	3,552	(8,504)	13,989
Other comprehensive income for the period	-	-	(15,218)	(7,582)	-	-	-	(22,800)	-	528	(22,272)
Total	-	-	(15,218)	(7,582)	-	-	18,941	(3,859)	3,552	(7,976)	(8,283)
<u>Contributions by and distributions to owners</u>											
Units issued	283	-	-	-	-	-	-	283	-	-	283
Purchase of units	-	(594)	-	-	-	-	-	(594)	-	-	(594)
Cancellation of treasury units	(594)	594	-	-	-	-	-	-	-	-	-
Distributions paid	-	-	-	-	-	-	(46,448)	(46,448)	-	(551)	(46,999)
Total	(311)	-	-	-	-	-	(46,448)	(46,759)	-	(551)	(47,310)
At 31 March 2020	2,629,996	-	(254,831)	(54,191)	38,710	(7,901)	(1,077,995)	1,273,788	302,523	82,265	1,658,576
<u>Total comprehensive income</u>											
Profit/(loss) for the period	-	-	-	-	-	-	26,239	26,239	3,553	(8,233)	21,559
Other comprehensive income for the period	-	-	(22,257)	6,357	-	-	-	(15,900)	-	667	(15,233)
Total	-	-	(22,257)	6,357	-	-	26,239	10,339	3,553	(7,566)	6,326
<u>Contributions by and distributions to owners</u>											
Units issued	115	-	-	-	-	-	-	115	-	-	115
Purchase of units	-	(1,350)	-	-	-	-	-	(1,350)	-	-	(1,350)
Cancellation of treasury units	(1,350)	1,350	-	-	-	-	-	-	-	-	-
Distributions paid	-	-	-	-	-	-	(46,408)	(46,408)	(7,145)	(672)	(54,225)
Total	(1,235)	-	-	-	-	-	(46,408)	(47,643)	(7,145)	(672)	(55,460)
At 30 June 2020	2,628,761	-	(277,088)	(47,834)	38,710	(7,901)	(1,098,164)	1,236,484	298,931	74,027	1,609,442

1(d)(i) STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS (CONT'D)

Group

	Attributable to Unitholders of the Trust								Total
	Units in Issue S\$'000	Hedging Reserve S\$'000	Translation Reserve S\$'000	Capital Reserve S\$'000	Accumulated Losses S\$'000	Unitholders' Funds S\$'000	Perpetual Securities S\$'000	Non-controlling Interests S\$'000	
2019									
At 1 January 2019	2,138,066	(200,226)	(492)	38,710	(923,582)	1,052,476	-	125,780	1,178,256
<u>Total comprehensive income</u>									
Loss for the period	-	-	-	-	(16,211)	(16,211)	-	(8,548)	(24,759)
Other comprehensive income for the period	-	(10,756)	(18,694)	-	-	(29,450)	-	618	(28,832)
Total	-	(10,756)	(18,694)	-	(16,211)	(45,661)	-	(7,930)	(53,591)
<u>Contributions by and distributions to owners</u>									
Units issued	300,128	-	-	-	-	300,128	-	-	300,128
Issuance cost	(3,610)	-	-	-	-	(3,610)	-	-	(3,610)
Distributions paid	-	-	-	-	(35,882)	(35,882)	-	(705)	(36,587)
Total	296,518	-	-	-	(35,882)	260,636	-	(705)	259,931
<u>Changes in ownership interest in subsidiary</u>									
Acquisition of a subsidiary	-	-	-	-	-	-	-	5,121	5,121
At 31 March 2019	2,434,584	(210,982)	(19,186)	38,710	(975,675)	1,267,451	-	122,266	1,389,717
<u>Total comprehensive income</u>									
Profit/(loss) for the period	-	-	-	-	15,960	15,960	742	(8,405)	8,297
Other comprehensive income for the period	-	(21,258)	(7,577)	-	-	(28,835)	-	165	(28,670)
Total	-	(21,258)	(7,577)	-	15,960	(12,875)	-	(8,240)	(20,373)
<u>Contributions by and distributions to owners</u>									
Units issued	200,904	-	-	-	-	200,904	-	-	200,904
Perpetual securities issued	-	-	-	-	-	-	300,000	-	300,000
Issuance cost	(5,187)	-	-	-	-	(5,187)	(1,899)	-	(7,086)
Distributions paid	-	-	-	-	(36,706)	(36,706)	-	(1,782)	(38,488)
Total	195,717	-	-	-	(36,706)	159,011	298,101	(1,782)	455,330
At 30 June 2019	2,630,301	(232,240)	(26,763)	38,710	(996,421)	1,413,587	298,101	112,244	1,824,674

1(d)(i) STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS (CONT'D)

<u>Trust</u>	Units in Issue S\$'000	Treasury Units S\$'000	Hedging Reserve S\$'000	Accumulated Losses S\$'000	Total Unitholders' Funds S\$'000	Perpetual Securities S\$'000	Total S\$'000
2020							
At 1 January 2020	2,630,307	-	(1,230)	(717,834)	1,911,243	298,971	2,210,214
<u>Total comprehensive income</u>							
Profit for the period	-	-	-	25,465	25,465	3,552	29,017
Other comprehensive income for the period	-	-	611	-	611	-	611
Total	-	-	611	25,465	26,076	3,552	29,628
<u>Contributions by and distributions to owners</u>							
Units issued	283	-	-	-	283	-	283
Purchase of units	-	(594)	-	-	(594)	-	(594)
Cancellation of treasury units	(594)	594	-	-	-	-	-
Distributions paid	-	-	-	(46,448)	(46,448)	-	(46,448)
Total	(311)	-	-	(46,448)	(46,759)	-	(46,759)
At 31 March 2020	2,629,996	-	(619)	(738,817)	1,890,560	302,523	2,193,083
<u>Total comprehensive income</u>							
Profit for the period	-	-	-	44,609	44,609	3,553	48,162
Other comprehensive income for the period	-	-	(2,919)	-	(2,919)	-	(2,919)
Total	-	-	(2,919)	44,609	41,690	3,553	45,243
<u>Contributions by and distributions to owners</u>							
Units issued	115	-	-	-	115	-	115
Purchase of units	-	(1,350)	-	-	(1,350)	-	(1,350)
Cancellation of treasury units	(1,350)	1,350	-	-	-	-	-
Distributions paid	-	-	-	(46,408)	(46,408)	(7,145)	(53,553)
Total	(1,235)	-	-	(46,408)	(47,643)	(7,145)	(54,788)
At 30 June 2020	2,628,761	-	(3,538)	(740,616)	1,884,607	298,931	2,183,538
2019							
At 1 January 2019	2,138,066	-	31	(657,094)	1,481,003	-	1,481,003
<u>Total comprehensive income</u>							
Profit for the period	-	-	-	18,850	18,850	-	18,850
Other comprehensive income for the period	-	-	15	-	15	-	15
Total	-	-	15	18,850	18,865	-	18,865
<u>Contributions by and distributions to owners</u>							
Units issued	300,128	-	-	-	300,128	-	300,128
Issuance cost	(3,610)	-	-	-	(3,610)	-	(3,610)
Distributions paid	-	-	-	(35,882)	(35,882)	-	(35,882)
Total	296,518	-	-	(35,882)	260,636	-	260,636
At 31 March 2019	2,434,584	-	46	(674,126)	1,760,504	-	1,760,504
<u>Total comprehensive income</u>							
Profit for the period	-	-	-	22,832	22,832	742	23,574
Other comprehensive income for the period	-	-	(482)	-	(482)	-	(482)
Total	-	-	(482)	22,832	22,350	742	23,092
<u>Contributions by and distributions to owners</u>							
Units issued	200,904	-	-	-	200,904	-	200,904
Perpetual securities issued	-	-	-	-	-	300,000	300,000
Issuance cost	(5,187)	-	-	-	(5,187)	(1,899)	(7,086)
Distributions paid	-	-	-	(36,706)	(36,706)	-	(36,706)
Total	195,717	-	-	(36,706)	159,011	298,101	457,112
At 30 June 2019	2,630,301	-	(436)	(688,000)	1,941,865	298,843	2,240,708

1(d)(ii) DETAILS OF ANY CHANGE IN THE UNITS

	<u>Group and Trust</u>			
	1 Apr 2020 to 30 Jun 2020	1 Apr 2019 to 30 Jun 2019	1 Jan 2020 to 30 Jun 2020	1 Jan 2019 to 30 Jun 2019
Issued units at the beginning of the period	4,993,463,286	4,538,840,772	4,994,391,069	3,858,298,065
Settlement of management fees ⁽¹⁾	274,500	239,300	796,717	509,007
Private placement	-	-	-	680,273,000
Preferential offering	-	455,310,997	-	455,310,997
Purchase and subsequent cancellation of treasury units	(3,300,000)	-	(4,750,000)	-
Issued units at the end of the period	4,990,437,786	4,994,391,069	4,990,437,786	4,994,391,069

Note:

(1) This relates to the payment of 4.8% of 4Q FY19 and 3.7% of 1Q FY20 (5.9% of 4Q FY18 and 4.4% of 1Q FY19) management fees in the form of units to the Trustee-Manager.

1(d)(iii) TOTAL NUMBER OF ISSUED UNITS EXCLUDING TREASURY UNITS AS AT THE END OF THE CURRENT FINANCIAL PERIOD, AND AS AT THE END OF THE IMMEDIATELY PRECEDING YEAR

The Group and Trust does not hold any treasury units as at 30 June 2020 and 31 December 2019.

The total number of issued units as at 30 June 2020 and 31 December 2019 were 4,990,437,786 and 4,994,391,069 respectively.

1(d)(iv) STATEMENT OF ALL SALES, TRANSFERS, DISPOSAL, CANCELLATION AND/OR USE OF TREASURY UNITS AS AT THE END OF THE CURRENT FINANCIAL PERIOD REPORTED ONS

	<u>Group and Trust</u>			
	1 Apr 2020 to 30 Jun 2020	1 Apr 2019 to 30 Jun 2019	1 Jan 2020 to 30 Jun 2020	1 Jan 2019 to 30 Jun 2019
Treasury units at the beginning of the period	-	-	-	-
Purchase of units	3,300,000	-	4,750,000	-
Cancellation of treasury units	(3,300,000)	-	(4,750,000)	-
Treasury units at the end of the period	-	-	-	-

2. AUDIT

The figures have not been audited nor reviewed by the auditors.

3. AUDITORS' REPORT

Not applicable.

4. ACCOUNTING POLICIES

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation in the financial statements for the current financial period are consistent with those of the audited financial statements as at 31 December 2019.

5. CHANGES IN ACCOUNTING POLICIES

The Group has adopted all the new and revised SFRS(I) and SFRS(I) INT that are relevant to its operations and effective for annual periods beginning on or after 1 January 2020. The adoption of these new and revised SFRS(I) and SFRS(I) INT did not result in changes to the Group's and Trust's accounting policies

6. EARNINGS PER UNIT ("EPU")

	2Q FY20	2Q FY19	<u>Group</u> %	1H 2020	1H 2019	%
Weighted average number of units	4,990,321,072	4,918,270,581	1.5	4,992,434,824	4,418,031,214	13.0
EPU						
- based on the weighted average number of units in issue (cents)						
- basic and diluted	0.53	0.32	65.6	0.90	(0.01) ⁽¹⁾	N/M

⁽¹⁾ The negative EPU for 1HFY19 is mainly due to transaction cost incurred in relation to the Ixom acquisition. Excluding the transaction cost, EPU for 1HFY19 would be 0.78 cents.

KIT, being a business trust, is allowed to pay distributions to Unitholders out of its retained cash and residual cash flows, in accordance with its distribution policy. This is unlike companies, which are governed by the Companies Act, and can only make dividend payments out of accounting profits.

7. NET ASSET VALUE ("NAV") PER UNIT

	<u>Group</u>			<u>Trust</u>		
	30 Jun 2020	31 Dec 2019	%	30 Jun 2020	31 Dec 2019	%
NAV per unit (cents)	24.8	26.5	(6.4)	37.8	38.3	(1.3)
Adjusted NAV per unit (cents)						
- (after distribution payable to unitholders)	23.8	25.6	(7.0)	36.9	37.3	(1.1)

The Group NAV per unit before hedging and translation reserves was 31.3 cents as at 30 June 2020 and 32.2 cents as at 31 December 2019. The Trust NAV per unit before hedging reserves was 37.8 cents as at 30 June 2020 and 38.3 cents as at 31 December 2019.

The Group NAV per unit including perpetual securities was 30.8 cents as at 30 June 2020 and 32.5 cents as at 31 December 2019. The Trust NAV per unit including perpetual securities was 43.8 cents as at 30 June 2020 and 44.3 cents as at 31 December 2019.

The number of units used for computation of NAV per unit and adjusted NAV per unit were 4,990,437,786 and 4,994,391,069 which were the number of units in issue as at 30 June 2020 and 31 December 2019 respectively.

8. REVIEW OF PERFORMANCE

8.1 Cash flow

The Group's cash and bank deposits net of restricted cash were S\$473.1 million and S\$367.6 million as at 30 June 2020 and 30 June 2019, respectively.

Net cash generated from operating activities in 1H FY20 was S\$134.1 million, S\$16.4 million higher than 1H FY19, largely due to full period contribution by Ixom as compared to a shorter period of contribution commencing from the date of acquisition, 19 February 2019, in 1H FY19 and timing difference in working capital.

Net cash used in investing activities of S\$34.0 million in 1H FY20 relates mainly to the acquisition of Medora and capital expenditure. In 1H FY19, net cash used in investing activities relates to the acquisition of Ixom and capital expenditure.

Net cash used in financing activities of S\$74.2 million in 1H FY20 mainly pertains to repayment of certain facilities of the Group and payment of distributions to unitholders, partially offset by borrowings taken up to fund the acquisition of Medora. In 1H FY19, net cash from financing activities of S\$1,174.8 million mainly pertains to equity raised, issuance of perpetual securities and asset level loan taken to fund the acquisition of Ixom, partially offset by repayment of certain facilities of the Group and payment of distributions to unitholders.

8. REVIEW OF PERFORMANCE (CONT'D)

8.2 Income Statement

Revenue

Group revenue for 1H FY20 was S\$791.3 million, 7.4% higher than 1H FY19, largely driven by the contribution of full period revenue by Ixom as compared to a shorter period of contribution commencing from the date of acquisition, 19 February 2019, in 1H FY19. Group revenue of S\$385.1 million for 2Q FY20 was 7.9% lower than that of 2Q FY19 due to lower contribution from City Gas and Ixom.

Ixom's revenue for 2Q FY20 of S\$239.1 million was S\$10.1 million lower than 2Q FY19 due to lower caustic soda prices. It is also impacted by a change in contracting arrangement with one of its suppliers, where revenue from the sale of goods is now recognised on a commission basis instead of a gross sale basis previously. This change in arrangement has minimal impact on the gross profit margin of the transaction.

At City Gas, revenue of S\$69.7 million in 2Q FY20 and S\$148.6 million in 1H FY20 was lower than corresponding period last year due to lower tariff as a result of lower fuel prices. City Gas achieved 100% plant availability during the period.

The Concessions² contributed revenue of S\$22.7 million in 2Q FY20 and S\$47.5 million in 1H FY20 comparable to last year. All 4 plants fulfilled their contractual obligations during the period.

Basslink's revenue for 2Q FY20 and 1H FY20 of S\$20.9 million and S\$42.6 million was slightly lower than corresponding period last year due to lower revenue from the Commercial Risk Sharing Mechanism (CRSM) during the period.

At KMC, revenue for 1H FY20 was also comparable to 1H FY19. The power plant achieved 97.9% plant availability during the period, due to unplanned maintenance that was promptly rectified.

Other income

Other income for 2Q FY20 and 1H FY20 was higher than corresponding period last year due to higher interest income received from fixed deposits and insurance proceeds received in relation to Basslink FY2015 outage.

Other gains / (losses) - net

Other gains / (losses) for 2Q FY20 and 1H FY20 were higher than corresponding period last year due to favourable fair value movement of financial derivative instruments.

Expenses

Fuel and electricity costs for 2Q FY20 and 1H FY20 were lower than last year due to lower fuel prices.

Higher gas transportation, freight and storage costs, depreciation and amortisation, staff costs, operation and maintenance, raw materials, consumables used and changes in inventories costs in 1H FY20 as compared to last year are mainly due to contribution of full period of Ixom's expenses as compared to a shorter period of contribution commencing from the date of acquisition, 19 February 2019, in 1H FY19. Staff costs for 2Q FY20 was lower than 2Q FY19 mainly attributed to the one-time cash support received from the Jobs Support Scheme.

Lower finance costs in 2Q FY20 and 1H FY20 due mainly to absence of interest costs attributed to the equity bridge loan drew down in relation to acquisition of Ixom in 2019.

Trustee-manager's fees and other operating expenses in 1H FY20 were lower mainly due to property tax rebate and absence of acquisition fee that was paid to Trustee-Manager and transaction cost incurred in relation to the acquisition of Ixom in 1H FY19.

Profit attributable to Unitholders of the Trust

The Group recorded a higher profit attributable to Unitholders of the Trust in 2Q FY20 than 2Q FY19 due to higher profit recorded by Ixom and City Gas. The profit attributable to Unitholders of the Trust in 1H FY20 was higher due to the absence of transaction costs incurred in relation to the acquisition of Ixom in 1H FY19 and a full period contribution of Ixom's results in 1H FY20.

² Concessions comprise Senoko WTE, Tuas WTE, SingSpring Desalination and Ulu Pandan NEWater plants

8. REVIEW OF PERFORMANCE (CONT'D)

8.3 Balance Sheet – Group

Total assets as at 30 June 2020 of S\$4,964.8 million was marginally lower than total assets of S\$5,003.3 million as at 31 December 2019, mainly due to depreciation and amortisation of property, plant and equipment and intangibles, partially offset by increase in cash and bank deposits (please refer to paragraph 8.1 for more details).

Total liabilities as at 30 June 2020 of S\$3,355.3 million was higher than S\$3,289.1 million as at 31 December 2019. The Group reported net current assets of S\$21.5 million as at 30 June 2020 due to reclassification of S\$700.0 million borrowings as non-current liability upon refinanced.

Total Unitholders' funds stood at S\$1,236.5 million as at 30 June 2020, lower than S\$1,324.4 million as at 31 December 2019 mainly due to distributions paid and hedging reserve movements, partially offset by the profit attributable to Unitholders of the Trust in 1H FY20.

8.4 Balance Sheet – Trust

Net assets as at 30 June 2020 of S\$2,183.5 million was lower compared to S\$2,210.2 million as at 31 December 2019 mainly due to distributions paid, partially offset by the profit for the period.

9. VARIANCE FROM FORECAST STATEMENT

No forecast statement for financial year 2020 has been disclosed.

10. PROSPECTS

City Gas and Ixom are businesses that provide essential products and services which are scalable, supported by their leading market positions.

City Gas is the sole supplier of town gas, with a history of over a century, in Singapore. It produces and sells town gas to residential customers, as well as town gas and natural gas to industrial customers.

Ixom is a leading industrial infrastructure business in Australia and New Zealand. It is the sole manufacturer and provider of liquefied chlorine in Australia, as well as a leading provider of manufactured caustic soda. Ixom's revenue profile is seasonal over the course of the year which is typical for a business of this nature in Australia and New Zealand.

KIT's power and water and waste assets typically generate stable cash flows as a function of availability. All our plants follow industry best practices.

The Trustee-Manager continues to review its pipeline of potential acquisition opportunities, which, if closed, will further strengthen KIT's long term income stream.

COVID-19 Pandemic

Ixom, Basslink and KIT's Singapore located assets and business have all been classified as essential services by the governments of Australia/New Zealand and Singapore respectively.

While Ixom and City Gas are currently seeing some marginal impact, at this moment, COVID-19 is not expected to materially impact the operations and financial position of KIT. Nevertheless, the extent of the impact of COVID-19 will depend on the duration and severity of the pandemic. KIT continues to monitor the operational and financial impact of COVID-19 to KIT's portfolio of assets.

10. PROSPECTS (CONT'D)

City Gas

The tariff adjustment mechanism is designed to ensure that City Gas has no exposure to fuel price risk over time. In the short run, City Gas's financial performance can fluctuate as a result of a time lag in the adjustment to the gas tariffs in response to changes in the underlying fuel cost. In 1H FY20, City Gas delivered higher distributable cash flows due to this timing difference, as well as lower operating expenses helped by the Jobs Support Scheme and property tax rebate announced as part of the Singapore Government's Budget Statement for Financial Year 2020 to address the impact of the COVID-19 pandemic.

City Gas continues to focus on ensuring town gas supply is maintained to support essential requirements in Singapore in the current pandemic.

Ixom

Ixom, which started contributing to KIT from 19 February 2019, has delivered S\$88.8 million of distributable cashflows to date. The Ixom Group's business has historically produced stable and resilient distributable cash flows each year. For the current period, it is on track to deliver its projected cash distribution targets.

Ixom has continued to deliver resilient performance supported by its diversified business despite the challenging operating environment caused by the COVID-19 pandemic. Efforts have been stepped up to ensure vital chemicals are available to support the businesses and the economies of Australia and New Zealand during this critical period.

Ixom is also well positioned to capture long-term growth opportunities by strengthening its market leading position and optimising operations, cost and productivity.

Basslink

The arbitration with the State of Tasmania (the "State") and Hydro Tasmania ("HT") is progressing and is expected to conclude by the end of 2020. Basslink is vigorously defending itself in the arbitration.

Basslink has achieved 100% contractual availability in 1H FY20 and is expected to continue to deliver healthy performance to the Group.

While intended to be neutral over the long-term, the Commercial Risk Sharing Mechanism (CRSM) in Basslink for 1H FY2020 has been positive at 6.3% of the base facility fee.

Keppel Merlimau Cogen

KMC has no tariff exposure to the Singapore wholesale electricity market and has no exposure to fluctuations in fuel oil prices.

Under the capacity tolling agreement, KMC will receive a maximum annual capacity fee of S\$108 million (S\$55.1 million based on KIT's 51% interest in KMC) as long as it meets the availability and capacity test targets.

Waste and water plants

Waste and water concessions have long-term contracts with Singapore statutory bodies and derive most of their cash flows from capacity and availability payments. As such, the underlying performance of these assets are expected to remain stable.

In view of developments at Hyflux, KIT has increased its monitoring of operational performance at SingSpring Desalination Plant to ensure that SingSpring's obligations under the Water Purchase Agreement are satisfactorily discharged. There has been no impact to operations at the SingSpring Desalination Plant, KIT continues to work to ensure operational continuity. KIT will make the necessary announcements, if and when, there are material developments.

11. DISTRIBUTIONS

11a. Current financial period reported on

Any distributions recommended for the current financial period reported on? Yes

Amount	:	S\$46.4 million
Distribution period	:	1 April 2020 to 30 June 2020
Distribution rate	:	0.93 Singapore cents per unit
Distribution type	:	Cash, Tax-exempt Distribution
Tax rate	:	Distributions to Unitholders are exempt from Singapore income tax, regardless of their nationality, corporate identity or tax residence status. No credit is allowed to Unitholders for the tax paid by the Trustee-Manager.

11b. Corresponding Period of the Immediately Preceding Financial Year

Any distributions recommended for the current financial period reported on? Yes

Amount	:	S\$46.4 million
Distribution period	:	1 April 2019 to 30 June 2019
Distribution rate	:	0.93 Singapore cents per unit
Distribution type	:	Cash, Tax-exempt Distribution
Tax rate	:	Distributions to Unitholders are exempt from Singapore income tax, regardless of their nationality, corporate identity or tax residence status. No credit is allowed to Unitholders for the tax paid by the Trustee-Manager.

11c. Date Payable

14 August 2020

11d. Record Date

Notice is hereby given that, the Unit Transfer Books and Register of Unitholders of KIT will be closed at 5.00 p.m. on 30 July 2020 for the purposes of determining each Unitholder's entitlement to the Distribution. Duly completed transfers in respect of Units in the capital of KIT received by the Registrar, Boardroom Corporate & Advisory Services Pte. Ltd, 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623, up to 5.00 p.m. on 30 July 2020 will be registered to determine Unitholders' entitlement to the Distribution. Unitholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with Units at 5.00 p.m. on 30 July 2020 will be entitled to the Distribution.

12. INTERESTED PERSON TRANSACTIONS

The Group had obtained a general mandate pursuant to Rule 920 for interested person transactions as approved by independent unitholders at the annual general meeting held on 3 June 2020. The figures below are calculated based on the effective interest held by the Trust in each subsidiary. During the financial period, the following interested person transactions were entered into by the Group:

Name of Interested Person / Nature of Transaction	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions Conducted under unitholder's mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted during the financial period under review under unitholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	1H FY20 S\$'000	1H FY19 S\$'000	1H FY20 S\$'000	1H FY19 S\$'000
1. Temasek Holdings (Private) Limited and its Associates				
General Transaction				
(a) Sales of Goods and Services	-	-	799	1,882
(b) Purchases	-	1,044 ⁽¹⁾	70,347	94,236
(c) Rental expense	-	-	562	208
Total	-	1,044 ⁽¹⁾	71,708	96,326
2. Keppel Corporation Group				
General Transaction				
(a) Sales of Goods and Services	300 ⁽²⁾	-	-	-
(b) Purchases	-	-	19,226	19,181
(c) Management Fee Expense	-	-	5,927	16,531
(d) Reimbursement of expenses	-	-	1,116	136
Treasury Transactions	-	-	344,567	334,615
Investment or Divestment	-	-	-	-
Total	300 ⁽²⁾	-	370,836	370,463

⁽¹⁾ The transaction relates to a distribution agreement with the related party for the supply of cooling equipment. As the transaction value is lower than the materiality threshold prescribed in Rule 905 and 906 of Chapter 9 of the SGX Listing Manual, immediate announcement and shareholder's approval is not required.

⁽²⁾ The transaction relates to a partnership agreement with the related party as a non-exclusive referral agent for business and residential customers. As the transaction value is lower than the materiality threshold prescribed in Rule 905 and 906 of Chapter 9 of the SGX Listing Manual, immediate announcement and shareholder's approval is not required.

CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)

The Trustee-Manager confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

By Order of the Board
Keppel Infrastructure Fund Management Pte. Ltd.
(Company Registration Number: 200803959H)
As Trustee-Manager of Keppel Infrastructure Trust

ESTHER CHUA/MARC TAN
Company Secretaries
22 July 2020

CONFIRMATION BY THE BOARD

Pursuant to Rule 705(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the second quarter and half year ended 30 June 2020 financial statements of Keppel Infrastructure Trust to be false or misleading, in any material aspect.

On behalf of the Board of Directors



KOH BAN HENG
Chairman



CHRISTINA TAN HUA MUI
Director

Singapore
22 July 2020

IMPORTANT NOTICE

The past performance of KIT is not necessarily indicative of its future performance. Certain statements made in this announcement may not be based on historical information or facts and may be "forward-looking" statements due to 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 similar businesses and governmental and public policy changes, and the continued availability of financing in the amounts and terms necessary to support future business. Such forward-looking statements speak only as of the date on which they are made, and KIT does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking statements.

Prospective investors and unitholders of KIT ("Unitholders") are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel Infrastructure Fund Management Pte. Ltd. (as trustee-manager of KIT) (the "Trustee-Manager") on future events. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained in this announcement. The information is subject to change without notice, its accuracy is not guaranteed, has not been independently verified and may not contain all material information concerning KIT. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. 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, KIT, the Trustee-Manager or any of its affiliates and/or subsidiaries. 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 Singapore Exchange Securities Trading Limited ("SGX-ST"). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.