



KEPPEL INFRASTRUCTURE FUND MANAGEMENT Pte Ltd  
(as Trustee-Manager of Keppel Infrastructure Trust)  
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## **MEDIA RELEASE**

### **Keppel Infrastructure Trust Unaudited Results for the Second Quarter and Half Year ended 30 June 2020**

**22 July 2020**

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

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**Healthy operational performance drives strong YoY growth of 20.3%  
for KIT's 1H 2020 distributable cash flow**

**Results Highlights**

- Distributable cash flow (DCF) for the second quarter of 2020 (2Q 2020) was \$62.2 million<sup>1</sup>, bringing DCF for the first half of 2020 (1H 2020) to 113.3 million<sup>1</sup>, a 35.8% and 20.3% year-on-year (YoY) increase over the corresponding periods in 2019 respectively.
- The resilient performance was supported by healthy operational performance across Keppel Infrastructure Trust's (KIT) portfolio of businesses and assets that saw minimal impact from COVID-19.
- Declared distribution per Unit (DPU) of 0.93 cents for 2Q 2020, bringing total DPU for 1H 2020 to 1.86 cents, which translated to an annualised distribution yield of 6.9% as at 30 June 2020<sup>2</sup>.
- KIT and Keppel Energy Pte. Ltd. (KE) secured a seven-year \$700 million sustainability-linked loan for Keppel Merlimau Cogen Plant. The loan is one of the largest sustainability-linked loans in Singapore and the first in the energy sector to-date.

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**Resilient Performance**

KIT delivered DCF of \$62.2 million<sup>1</sup> in 2Q 2020, bringing 1H 2020 DCF to \$113.3 million<sup>1</sup>, a 35.8% and 20.3% YoY increase compared to the corresponding periods in 2019 respectively. KIT's businesses and assets are classified as essential services, and continue to operate through the pandemic.

A segmental breakdown of KIT's DCF is tabled below and excludes cash flows from Basslink<sup>1</sup>.

Segmental Performance	Distributable Cash Flow					
	2Q 2020 \$ '000	2Q 2019 \$ '000	Change (%)	1H 2020 \$ '000	1H 2019 \$ '000	Change (%)
Distribution & Network <sup>1</sup>	40,230	21,889	83.8	68,437	44,950	52.3
Energy	10,405	11,234	(7.4)	21,607	22,950	(5.9)
Waste & Water	18,081	18,133	(0.3)	36,219	35,993	0.6
Others <sup>3</sup>	(6,541)	(5,487)	(19.2)	(12,945)	(9,694)	(33.5)
<b>Total</b>	<b>62,175</b>	<b>45,769</b>	<b>35.8</b>	<b>113,318</b>	<b>94,199</b>	<b>20.3</b>

The Trustee-Manager has declared DPU of 0.93 cents for 2Q 2020, bringing total DPU for 1H 2020 to 1.86 cents. This translates to an annualised distribution yield of 6.9%<sup>2</sup>.

On 24 June 2020, KIT and Keppel Energy Pte. Ltd. (KE) secured a seven-year \$700 million sustainability-linked loan for its jointly-owned Keppel Merlimau Cogen Plant. The loan is one of the largest sustainability-linked loans in Singapore and the first in the energy sector to-date. The loan is linked to carbon emission targets for the Keppel Merlimau Cogen Plant, including benchmarking of the plant's carbon emissions intensity against national indices, as well as demonstrating continuous improvement in the plant's carbon emissions intensity. If these pre-set targets are met, the interest rate on the facility will be subsequently reduced on a tiered basis.

The transaction is a testament to KIT's commitment towards sustainability across its operations, financing and overall strategy of the Trust. Following the transaction, the aggregate weighted average term to maturity for KIT's loans to 3.2 years, from 1.7 years as at 31 March 2020.

<sup>1</sup> Excludes Basslink as KIT does not depend on Basslink's cash flows for distribution

<sup>2</sup> Based on the market closing price per Unit of \$0.540 as at 30 June 2020

<sup>3</sup> Comprised Trust expenses and distribution paid/payable to perpetual securities holders, management fees and financing costs

Meanwhile, KIT's gearing level as at 30 June 2020 was 33.6%, providing the Trust with a comfortable debt headroom to pursue growth opportunities. At the same time, to mitigate against fluctuating interest rates, close to 81% of KIT's total loans have been hedged as at end-June 2020. This excludes the sustainability-linked loan for Keppel Merlimau Cogen plant, which is in the process of being fully hedged.

### **Operational Performance**

Ixom continued to deliver healthy and sustained performance in 2Q 2020 amid the COVID-19 pandemic, supported by its well-diversified business and large customer base. During the quarter, Ixom saw stronger performance from its life science segment due to increased demand for cleaning and hygiene products, which offset weaker demand from the pulp & paper and metals & mining segments. The dairy segment also saw a pick-up in volumes due to the improving drought conditions in New Zealand.

The chemicals that Ixom manufacture and distribute are key components in the production value-chain of its customers and Ixom will continue to ensure that these supplies are readily available for key industries and essential services that support the economies and communities in Australia and New Zealand.

In 2Q 2020, City Gas continued to experience reduced town gas supply to its Commercial & Industrial (C&I) customers due mainly to the circuit breaker in Singapore between 7 April and 1 June 2020. The reduced volume was partially offset by higher usage from residential customers. As Singapore gradually reopens its economy, town gas supply to the C&I customers has started to recover. City Gas recorded higher DCF during the quarter mainly as a result of a timing difference inherent in the fuel price pass through gas tariff mechanism. The gas tariff adjustments 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 result in over- and under-recovery of the fuel component due to a timing lag in the adjustment to the gas tariffs in response to changes in underlying fuel cost.

As updated previously, the ongoing disputes between Basslink with Hydro Tasmania (HT) and the State of Tasmania (State) arising from the December 2015 outage have been referred to arbitration, which is expected to conclude by the end of 2020. Meanwhile, KIT and Basslink continue to work with HT and the State in relation to the operation at the Basslink interconnector.

In the Energy segment, KMC contractual availability during the quarter was 97.9%. In the Waste & Water segment, operations at the Senoko Waste-to-Energy (WTE), Keppel Seghers Tuas WTE, Keppel Seghers Ulu Pandan NEWater and SingSpring Desalination plants remained stable, and met all their contractual performance requirements in 2Q 2020.

### **Looking Ahead**

The COVID-19 pandemic continues to create headwinds and uncertainties for the global economy. The Trustee-Manager will continue to monitor the situation closely as countries start to slowly regain their footing.

KIT's well-diversified and highly-defensive portfolio of businesses and assets, providing essential products and services, is well-positioned to weather this unprecedented period of uncertainty and continue to deliver long-term sustainable distributions and returns to Unitholders. At the same time, supported by its healthy balance sheet and available debt headroom, the Trustee-Manager continues to review a pipeline of potential acquisition opportunities that will further strengthen KIT's long term income stream.

## **Adoption of Half-Yearly Reporting of Financial Results and Distributions**

As announced in March 2020, with effect from the second half of 2020, KIT will adopt half-yearly announcement of financial statements as well as half-yearly distributions. In lieu of announcing the quarterly financial statements, the Manager will seek to provide interim business updates to engage investors and other stakeholders on the performance of KIT.

- End -

## **About Keppel Infrastructure Trust ([www.keppinfratrust.com](http://www.keppinfratrust.com))**

Keppel Infrastructure Trust (KIT) is a diversified business trust listed on the Singapore Exchange with approximately \$5 billion in assets under management. Its goal is to deliver sustainable returns to Unitholders, through a combination of recurring distributions and capital growth over the long term.

KIT's portfolio of strategic infrastructure businesses and assets provide essential products and services to a wide array of customers including government agencies, multinational corporations, commercial and industrial enterprises as well as retail consumers. Its assets are segmented into the three core sectors of Distribution & Network, Energy and Waste & Water.

Businesses and assets in the Distribution & Network segment provide essential products and services in the areas of gas production, distribution of critical and essential chemicals, as well as telecoms and electricity transmission. These assets are well-positioned to deliver resilient cash flows with potential for growth that is supported by favourable market dynamics and demand over the long term.

The Energy and Waste & Water segments comprise assets that are integral to the provision of power, waste treatment and water purification. The contract terms for these assets are backed by recurring fixed capacity or availability payments, providing KIT with stable cash flows.

The Trustee-Manager for KIT is Keppel Infrastructure Fund Management, a wholly-owned subsidiary of Keppel Capital Holdings Pte. Ltd., a premier asset manager in Asia. KIT is sponsored by Keppel Infrastructure Holdings Pte. Ltd., which invests in, owns and operates competitive energy and infrastructure solutions and services.

### **IMPORTANT NOTICE**

*The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Trustee-Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Trustee-Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units. The past performance of KIT is not necessarily indicative of the future performance of KIT. This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Trustee-Manager's current view on future events.*

**KEPPEL INFRASTRUCTURE TRUST  
SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2020 FINANCIAL STATEMENTS  
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## 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
<b>Singapore</b>	<u>100% Interest</u> City Gas  <u>51% interest</u> 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
<b>Australia</b>	<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	%
<b>Revenue</b>	<b>385,106</b>	418,025	(7.9)	<b>791,336</b>	736,487	7.4
<b>Other income</b>	<b>3,776</b>	1,372	>100.0	<b>6,066</b>	2,452	>100.0
<b>Other gain / (losses) - net</b>	<b>1,238</b>	(4,287)	N/M	<b>1,874</b>	(11,561)	N/M
<b>Expenses</b>						
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
<b>Profit/(loss) before joint venture</b>	<b>24,777</b>	10,273	>100.0	<b>44,127</b>	(10,843)	N/M
Share of results of joint venture	-	1,012	(100.0)	-	2,030	(100.0)
<b>Profit/(loss) before tax</b>	<b>24,777</b>	11,285	>100.0	<b>44,127</b>	(8,813)	N/M
Income tax expense	(3,218)	(2,988)	7.7	(8,579)	(7,649)	12.2
<b>Net profit/(loss) after tax</b>	<u><b>21,559</b></u>	<u>8,297</u>	>100.0	<u><b>35,548</b></u>	<u>(16,462)</u>	N/M
<b>Profit/(loss) attributable to:</b>						
Unitholders	<b>26,239</b>	15,960	64.4	<b>45,180</b>	(251)	N/M
Perpetual securities holders	<b>3,553</b>	742	>100.0	<b>7,105</b>	742	>100.0
Non-controlling interests	<b>(8,233)</b>	(8,405)	(2.0)	<b>(16,737)</b>	(16,953)	(1.3)
	<u><b>21,559</b></u>	<u>8,297</u>	>100.0	<u><b>35,548</b></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	%
<b>Net profit/(loss) after tax</b>	<b>21,559</b>	8,297	>100.0	<b>35,548</b>	(16,462)	N/M
<b>Other comprehensive income:</b>						
<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)
<b>Other comprehensive income, net of tax</b>	<b>(15,233)</b>	(28,670)	(46.9)	<b>(37,505)</b>	(57,502)	(34.8)
<b>Total comprehensive income</b>	<b>6,326</b>	(20,373)	N/M	<b>(1,957)</b>	(73,964)	(97.4)
<b>Attributable to:</b>						
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)
	<b>6,326</b>	(20,373)	N/M	<b>(1,957)</b>	(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
<b>Non-Current Assets</b>				
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	-	-
<b>Total non-current assets</b>	<b>3,910,783</b>	<b>3,974,027</b>	<b>2,075,623</b>	<b>2,093,684</b>
<b>Current Assets</b>				
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
<b>Total current assets</b>	<b>1,054,008</b>	<b>1,029,248</b>	<b>214,729</b>	<b>224,236</b>
<b>Current Liabilities</b>				
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
<b>Total current liabilities</b>	<b>1,032,544</b>	<b>1,706,097</b>	<b>3,436</b>	<b>6,693</b>
<b>Net Current Assets/(Liabilities)</b>	<b>21,464</b>	<b>(676,849)</b>	<b>211,293</b>	<b>217,543</b>
<b>Non-Current Liabilities</b>				
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	-	-
<b>Total non-current liabilities</b>	<b>2,322,805</b>	<b>1,583,009</b>	<b>103,378</b>	<b>101,013</b>
<b>Net Assets</b>	<b>1,609,442</b>	<b>1,714,169</b>	<b>2,183,538</b>	<b>2,210,214</b>
<b>Represented by:</b>				
<b>Unitholders' Funds</b>				
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)
<b>Total Unitholders' funds</b>	<b>1,236,484</b>	<b>1,324,406</b>	<b>1,884,607</b>	<b>1,911,243</b>
Perpetual securities	298,931	298,971	298,931	298,971
Non-controlling interests	74,027	90,792	-	-
	<b>1,609,442</b>	<b>1,714,169</b>	<b>2,183,538</b>	<b>2,210,214</b>

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
<b>Unsecured borrowings</b>		
Amount repayable after one year	<u>277,459</u>	<u>277,361</u>
<b>Secured borrowings</b>		
Amount repayable within one year	<b>673,883</b>	1,318,473
Amount repayable after one year	<u><b>1,217,899</b></u>	<u>515,819</u>
	<b>1,891,782</b>	1,834,292
<b>Total borrowings</b>	<u><b>2,169,241</b></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 Ltd<sup>1</sup>, 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.

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<sup>1</sup> 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
<b>Operating activities</b>				
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
<b>Cash generated from operations</b>	<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)
<b>Net cash from operating activities</b>	<u>88,961</u>	<u>64,244</u>	<u>134,085</u>	<u>117,655</u>
<b>Investing activities</b>				
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
<b>Net cash used in investing activities</b>	<u>(3,681)</u>	<u>(5,252)</u>	<u>(34,014)</u>	<u>(1,104,355)</u>
<b>Financing activities</b>				
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)
<b>Net cash (used in)/from financing activities</b>	<u>(30,225)</u>	<u>49,042</u>	<u>(74,221)</u>	<u>1,174,802</u>
<b>Net increase in cash and cash equivalents</b>	<u>55,055</u>	<u>108,034</u>	<u>25,850</u>	<u>188,102</u>
<b>Cash and cash equivalents at beginning of the period</b>	<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)
<b>Cash and cash equivalents at end of the period (Note a)</b>	<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>
<b>Total identifiable assets acquired and liabilities assumed</b>	<b>8,737</b>
Goodwill	22,820
<b>Total purchase consideration</b>	<b><u>31,557</u></b>
<b>Net cash outflow arising on acquisition:</b>	
Total purchase consideration	31,557
Less: deferred cash consideration	<u>(7,786)</u>
	<b><u>23,771</u></b>

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

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

Group

	Attributable to Unitholders of the Trust								Total S\$'000
	Units in Issue S\$'000	Hedging Reserve S\$'000	Translation Reserve S\$'000	Capital Reserve S\$'000	Accumulated Losses S\$'000	Total Unitholders' Funds S\$'000	Perpetual Securities S\$'000	Non- controlling Interests S\$'000	
<b>2019</b>									
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
<b>At 31 March 2019</b>	<b>2,434,584</b>	<b>(210,982)</b>	<b>(19,186)</b>	<b>38,710</b>	<b>(975,675)</b>	<b>1,267,451</b>	<b>-</b>	<b>122,266</b>	<b>1,389,717</b>
<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
<b>At 30 June 2019</b>	<b>2,630,301</b>	<b>(232,240)</b>	<b>(26,763)</b>	<b>38,710</b>	<b>(996,421)</b>	<b>1,413,587</b>	<b>298,101</b>	<b>112,244</b>	<b>1,824,674</b>

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
<b>2020</b>							
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)
<b>At 31 March 2020</b>	<b>2,629,996</b>	<b>-</b>	<b>(619)</b>	<b>(738,817)</b>	<b>1,890,560</b>	<b>302,523</b>	<b>2,193,083</b>
<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)
<b>At 30 June 2020</b>	<b>2,628,761</b>	<b>-</b>	<b>(3,538)</b>	<b>(740,616)</b>	<b>1,884,607</b>	<b>298,931</b>	<b>2,183,538</b>
<b>2019</b>							
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
<b>At 31 March 2019</b>	<b>2,434,584</b>	<b>-</b>	<b>46</b>	<b>(674,126)</b>	<b>1,760,504</b>	<b>-</b>	<b>1,760,504</b>
<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
<b>At 30 June 2019</b>	<b>2,630,301</b>	<b>-</b>	<b>(436)</b>	<b>(688,000)</b>	<b>1,941,865</b>	<b>298,843</b>	<b>2,240,708</b>

**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 <sup>(1)</sup>	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	<b>4,990,437,786</b>	4,994,391,069	<b>4,990,437,786</b>	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) <sup>(1)</sup>	N/M

<sup>(1)</sup> 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 Concessions<sup>2</sup> 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.

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<sup>2</sup> 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
<b>1. Temasek Holdings (Private) Limited and its Associates</b>				
General Transaction				
(a) Sales of Goods and Services	-	-	799	1,882
(b) Purchases	-	1,044 <sup>(1)</sup>	70,347	94,236
(c) Rental expense	-	-	562	208
Total	-	1,044 <sup>(1)</sup>	71,708	96,326
<b>2. Keppel Corporation Group</b>				
General Transaction				
(a) Sales of Goods and Services	300 <sup>(2)</sup>	-	-	-
(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 <sup>(2)</sup>	-	370,836	370,463

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.