

**MEDIA RELEASE**

**KEPPEL INFRASTRUCTURE TRUST UNAUDITED RESULTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2018**

**22 January 2019**

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 fourth quarter and full year ended 31 December 2018.

These figures have not been audited.

**FY18 RESULTS HIGHLIGHTS**

1. Distribution per Unit (“DPU”) of 0.93 cents was declared for the quarter ended 31 December 2018, bringing total DPU to 3.72 cents for FY2018, and translates to a yield of 7.7<sup>(1)</sup>%.
2. Group revenue for FY2018 was S\$637.4 million, 0.8% higher than FY2017, due mainly to higher contributions from City Gas due to higher town gas tariff as a result of higher fuel prices. This was partially offset by lower fees earned at Basslink due to the service outage between 25 March and 5 June 2018 as a result of an incident caused by a third party contractor. Basslink resumed service on 5 June 2018.
3. The Group recorded lower profit attributable to Unitholders of the Trust in FY2018 as compared to FY2017, mainly due to lower contribution from City Gas due to the time lag in the adjustment of gas tariffs to reflect actual fuel cost, lower revenue at Basslink as a result of the March 2018 service outage and higher fair value loss of derivative financial instruments recognised.
4. FY2018 distributable cash flows<sup>(2)</sup> of S\$141.2 million were S\$3.0 million lower than FY2017 mainly due to lower contributions from City Gas.
5. Net asset value per unit as at 31 December 2018 decreased to 27.3 Singapore cents from 29.9 Singapore cents as at 31 December 2017 primarily attributable to distributions to Unitholders, partially offset by marked-to-market movements of derivative financial instruments and profit recognised for the period.
6. Gearing<sup>(3)</sup> as at 31 December 2018 was 40.6% compared to 39.9% as at 31 December 2017.

7. On 15 November 2018, KIT announced the proposed DPU-yield accretive acquisition of Ixom Holdco Pty Ltd<sup>(4)</sup> (“Ixom”), a leading industrial infrastructure business in Australia and New Zealand, supplying and distributing key water treatment chemicals, as well as industrial and specialty chemicals.
8. Strategic addition of Ixom will strengthen KIT’s overall portfolio, and increase AUM to S\$5.1 billion, as well as provide KIT with sustainable cash flows and stable distributions to Unitholders over the long term.

(1) Based on the price per Unit of \$0.485 as at the last trading day for FY 2018

(2) Excluding Basslink, consistent with previous results announcements

(3) Defined as net debt over total assets

(4) Subject to approval by Unitholders at an Extraordinary General Meeting

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**KEPPEL INFRASTRUCTURE TRUST  
FULL YEAR 2018 FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT  
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# **Keppel Infrastructure Trust**

**Registration Number 2007001**

**(Constituted in the Republic of Singapore pursuant to a trust deed dated 5 January 2007 (as amended))**

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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 31 December 2018 included 100% interest in City Gas, Senoko Waste-to-Energy ("WTE") Plant, Keppel Seghers Tuas WTE Plant, Keppel Seghers Ulu Pandan NEWater Plant, and Basslink; 70% interest in SingSpring Desalination Plant and 51% in Keppel Merlimau Cogen ("KMC"), DataCentre One ("DC One") and City-OG Gas. KIT also has a wholly-owned subsidiary which was appointed as trustee-manager of NetLink Trust. The subsidiary ceased to be the trustee-manager of NetLink Trust on 13 April 2017 and was liquidated on 8 June 2018.

On 15 November 2018, KIT announced that it has agreed to acquire 100% interest in Ixom HoldCo Pty Ltd, one of the leading industrial infrastructure businesses in Australia and New Zealand, supplying and distributing water treatment chemicals which are key to fundamental industries, as well as industrial and specialty chemicals. On completion of the acquisition, expected to be in 1Q FY19, KIT's enlarged portfolio will grow to S\$5.1 billion.

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 YEAR ENDED 31 DECEMBER 2018**

The Directors of **Keppel Infrastructure Fund Management Pte. Ltd., as Trustee-Manager of Keppel Infrastructure Trust**, advise the following unaudited results of the Group for the year ended 31 December 2018.

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

(i) **Consolidated Income Statement**

	<u>Group</u>					
	4Q FY18 S\$'000	4Q FY17 S\$'000	Change %	FY2018 S\$'000	FY2017 S\$'000	Change %
<b>Revenue</b>	<b>172,184</b>	158,117	8.9	<b>637,387</b>	632,476	0.8
<b>Other income</b>	<b>2,288</b>	941	>100.0	<b>9,169</b>	3,593	>100.0
<b>Other losses - net</b>	<b>(1,309)</b>	(3,648)	(64.1)	<b>(13,650)</b>	(8,855)	54.2
<b>Expenses</b>						
Fuel and electricity costs	(42,055)	(33,808)	24.4	(155,601)	(126,008)	23.5
Gas transportation costs	(23,771)	(23,237)	2.3	(93,873)	(93,109)	0.8
Depreciation and amortisation	(25,775)	(26,033)	(1.0)	(103,480)	(104,969)	(1.4)
Staff costs	(7,473)	(7,061)	5.8	(27,378)	(26,717)	2.5
Operation and maintenance costs	(19,003)	(20,570)	(7.6)	(77,859)	(82,425)	(5.5)
Finance costs	(29,956)	(31,250)	(4.1)	(123,669)	(124,949)	(1.0)
Trustee-Manager's fees	(2,224)	(2,268)	(1.9)	(9,742)	(9,762)	(0.2)
Other operating expenses	(13,433)	(12,490)	7.6	(47,459)	(47,872)	(0.9)
Total expenses	<u>(163,690)</u>	<u>(156,717)</u>	4.4	<u>(639,061)</u>	<u>(615,811)</u>	3.8
<b>Profit/(Loss) before joint venture</b>	<b>9,473</b>	(1,307)	N/M	<b>(6,155)</b>	11,403	N/M
Share of results of joint venture	<u>1,027</u>	910	12.9	<u>3,840</u>	2,715	41.4
<b>Profit/(Loss) before tax</b>	<b>10,500</b>	(397)	N/M	<b>(2,315)</b>	14,118	N/M
Income tax credit/(expense)	2,374	2,771	(14.3)	(43)	(342)	(87.4)
<b>Net profit/(loss) after tax</b>	<u><b>12,874</b></u>	<u>2,374</u>	>100.0	<u><b>(2,358)</b></u>	<u>13,776</u>	N/M
<b>Profit/(Loss) attributable to:</b>						
Unitholders	20,413	9,607	>100.0	32,023	47,613	(32.7)
Non-controlling interests	<u>(7,539)</u>	<u>(7,233)</u>	4.2	<u>(34,381)</u>	<u>(33,837)</u>	1.6
	<u><b>12,874</b></u>	<u>2,374</u>	>100.0	<u><b>(2,358)</b></u>	<u>13,776</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>					
	4Q FY18	4Q FY17	Change	FY2018	FY2017	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Net profit/(loss) after tax</b>	<b>12,874</b>	2,374	>100.0	<b>(2,358)</b>	13,776	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)/gain	<b>(12,464)</b>	2,960	N/M	<b>(14,560)</b>	(37,360)	(61.0)
- Transfer to income statement	<b>4,468</b>	6,953	(35.7)	<b>28,025</b>	28,877	(3.0)
Share of net change in fair value of cash flow hedges of a joint venture	<b>(164)</b>	46	N/M	<b>502</b>	(1,080)	N/M
Currency translation differences relating to consolidation of foreign subsidiaries	<b>(285)</b>	(315)	(9.5)	<b>(91)</b>	(488)	(81.4)
<b>Other comprehensive income, net of tax</b>	<b>(8,445)</b>	9,644	N/M	<b>13,876</b>	(10,051)	N/M
<b>Total comprehensive income</b>	<b>4,429</b>	12,018	(63.1)	<b>11,518</b>	3,725	>100.0
<b>Attributable to:</b>						
Unitholders	<b>12,107</b>	17,614	(31.3)	<b>42,525</b>	40,871	4.0
Non-controlling interests	<b>(7,678)</b>	(5,596)	37.2	<b>(31,007)</b>	(37,146)	(16.5)
	<b>4,429</b>	12,018	(63.1)	<b>11,518</b>	3,725	>100.0

N/M - Not meaningful

1(b)(i) STATEMENTS OF FINANCIAL POSITION

	<u>Group</u>			<u>Trust</u>		
	31 Dec 2018	31 Dec 2017 (Restated) <sup>(1)</sup>	1 Jan 2017 (Restated) <sup>(1)</sup>	31 Dec 2018	31 Dec 2017 <sup>(1)</sup>	1 Jan 2017 <sup>(1)</sup>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-Current Assets</b>						
Property, plant and equipment	2,152,479	2,255,920	2,379,600	-	-	-
Intangibles	518,758	527,145	537,165	-	-	-
Investment in subsidiaries	-	-	-	801,231	851,892	951,030
Investment in and advances to joint venture	20,009	20,752	23,432	-	-	-
Notes receivables	-	-	-	775,712	775,712	775,712
Amount receivable from a subsidiary	-	-	-	15,387	20,187	22,028
Service concession receivables	332,221	378,758	424,025	-	-	-
Finance lease receivables	95,070	105,139	114,823	-	-	-
Derivative financial instruments	69	-	-	-	-	-
Other assets	164,785	180,548	122,874	-	-	-
<b>Total non-current assets</b>	<b>3,283,391</b>	<b>3,468,262</b>	<b>3,601,919</b>	<b>1,592,330</b>	<b>1,647,791</b>	<b>1,748,770</b>
<b>Current Assets</b>						
Cash and bank deposits	231,603	213,956	266,859	26,116	31,054	51,969
Trade and other receivables	151,787	143,266	118,866	13,784	4,979	4,717
Service concession receivables	46,537	45,267	44,034	-	-	-
Finance lease receivables	10,069	9,684	9,319	-	-	-
Derivative financial instruments	202	-	1,055	31	-	-
Inventories	59,236	54,174	54,456	-	-	-
Other current assets	22,182	21,807	22,134	14	47	55
<b>Total current assets</b>	<b>521,616</b>	<b>488,154</b>	<b>516,723</b>	<b>39,945</b>	<b>36,080</b>	<b>56,741</b>
<b>Current Liabilities</b>						
Borrowings	1,034,565	722,377	752,106	147,609	-	-
Loan from a subsidiary	-	-	-	-	-	43,335
Trade and other payables	177,905	174,843	160,193	3,648	3,588	4,122
Derivative financial instruments	16,772	18,380	19,571	-	-	-
Income tax payable	4,356	3,410	5,454	15	10	19
<b>Total current liabilities</b>	<b>1,233,598</b>	<b>919,010</b>	<b>937,324</b>	<b>151,272</b>	<b>3,598</b>	<b>47,476</b>
<b>Net Current (Liabilities)/Assets</b>	<b>(711,982)</b>	<b>(430,856)</b>	<b>(420,601)</b>	<b>(111,327)</b>	<b>32,482</b>	<b>9,265</b>
<b>Non-Current Liabilities</b>						
Borrowings	740,383	1,071,904	1,058,576	-	145,500	122,612
Notes payable to non-controlling interests	260,000	260,000	260,000	-	-	-
Derivative financial instruments	99,491	100,551	85,976	-	859	986
Other payables	250,732	242,012	268,838	-	-	-
Provisions	26,935	32,886	31,280	-	-	-
Deferred tax liabilities	15,612	18,159	22,678	-	-	-
<b>Total non-current liabilities</b>	<b>1,393,153</b>	<b>1,725,512</b>	<b>1,727,348</b>	<b>-</b>	<b>146,359</b>	<b>123,598</b>
<b>Net Assets</b>	<b>1,178,256</b>	<b>1,311,894</b>	<b>1,453,970</b>	<b>1,481,003</b>	<b>1,533,914</b>	<b>1,634,437</b>
<b>Represented by:</b>						
<b>Unitholders' Funds</b>						
Units in issue	2,138,066	2,137,538	2,137,389	2,138,066	2,137,538	2,137,389
Hedging reserve	(200,226)	(210,861)	(204,478)	31	(859)	(986)
Translation reserve	(492)	(359)	-	-	-	-
Capital reserve	38,710	38,710	38,710	-	-	-
Accumulated losses	(923,582)	(812,093)	(716,231)	(657,094)	(602,765)	(501,966)
Total Unitholders' funds	1,052,476	1,152,935	1,255,390	1,481,003	1,533,914	1,634,437
Non-controlling interests	125,780	158,959	198,580	-	-	-
<b>Total</b>	<b>1,178,256</b>	<b>1,311,894</b>	<b>1,453,970</b>	<b>1,481,003</b>	<b>1,533,914</b>	<b>1,634,437</b>

Note:

<sup>(1)</sup> The Group and Trust have adopted SFRS (I) on 1 January 2018. The Group has elected the optional exemption to reset its cumulative translation reserve to nil at the date of transition of 1 January 2017. Please refer to paragraph 4 for further details.

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>	
	31 Dec 2018	31 Dec 2017
	S\$'000	S\$'000
<b>Unsecured borrowings</b>		
Amount repayable within one year	147,609	-
Amount repayable after one year	-	145,500
	<u>147,609</u>	<u>145,500</u>
<b>Secured borrowings</b>		
Amount repayable within one year	886,956	722,377
Amount repayable after one year	740,383	926,404
	<u>1,627,339</u>	<u>1,648,781</u>
<b>Total borrowings</b>	<u>1,774,948</u>	<u>1,794,281</u>

### Details of collaterals

The bank borrowings are secured over the assets and business undertakings of City Gas, SingSpring and Basslink 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.

On 20 December 2015, the Basslink interconnector experienced an unplanned outage caused by a cable fault. The interconnector returned to service on 13 June 2016. As previously announced, Basslink was unable to meet the minimum debt service coverage ratio covenant in the project financing. As a condition of waiver of this event of default, Basslink was required to agree with the banking syndicate a Long Term Financing Plan ("LTFP") which has yet to be agreed as at 31 December 2018. There is no contractual recourse to KIT under the project financing. Discussions have been ongoing with the banking syndicate on the subsisting defaults.

Basslink is current on its debt payments under the project financing subsequent to the return to service of the interconnector on 13 June 2016. The event of default has no material financial impact on the distributions per unit of KIT for the year ended 31 December 2018 since KIT does not rely on Basslink's cash flows for its distributions.

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<sup>1</sup> 30% unitholder of SingSpring Trust

1(c) **CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Group</b>			
	<b>4Q FY18</b>	<b>4Q FY17</b>	<b>FY2018</b>	<b>FY2017</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities</b>				
Profit/(Loss) before tax	10,500	(397)	(2,315)	14,118
Adjustments for:				
Depreciation and amortisation	25,775	26,033	103,480	104,969
Finance costs	29,956	31,250	123,669	124,949
Interest income	(585)	(461)	(2,022)	(1,664)
Fair value loss on derivative financial instruments	1,317	3,315	13,275	8,523
Impairment loss on trade and other receivables (net)	71	192	757	573
Property, plant and equipment written off	3	1	3	2
(Gain)/loss on disposal of property, plant and equipment	(2)	1	(2)	(6)
Share of results of joint venture	(1,027)	(910)	(3,840)	(2,715)
Unrealised foreign exchange loss/(gain)	325	(190)	(349)	(126)
Management fees paid in units	-	-	528	149
Operating cash flows before working capital changes	<b>66,333</b>	<b>58,834</b>	<b>233,184</b>	<b>248,772</b>
Changes in working capital :				
Trade and other receivables	12,800	19,739	61,059	(29,171)
Trade and other payables	(1,700)	(20,336)	3,725	(27,882)
Inventories	(3,753)	1,000	(5,375)	(341)
<b>Cash generated from operations</b>	<b>73,680</b>	<b>59,237</b>	<b>292,593</b>	<b>191,378</b>
Interest received	752	535	2,028	1,865
Interest paid	(23,637)	(29,678)	(110,923)	(105,602)
Income tax paid	(392)	(1,692)	(3,221)	(5,425)
<b>Net cash from operating activities</b>	<b>50,403</b>	<b>28,402</b>	<b>180,477</b>	<b>82,216</b>
<b>Investing activities</b>				
Dividend received from joint venture	989	830	3,723	2,177
Repayment of advances from joint venture	337	364	1,362	2,138
Purchase of property, plant and equipment	(8,133)	(1,235)	(8,502)	(1,727)
Proceeds from sale of property, plant and equipment	14	-	14	56
Proceeds from sale of inventories	191	73	313	623
<b>Net cash (used in)/ from investing activities</b>	<b>(6,602)</b>	<b>32</b>	<b>(3,090)</b>	<b>3,267</b>
<b>Financing activities</b>				
(Increase)/decrease in restricted cash	(1,209)	1,591	(2,144)	2,592
Proceeds from borrowings	2,000	-	2,000	44,807
Repayment of borrowings	(4,186)	(6,429)	(16,134)	(37,149)
Unclaimed distributions written back	-	-	6	15
Distributions paid to Unitholders of the Trust	(35,883)	(35,873)	(143,518)	(143,490)
Distributions paid by subsidiaries to non-controlling interests	(389)	(630)	(2,172)	(2,475)
<b>Net cash used in financing activities</b>	<b>(39,667)</b>	<b>(41,341)</b>	<b>(161,962)</b>	<b>(135,700)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,134</b>	<b>(12,907)</b>	<b>15,425</b>	<b>(50,217)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>175,374</b>	<b>177,323</b>	<b>164,202</b>	<b>214,513</b>
Effect of currency translation on cash and cash equivalents	197	(214)	78	(94)
<b>Cash and cash equivalents at end of the period (Note a)</b>	<b>179,705</b>	<b>164,202</b>	<b>179,705</b>	<b>164,202</b>

**Note a:**

	31 Dec 2018	31 Dec 2017
	S\$'000	S\$'000
Cash and bank deposits	231,603	213,956
Less: Restricted cash	(51,898)	(49,754)
Cash and cash equivalents	<b>179,705</b>	<b>164,202</b>

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.

Please refer to paragraph 8.1 for further details.

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

<u>Group</u>	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	Total Unitholders' Funds S\$'000	Non-controlling Interests S\$'000	
<b>2018</b>								
At 1 January 2018	2,137,538	(210,861)	(26,946)	38,710	(785,506)	<b>1,152,935</b>	158,959	<b>1,311,894</b>
Reclassification on adoption of SFRS(I)	-	-	26,587	-	(26,587)	-	-	-
At 1 January 2018 (as restated)	2,137,538	(210,861)	(359)	38,710	(812,093)	<b>1,152,935</b>	158,959	<b>1,311,894</b>
<u>Total comprehensive income</u>								
Profit/(Loss) for the period	-	-	-	-	11,610	<b>11,610</b>	(26,842)	<b>(15,232)</b>
Other comprehensive income for the period	-	18,664	144	-	-	<b>18,808</b>	3,513	<b>22,321</b>
Total	-	18,664	144	-	11,610	<b>30,418</b>	(23,329)	<b>7,089</b>
<u>Transactions with owners, recognised directly in equity</u>								
Units issued	528	-	-	-	-	<b>528</b>	-	<b>528</b>
Unclaimed distributions written back	-	-	-	-	6	<b>6</b>	-	<b>6</b>
Distributions paid	-	-	-	-	(107,635)	<b>(107,635)</b>	(1,783)	<b>(109,418)</b>
Total	528	-	-	-	(107,629)	<b>(107,101)</b>	(1,783)	<b>(108,884)</b>
<b>At 30 September 2018</b>	<b>2,138,066</b>	<b>(192,197)</b>	<b>(215)</b>	<b>38,710</b>	<b>(908,112)</b>	<b>1,076,252</b>	<b>133,847</b>	<b>1,210,099</b>
<u>Total comprehensive income</u>								
Profit/(Loss) for the period	-	-	-	-	20,413	<b>20,413</b>	(7,539)	<b>12,874</b>
Other comprehensive income for the period	-	(8,029)	(277)	-	-	<b>(8,306)</b>	(139)	<b>(8,445)</b>
Total	-	(8,029)	(277)	-	20,413	<b>12,107</b>	(7,678)	<b>4,429</b>
<u>Transactions with owners, recognised directly in equity</u>								
Distributions paid	-	-	-	-	(35,883)	<b>(35,883)</b>	(389)	<b>(36,272)</b>
<b>At 31 December 2018</b>	<b>2,138,066</b>	<b>(200,226)</b>	<b>(492)</b>	<b>38,710</b>	<b>(923,582)</b>	<b>1,052,476</b>	<b>125,780</b>	<b>1,178,256</b>

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

<u>Group</u>	Attributable to Unitholders of the Trust					Total Unitholders' Funds S\$'000	Non-controlling Interests S\$'000	Total S\$'000
	Units in Issue S\$'000	Hedging Reserve S\$'000	Translation Reserve S\$'000	Capital Reserve S\$'000	Accumulated Losses S\$'000			
<b>2017</b>								
At 1 January 2017	2,137,389	(204,478)	(26,587)	38,710	(689,644)	1,255,390	198,580	1,453,970
Reclassification on adoption of SFRS(l)	-	-	26,587	-	(26,587)	-	-	-
At 1 January 2017 (as restated)	2,137,389	(204,478)	-	38,710	(716,231)	1,255,390	198,580	1,453,970
<u>Total comprehensive income</u>								
Profit/(Loss) for the period	-	-	-	-	38,006	38,006	(26,604)	11,402
Other comprehensive income for the period	-	(14,705)	(44)	-	-	(14,749)	(4,946)	(19,695)
Total	-	(14,705)	(44)	-	38,006	23,257	(31,550)	(8,293)
<u>Transactions with owners, recognised directly in equity</u>								
Units issued	149	-	-	-	-	149	-	149
Unclaimed distributions written back	-	-	-	-	15	15	-	15
Distributions paid	-	-	-	-	(107,617)	(107,617)	(1,845)	(109,462)
Total	149	-	-	-	(107,602)	(107,453)	(1,845)	(109,298)
<b>At 30 September 2017</b>	<b>2,137,538</b>	<b>(219,183)</b>	<b>(44)</b>	<b>38,710</b>	<b>(785,827)</b>	<b>1,171,194</b>	<b>165,185</b>	<b>1,336,379</b>
<u>Total comprehensive income</u>								
Profit/(Loss) for the period	-	-	-	-	9,607	9,607	(7,233)	2,374
Other comprehensive income for the period	-	8,322	(315)	-	-	8,007	1,637	9,644
Total	-	8,322	(315)	-	9,607	17,614	(5,596)	12,018
<u>Transactions with owners, recognised directly in equity</u>								
Distributions paid	-	-	-	-	(35,873)	(35,873)	(630)	(36,503)
<b>At 31 December 2017</b>	<b>2,137,538</b>	<b>(210,861)</b>	<b>(359)</b>	<b>38,710</b>	<b>(812,093)</b>	<b>1,152,935</b>	<b>158,959</b>	<b>1,311,894</b>

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

**Trust**

	Units in Issue S\$'000	Hedging Reserve S\$'000	Accumulated Losses S\$'000	Total Unitholders' Funds S\$'000
<b>2018</b>				
At 1 January 2018	2,137,538	(859)	(602,765)	1,533,914
<u>Total comprehensive income</u>				
Profit for the period	-	-	107,804	107,804
Other comprehensive income for the period	-	790	-	790
Total	-	790	107,804	108,594
<u>Transactions with owners, recognised directly in equity</u>				
Units issued	528	-	-	528
Unclaimed distributions written back	-	-	6	6
Distributions paid	-	-	(107,635)	(107,635)
Total	528	-	(107,629)	(107,101)
<b>At 30 September 2018</b>	<b>2,138,066</b>	<b>(69)</b>	<b>(602,590)</b>	<b>1,535,407</b>
<u>Total comprehensive income</u>				
Profit for the period	-	-	(18,621)	(18,621)
Other comprehensive income for the period	-	100	-	100
Total	-	100	(18,621)	(18,521)
<u>Transactions with owners, recognised directly in equity</u>				
Distributions paid	-	-	(35,883)	(35,883)
<b>At 31 December 2018</b>	<b>2,138,066</b>	<b>31</b>	<b>(657,094)</b>	<b>1,481,003</b>
<b>2017</b>				
At 1 January 2017	2,137,389	(986)	(501,966)	1,634,437
<u>Total comprehensive income</u>				
Profit for the period	-	-	108,386	108,386
Other comprehensive income for the period	-	(516)	-	(516)
Total	-	(516)	108,386	107,870
<u>Transactions with owners, recognised directly in equity</u>				
Units issued	149	-	-	149
Unclaimed distributions written back	-	-	15	15
Distributions paid	-	-	(107,617)	(107,617)
Total	149	-	(107,602)	(107,453)
<b>At 30 September 2017</b>	<b>2,137,538</b>	<b>(1,502)</b>	<b>(501,182)</b>	<b>1,634,854</b>
<u>Total comprehensive income</u>				
Profit for the period	-	-	(65,710)	(65,710)
Other comprehensive income for the period	-	643	-	643
Total	-	643	(65,710)	(65,067)
<u>Transactions with owners, recognised directly in equity</u>				
Distributions paid	-	-	(35,873)	(35,873)
<b>At 31 December 2017</b>	<b>2,137,538</b>	<b>(859)</b>	<b>(602,765)</b>	<b>1,533,914</b>

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

	1 Oct 2018 to 31 Dec 2018	1 Oct 2017 to 31 Dec 2017	1 Jan 2018 to 31 Dec 2018	1 Jan 2017 to 31 Dec 2017
<b>GROUP and TRUST</b>				
Issued units at the beginning of the period	3,858,298,065	3,857,378,731	3,857,378,731	3,857,063,631
Issuance of new units <sup>(1)</sup>	-	-	919,334	315,100
Issued units at the end of the period	<u>3,858,298,065</u>	<u>3,857,378,731</u>	<u>3,858,298,065</u>	<u>3,857,378,731</u>

Note:

(1) This relates to the payment of 20.6% of 4Q FY17 (2017: 5.8% of 4Q FY16) and 3.0% of 1Q FY18 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 31 December 2018 and 31 December 2017.

The total number of issued units as at 31 December 2018 and 31 December 2017 were 3,858,298,065 and 3,857,378,731 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 ON**

Not applicable.

**2. AUDIT**

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

**3. AUDITORS' REPORT**

Not applicable.

**4. ACCOUNTING POLICIES**

The Accounting Standards Council has issued a new financial reporting framework - Singapore Financial Reporting Standards (International) ("SFRS(I)"), which is to be adopted by Singapore Business Trusts listed on the Singapore Exchange, for annual periods beginning on or after January 1, 2018. SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and is effective on 1 January 2018. An entity that complies with SFRS(I) can also elect to simultaneously include an explicit and unreserved statement of compliance with IFRS in its first SFRS(I) financial statements, and thereafter, in its subsequent SFRS(I) financial statements. The Group has elected to assert dual compliance with both SFRS(I) and IFRS with effect from annual periods beginning on or after 1 January 2018. As a first-time adopter, the Group and the Trust are to apply retrospectively, accounting policies based on each SFRS(I) effective as at the end of the first SFRS(I) reporting period (December 31, 2018), except for areas of exceptions and optional exemptions set out in SFRS(I) 1.

The Group has performed a detailed analysis of the transition options and other requirements of SFRS(I) and has determined that there are no changes to the Group's and the Trust's current accounting policies under the Financial Reporting Standards in Singapore or material adjustments on the initial transition to the new framework, other than those that may arise from implementing certain new SFRS(I) pronouncements effective at the same time, and the election of certain transition options available under SFRS(I) 1.

In adopting SFRS(I), the Group has elected the optional exemption to reset its translation reserve to nil at the date of transition on 1 January 2017. As a result, the Group reclassified cumulative translation losses of S\$26.6 million from translation reserve account to accumulated losses as at January 1, 2017. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

**5. CHANGES IN ACCOUNTING POLICIES**

Refer to Paragraph 4 – Accounting Policies

**6. EARNINGS PER UNIT (“EPU”)**

	<u>Group</u>			FY2018	FY2017	%
	4Q FY18	4Q FY17	%			
Weighted average number of units	<b>3,858,298,065</b>	3,857,378,731	0.0	<b>3,858,117,720</b>	3,857,328,660	0.0
EPU - based on the weighted average number of units in issue (cents)						
- basic and diluted	<b>0.53</b>	0.25	>100.0	<b>0.83</b>	1.23	(32.5)

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>		
	31 Dec 2018	31 Dec 2017	%	31 Dec 2018	31 Dec 2017	%
NAV per unit (cents)	<b>27.3</b>	29.9	(8.7)	<b>38.4</b>	39.8	(3.5)
Adjusted NAV per unit (cents)						
- (after distribution payable to unitholders)	<b>26.4</b>	29.0	(9.0)	<b>37.5</b>	38.8	(3.4)

The Group NAV per unit before hedging and translation reserves was 32.5 cents as at 31 December 2018 and 35.4 cents (restated) as at 31 December 2017. The Trust NAV per unit before hedging reserves was 38.4 cents as at 31 December 2018 and 39.8 cents as at 31 December 2017 respectively.

The number of units used for computation of NAV per unit and adjusted NAV per unit were 3,858,298,065 and 3,857,378,731 which were the number of units in issue as at 31 December 2018 and 31 December 2017 respectively.

**8. REVIEW OF PERFORMANCE**

**8.1 Cash flow**

The Group’s cash and bank deposits net of restricted cash were S\$179.7 million and S\$164.2 million as at 31 December 2018 and 31 December 2017, respectively.

Net cash generated from operating activities in FY2018 was S\$180.5 million, S\$98.3 million higher than FY2017 mainly because KMC had utilised all of the prepaid tolling fees in August 2017 and started receiving tolling fees from the Toller since, and timing difference between receipts and payments for the period.

In FY2018, net cash used in investing activities of S\$3.1 million was mainly on purchase of property, plant and equipment. This was partially offset by receipt of dividend and repayment of advances from Datacentre One. In FY2017, the Group had net cash generated from investing activities relating to receipt of dividend and repayment of advances from Datacentre One, partially netted by the purchase of property, plant and equipment.

Net cash used in financing activities of S\$162.0 million in FY2018 and S\$135.7 million in FY2017 were mainly for distributions to unitholders and repayment of borrowings. In FY2017, these were partially offset by net proceeds from borrowings.

## 8. REVIEW OF PERFORMANCE (CONT'D)

### 8.2 Income Statement

#### *Revenue*

Group revenue for 4Q FY18 was S\$172.2 million, bringing total revenue recognised in FY2018 to S\$637.4 million, 0.8% higher than FY2017.

At City Gas, revenue of S\$91.4 million in 4Q FY18 and S\$347.6 million in FY2018, were higher than the corresponding periods in the previous year, due to higher town gas tariff as a result of higher fuel prices. City Gas achieved 100.0% plant availability during the period.

The Concessions<sup>2</sup> contributed revenue of S\$23.4 million in 4Q FY18 and S\$93.5 million in FY2018, comparable to the corresponding periods last year. All 4 plants fulfilled their contractual obligations during the period.

Basslink's revenue for 4Q FY18 of A\$24.7 million (approximately S\$24.6 million) and FY2018 of A\$66.4 million (approximately S\$67.1 million) were higher than 4Q FY17 of A\$19.6 million (approximately S\$20.6 million) but lower than FY2017 of A\$80.5 million (approximately S\$85.4 million), respectively. This was due to the service outage that occurred from 25 March to 5 June 2018 as a result of an incident caused by a third party contractor, impacting the cumulative availability. The higher 4Q FY18 revenue was due to timing of this cumulative availability adjustment, while the incident resulted in lower overall fees during the year.

Revenue from KMC was S\$32.8 million and S\$129.1 million for 4Q FY18 and FY2018 respectively, comparable to last year.

CityNet contributed revenue of S\$1.2 million in FY2017. There was no contribution this year as CityNet ceased to be the trustee-manager of Netlink Trust with effect from 13 April 2017.

#### *Other income*

Other income in 4Q FY18 and FY2018 includes insurance compensation recognised in connection with service outage at Basslink.

#### *Other losses - net*

Other losses comprised mainly the fair value movement of derivative financial instruments.

#### *Expenses*

Fuel and electricity costs in 4Q FY18 and FY2018 were higher than last year due to higher fuel prices.

Gas transportation costs for 4Q FY18 and FY2018 were slightly higher than last year with the increased gas transportation fees and higher volume of town gas transported.

Operation and maintenance costs in 4Q FY18 and FY2018 were lower than 4Q FY17 and FY2017 mainly due to scheduled maintenance costs incurred last year.

Other operating expenses increased in 4Q FY18 due to higher project cost incurred in relation to the Ixom acquisition. The FY2018 and FY2017 other operating expenses were comparable.

Share of results of joint venture relates to KIT's 51% interest in DataCentre One. The higher contribution in 4Q FY18 and FY2018 is mainly due to rental step-up from April 2018.

#### *Profit attributable to Unitholders of the Trust*

Profit attributable to Unitholders in 4Q FY18 was S\$10.8 million higher than 4Q FY17 mainly due to higher contributions from Basslink in 4Q FY18.

The Group recorded lower profit attributable to Unitholders of the Trust in FY2018 as compared to FY2017, mainly due to lower contribution from City Gas due to the time lag in the adjustment of gas tariffs to reflect actual fuel cost, lower revenue at Basslink as a result of the March 2018 service outage and higher fair value loss of derivative financial instruments recognised.

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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

The Group reported net current liabilities of S\$712.0 million as at 31 December 2018, S\$281.1 million higher than net current liabilities of S\$430.9 million as at 31 December 2017 mainly due to reclassification of borrowings with maturity in 1Q FY19 to current liabilities.

Total assets as at 31 December 2018 was S\$3,805.0 million, marginally lower than total assets of S\$3,956.4 million as at 31 December 2017.

As at 31 December 2018, total liabilities of S\$2,626.8 million was slightly lower than S\$2,644.5 million as at 31 December 2017.

Total Unitholders' funds stood at S\$1,052.5 million as at 31 December 2018, lower than S\$1,152.9 million as at 31 December 2017 due to distributions paid, partially offset by marked-to-market movements of derivative financial instruments and profit recognised for the year.

### 8.4 Balance Sheet – Trust

Net assets as at 31 December 2018 of S\$1,481.0 million was comparable to S\$1,533.9 million as at 31 December 2017.

## 9. VARIANCE FROM FORECAST STATEMENT

No forecast statement for financial year 2018 has been disclosed.

## 10. PROSPECTS

KIT's assets typically generate stable cash flows, with repairs and maintenance of the plants provided for as scheduled outages.

However, if such an outage lasts longer than anticipated and causes the availabilities of the plants to fall below their respective contracted levels, the plants will not be able to receive full payments due under their contracts. In addition, if the plants incur significant downtime due to extraordinary or extensive repairs, it could also lead to termination of contracts and/or liabilities or compensation arising under such agreements. Similarly, reduced availability due to the foregoing reasons would also affect production levels and revenues at City Gas.

### City Gas

City Gas' performance could fluctuate depending on changes in economic conditions and time lag in the adjustments of gas tariffs in response to changes in fuel costs. The tariff adjustments mechanism is designed to ensure that City Gas fully recovers its fuel costs over the long run. Maintenance costs may fluctuate during the year depending on timing of the maintenance schedule.

### Concessions

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. On 22 May 2018, Hyflux Ltd and some of its subsidiaries ("Hyflux"), including Hyflux Engineering Pte Ltd, the operator of SingSpring desalination plant ("SingSpring"), applied to the Singapore High Court to commence a court supervised process to reorganise their liabilities and business pursuant to Section 211B(1) of the Singapore Companies Act. On 19 June 2018, the Court granted a 6-month moratorium to Hyflux with respect to the application. The Court has extended the moratorium to 30 April 2019. KIT has been engaging SingSpring's operator and project lenders to ensure continued operations of SingSpring.

### Keppel Merlimau Cogen

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, with most of its operating costs being passed through.

## 10. PROSPECTS (CONT'D)

### Datacentre One

DataCentre One was handed over on 12 April 2016 and has commenced generating cash flows. The data centre obtained its Certificate of Statutory Completion on 7 February 2017.

### Basslink

While intended to be neutral over the long-term, the CRSM in Basslink may fluctuate in the short-term and such fluctuations will affect the revenues of Basslink. Following a review in April 2016, the CRSM has been adjusted from a band of +25%/-20% to +12.5%/-12.5%, thus reducing the volatility in the facility fees to be received.

On 20 December 2015, the Basslink interconnector asset was taken out of service due to a cable failure (the "Incident"). The cable returned to service on 13 June 2016.

Following updates in the 3Q FY18 results announcement under the Prospect segment, on 19 October 2018, Basslink received a Notice of Disputes from Hydro Tasmania ("HT") under the Basslink Service Agreement ("BSA"). The disputes are all based upon the allegations in the DNV GL reports, except the final one which is not dealt with in the DNV GL reports but relates to the content of Basslink's Asset Management Plan and Marine Disaster Recovery Plan.

Basslink considers that the analysis in the DNV GL reports is flawed and stands by the independent investigation undertaken by Cable Consulting International ("CCI"), which had concluded the cause of the Incident in December 2015 as "cause unknown". Basslink announced on 30 November 2018 that CCI completed a further independent investigation and report into the Incident and a review of the DNV GL reports. The exact cause of the subsea cable failure that led to the Incident continues to be described as a "cause unknown" by CCI, entirely refuting the allegations made by HT and the State of Tasmania ("State"). Basslink has provided the complete CCI report to the State and HT. Basslink has consistently maintained its position that the cable failure was a Force Majeure Event under the Basslink Operations Agreement ("BOA") and BSA.

Basslink strongly denies the allegations made by the State and HT. While reserving its rights in this matter, in good faith, Basslink attended "without prejudice" meetings with the representatives of the State and HT respectively in an attempt to resolve the dispute in accordance with the BOA and BSA. Unfortunately, the disputes were not resolved, and the disputes have been referred to arbitration. Basslink is vigorously defending itself in the arbitration.

Discussions have been ongoing with the banking syndicate on the subsisting defaults under the project financing, which arose from the Incident, the arbitration with the State, and the arbitrations with HT. To-date, Basslink remains current on the debt payments and all outstanding payments under the project financing have been fulfilled.

The foregoing does not have any material financial impact on the distributions per Unit of KIT for the financial year ended 31 December 2018, since KIT does not rely on Basslink's cash flows for its distributions.

### Ixom

On a more positive note, on 15 November 2018, KIT announced that it has agreed to acquire 100% interest in Ixom HoldCo Pty Ltd, one of the leading industrial infrastructure businesses in Australia and New Zealand, supplying and distributing water treatment chemicals which are key to fundamental industries, as well as industrial and specialty chemicals. On completion of the acquisition, expected to be in 1Q FY19, KIT's enlarged portfolio will grow to S\$5.1 billion.

The Trustee-Manager will evaluate asset enhancement opportunities in its portfolio, and will continue to identify and evaluate suitable acquisitions, including those from the Sponsor, under its investment mandate to further grow the Trust.

**11. DISTRIBUTIONS**

**11a. Current financial period reported on**

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

Amount : S\$35.9 million  
Distribution period : 1 October 2018 to 31 December 2018  
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\$35.9 million  
Distribution period : 1 October 2017 to 31 December 2017  
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**

28 February 2019

**11d. Books Closure 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 January 2019 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 January 2019 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 January 2019 will be entitled to the Distribution.

## 12. SEGMENT ANALYSIS

Management monitors the results of the Group based on the following operating segments for the purpose of making decisions in resource allocation and performance assessment:

- Energy: tolling arrangement for the power plant in Singapore;
- Distribution & Network: production and retailing of town gas and retailing of natural gas in Singapore, operator of subsea electricity interconnector in Australia and leasing of a data centre;
- Water & Waste: concessions in relation to the desalination plant, water treatment plant and waste-to-energy plants in Singapore;
- Corporate: investment holding, asset management and business development.

Information regarding the Trust's reportable segments for FY2018 and FY2017 are set out below:

### By Business Segment

	Energy	Distribution & Network			Water & Waste	Corporate	Total
	KMC S\$'000	City Gas S\$'000	Basslink S\$'000	DC One S\$'000	S\$'000	S\$'000	S\$'000
<b>FY2018</b>							
<b>Revenue</b>	<b>129,121</b>	<b>347,629</b>	<b>67,123</b>	<b>-</b>	<b>93,514</b>	<b>-</b>	<b>637,387</b>
<b>Profit/(loss) before tax</b>	<b>(33,572)</b>	<b>37,043</b>	<b>(15,886)</b>	<b>-</b>	<b>22,611</b>	<b>(12,511)</b>	<b>(2,315)</b>
<b>Funds from Operations ("FFO")<sup>(1)</sup></b>	<b>45,141</b>	<b>35,257</b>	<b>10,397</b>	<b>7,419</b>	<b>78,653</b>	<b>(15,762)</b>	<b>161,105</b>
<b>Other segment items</b>							
Depreciation and amortisation	(75,699)	(2,764)	(17,962)	-	(7,055)	-	(103,480)
Fair value gain/(loss) on derivative financial instruments	-	8	(13,283)	-	-	-	(13,275)
Impairment loss on trade and other receivables (net)	-	(448)	-	-	-	(309)	(757)
Share of results of joint venture	-	-	-	3,840	-	-	3,840
Finance costs <sup>(2)</sup>	(63,139)	(5,830)	(47,920)	-	(2,959)	(3,821)	(123,669)
A reconciliation of cash earnings to loss before tax is provided as follows:							
<b>Funds from Operations</b>							<b>161,105</b>
Reduction in concession / lease receivables							(54,951)
Non-cash finance cost							(6,190)
Other non-cash items							(7,444)
Depreciation and amortisation							(103,480)
Maintenance capital expenditure							8,490
Finance cost attributable to non-controlling interest							(43,850)
FFO from joint venture							(7,419)
FFO attributable to non-controlling interests							51,424
<b>Loss before tax</b>							<b>(2,315)</b>
<b>Segment and consolidated total assets</b>	<b>1,613,083</b>	<b>576,644</b>	<b>973,250</b>	<b>20,009</b>	<b>595,700</b>	<b>26,321</b>	<b>3,805,007</b>
<b>Segment liabilities</b>	<b>1,114,730</b>	<b>337,290</b>	<b>919,957</b>	<b>-</b>	<b>83,791</b>	<b>151,015</b>	<b>2,606,783</b>
Unallocated liabilities:							
Current tax liabilities							4,356
Deferred tax liabilities							15,612
<b>Consolidated total liabilities</b>							<b>2,626,751</b>
<b>Other segment items</b>							
Maintenance capital expenditure - property, plant and equipment	-	697	7,780	-	13	-	8,490

<sup>(1)</sup> Funds from operations is defined as PAT adjusted for reduction in concession/lease receivables, transaction costs, non-cash interest and current cash tax, maintenance capital expenditure, non-cash adjustments and non-controlling interests adjustments.

<sup>(2)</sup> Excludes interest payable on notes issued by subsidiaries to KIT.

12. **SEGMENT ANALYSIS (CONT'D)**

**By Business Segment (cont'd)**

	Energy	Distribution & Network		Water & Waste	Corporate	Total	
	KMC	City Gas	Basslink	DC One			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
<b>FY2017</b>							
<b>Revenue</b>	<b>129,949</b>	<b>320,372</b>	<b>85,387</b>	<b>-</b>	<b>95,597</b>	<b>1,171</b>	<b>632,476</b>
<b>Profit/(loss) before tax</b>	<b>(32,082)</b>	<b>41,515</b>	<b>(2,032)</b>	<b>-</b>	<b>20,952</b>	<b>(14,235)</b>	<b>14,118</b>
<b>Funds from Operations ("FFO")<sup>(1)</sup></b>	<b>45,717</b>	<b>40,669</b>	<b>23,999</b>	<b>6,006</b>	<b>75,758</b>	<b>(14,477)</b>	<b>177,672</b>
<b>Other segment items</b>							
Depreciation and amortisation	(75,598)	(3,477)	(18,842)	-	(7,052)	-	(104,969)
Fair value loss on derivative financial instruments	-	(1,058)	(7,465)	-	-	-	(8,523)
Impairment loss on trade and other receivables (net)	-	(573)	-	-	-	-	(573)
Share of results of joint venture	-	-	-	2,715	-	-	2,715
Finance costs <sup>(2)</sup>	(62,964)	(4,889)	(50,174)	-	(3,649)	(3,273)	(124,949)
A reconciliation of cash earnings to profit before tax is provided as follows:							
<b>Funds from Operations</b>							<b>177,672</b>
Reduction in concession / lease receivables							(53,353)
Non-cash finance cost							(6,297)
Other non-cash items							(2,039)
Depreciation and amortisation							(104,969)
Maintenance capital expenditure							1,727
Finance cost attributable to non-controlling interest							(43,850)
FFO from joint venture							(6,006)
FFO attributable to non-controlling interests							51,233
Profit before tax							<u>14,118</u>
<b>Segment and consolidated total assets</b>	<b>1,692,894</b>	<b>559,106</b>	<b>995,544</b>	<b>20,752</b>	<b>656,304</b>	<b>31,816</b>	<b>3,956,416</b>
<b>Segment liabilities</b>	<b>1,131,650</b>	<b>314,233</b>	<b>931,465</b>	<b>-</b>	<b>96,672</b>	<b>148,933</b>	<b>2,622,953</b>
Unallocated liabilities:							
Current tax liabilities							3,410
Deferred tax liabilities							18,159
<b>Consolidated total liabilities</b>							<u><b>2,644,522</b></u>
<b>Other segment items</b>							
Maintenance capital expenditure - property, plant and equipment	-	1,313	411	-	3	-	1,727

<sup>(1)</sup> Funds from operations is defined as PAT adjusted for reduction in concession/lease receivables, transaction costs, non-cash interest and current cash tax, maintenance capital expenditure, non-cash adjustments and non-controlling interests adjustments.

<sup>(2)</sup> Excludes interest payable on notes issued by subsidiaries to KIT.

12. **SEGMENT ANALYSIS (CONT'D)**

**By Geographical Area**

The Group has operations in Singapore and Australia. Revenue is based on the country in which the operation is located. Total non-current assets are shown by the geographical area where the assets are located.

	Revenue		Non-current assets <sup>(1)</sup>	
	FY2018 S\$'000	FY2017 S\$'000	31 Dec 2018 S\$'000	31 Dec 2017 S\$'000
Singapore	570,264	547,089	1,838,829	1,924,369
Australia	67,123	85,387	852,417	879,448
	<u>637,387</u>	<u>632,476</u>	<u>2,691,246</u>	<u>2,803,817</u>

<sup>(1)</sup> Comprise property, plant and equipment, intangibles and investment in joint venture

13. **IN THE REVIEW OF PERFORMANCE, THE FACTORS LEADING TO ANY MATERIAL CHANGES IN CONTRIBUTIONS TO TURNOVER AND EARNINGS BY THE BUSINESS OR GEOGRAPHICAL SEGMENTS**

Refer to Paragraph 8.

14. **BREAKDOWN OF REVENUE**

	FY2018 S\$'000	FY2017 S\$'000	Change %
<b>a) Revenue</b>			
First half of the year	303,157	314,092	(3.5)
Second half of the year	<u>334,230</u>	<u>318,384</u>	5.0
	<u>637,387</u>	<u>632,476</u>	0.8
<b>b) Profit/(Loss) after tax before deducting non-controlling interests</b>			
First half of the year	(14,812)	5,029	N/M
Second half of the year	<u>12,454</u>	<u>8,747</u>	42.4
	<u>(2,358)</u>	<u>13,776</u>	N/M

15. **BREAKDOWN OF TOTAL ANNUAL DISTRIBUTION**

	FY2018 S\$'000	FY2017 S\$'000
<b>Total Distribution paid/payable</b>		
- 1 January 2017 to 31 March 2017	-	35,873
- 1 April 2017 to 30 June 2017	-	35,872
- 1 July 2017 to 30 September 2017	-	35,872
- 1 October 2017 to 31 December 2017	-	35,873
- 1 January 2018 to 31 March 2018	35,881	-
- 1 April 2018 to 30 June 2018	35,881	-
- 1 July 2018 to 30 September 2018	35,883	-
- 1 October 2018 to 31 December 2018 <sup>(1)</sup>	<u>35,883</u>	<u>-</u>
	<u>143,528</u>	<u>143,490</u>

<sup>(1)</sup> For the quarter ended 31 December 2018, the Trustee-Manager of the Trust declared a distribution per unit of 0.93 Singapore cents totaling S\$35.9 million to the unitholders of the Trust, payable on 28 February 2019.

## 16. 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 17 April 2018. 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 conducted during the financial period under review under unitholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	FY2018 S\$'000	FY2017 S\$'000
<b>1. Temasek Holdings (Private) Limited and its Associates</b>		
General Transaction		
(a) Sales of Goods and Services	1,828	6,261
(b) Management Fee Income	-	1,170
(c) Reimbursement of expenses <sup>1</sup>	-	32,941
(d) Purchases <sup>1</sup>	175,584	274,309
(e) Rental expense	1,762	2,115
Total	179,174	316,796
<b>2. Keppel Corporation Group</b>		
General Transaction		
(a) Sales of Goods and Services	-	298
(b) Reimbursement of expenses	157	232
(c) Management Fee Expense	9,934	9,828
(d) Purchases	44,493	43,618
Treasury Transactions	162,568	119,788
Total	217,152	173,764

<sup>1</sup> The IPT values for FY17 were disclosed based on total contract value from 2017 to 2021.

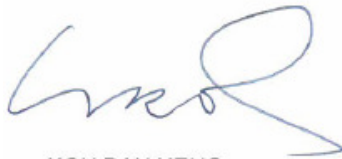
**REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CEO OR SUBSTANTIAL SHAREHOLDER**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that none of the persons occupying managerial positions in Keppel Infrastructure Fund Management Pte Ltd ("KIFM"), as Trustee-Manager of Keppel Infrastructure Trust or any of its principal subsidiaries is a relative of a director or chief executive officer of KIFM or substantial unitholder of Keppel Infrastructure Trust.

**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.

On behalf of the Board of Directors



KOH BAN HENG  
Chairman



CHRISTINA TAN HUA MUI  
Director

Singapore  
22 January 2019

**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.