

**MEDIA RELEASE**

**KEPPEL INFRASTRUCTURE TRUST UNAUDITED RESULTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2017**

**22 January 2018**

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 2017.

These figures have not been audited.

**FY17 RESULTS HIGHLIGHTS**

1. Distribution per unit (“DPU”) of 0.93 Singapore cents was declared for the quarter ended 31 December 2017, bringing total DPU to 3.72 Singapore cents for FY2017.
2. Group revenue for FY2017 was S\$632.5 million, 8.8% higher than FY2016. This was mainly due to higher contributions from City Gas as a result of higher town gas tariff and higher volume; higher revenue from Basslink as no facility fees were recognised during the cable outage which occurred between 20 December 2015 and 12 June 2016; and higher revenue from Keppel Merlimau Cogen (KMC). These were partially offset by lower contribution from the Concessions<sup>(1)</sup> as the FY2016 revenue included the construction revenue recognised from the Senoko boiler upgrade and lower revenue from CityNet upon cessation as trustee-manager of Netlink Trust with effect from 13 April 2017.
3. The higher profit attributable to Unitholders in FY2017 as compared to FY2016 mainly arose from higher contributions from Basslink and City Gas. These were partially offset by abortive expenses incurred in connection with a potential acquisition, professional fees incurred for the Basslink outage and lower contribution from CityNet.
4. FY2017 distributable cash flows<sup>(2)</sup> of S\$144.2 million were S\$5.3 million lower than FY2016. This was mainly due to abortive expenses incurred by the Trust in connection with a potential acquisition, termination of CityNet and one-off maintenance costs at its Ulu Pandan NEWater plant, partially offset by higher contributions from KMC and DataCentre One.
5. Net asset value per unit as at 31 December 2017 decreased to 29.9 Singapore cents from 32.5 Singapore cents as at 31 December 2016 primarily attributable to distributions to Unitholders as well as marked-to-market movements of derivative financial instruments.
6. Gearing<sup>(3)</sup> as at 31 December 2017 was 39.9% compared to 37.4% as at 31 December 2016 as the Trust drew on its loan facility to repay one of its subsidiaries.

- (1) Concessions comprise Senoko WTE, Tuas WTE, SingSpring Desalination and Ulu Pandan NEWater plants
- (2) Excluding Basslink, consistent with previous results announcements
- (3) Defined as net debt over total assets

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**KEPPEL INFRASTRUCTURE TRUST  
FULL YEAR 2017 FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT  
TABLE OF CONTENTS**

<u>Paragraph</u>	<u>Description</u>	<u>Page</u>
	INTRODUCTION	1
1(a)	INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME	2-3
1(b)(i)	STATEMENTS OF FINANCIAL POSITION	4
1(b)(ii)	AGGREGATE AMOUNT OF BORROWINGS AND DEBT SECURITIES	5
1(c)	CONSOLIDATED STATEMENT OF CASH FLOWS	6
1(d)(i)	STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS	7-9
1(d)(ii)	DETAILS OF ANY CHANGE IN THE UNITS	10
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	10
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	10
2	AUDIT	10
3	AUDITORS' REPORT	10
4	ACCOUNTING POLICIES	10
5	CHANGES IN THE ACCOUNTING POLICIES	10
6	EARNINGS PER UNIT	11
7	NET ASSET VALUE PER UNIT	11
8	REVIEW OF PERFORMANCE	11-13
9	VARIANCE FROM FORECAST STATEMENT	13
10	PROSPECTS	14-15
11	DISTRIBUTIONS	15
12	SEGMENT ANALYSIS	16-18
13	REVIEW OF SEGMENT PERFORMANCE	18
14	BREAKDOWN OF REVENUE	18
15	BREAKDOWN OF TOTAL ANNUAL DISTRIBUTION	18

# 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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16	INTERESTED PERSON TRANSACTIONS	19
-	REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CEO OR SUBSTANTIAL SHAREHOLDER	20
-	CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL OF ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720 (1)	20

## **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 2017 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, DataCentre 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.

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 2017**

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 year ended 31 December 2017.

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

(i) **Consolidated Income Statement**

	<u>Group</u>					
	4Q FY17	4Q FY16	Change	FY2017	FY2016	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Revenue</b>	<b>158,117</b>	152,241	3.9	<b>632,476</b>	581,117	8.8
<b>Other income</b>	<b>941</b>	5,240	(82.0)	<b>3,593</b>	27,534	(87.0)
<b>Other losses - net</b>	<b>(3,648)</b>	(5,144)	(29.1)	<b>(8,855)</b>	(9,539)	(7.2)
<b>Expenses</b>						
Fuel and electricity costs	<b>(33,808)</b>	(29,135)	16.0	<b>(126,008)</b>	(97,775)	28.9
Gas transportation costs	<b>(23,237)</b>	(23,354)	(0.5)	<b>(93,109)</b>	(90,670)	2.7
Depreciation and amortisation	<b>(26,033)</b>	(27,869)	(6.6)	<b>(104,969)</b>	(113,712)	(7.7)
Staff costs	<b>(7,061)</b>	(7,177)	(1.6)	<b>(26,717)</b>	(25,971)	2.9
Operation and maintenance costs	<b>(20,570)</b>	(20,855)	(1.4)	<b>(82,425)</b>	(95,847)	(14.0)
Finance costs	<b>(31,250)</b>	(30,977)	0.9	<b>(124,949)</b>	(116,970)	6.8
Trustee-Manager's fees	<b>(2,268)</b>	(2,646)	(14.3)	<b>(9,762)</b>	(9,669)	1.0
Other operating expenses	<b>(12,490)</b>	(13,111)	(4.7)	<b>(47,872)</b>	(42,672)	12.2
Total expenses	<b>(156,717)</b>	(155,124)	1.0	<b>(615,811)</b>	(593,286)	3.8
<b>(Loss)/Profit before joint venture</b>	<b>(1,307)</b>	(2,787)	(53.1)	<b>11,403</b>	5,826	95.7
Share of results of joint venture	<b>910</b>	305	>100.0	<b>2,715</b>	710	>100.0
<b>(Loss)/Profit before tax</b>	<b>(397)</b>	(2,482)	(84.0)	<b>14,118</b>	6,536	>100.0
Income tax credit/(expense)	<b>2,771</b>	2,773	(0.1)	<b>(342)</b>	(415)	(17.6)
<b>Net profit after tax</b>	<b>2,374</b>	291	>100.0	<b>13,776</b>	6,121	>100.0
<b>Profit/(Loss) attributable to:</b>						
Unitholders	<b>9,607</b>	7,663	25.4	<b>47,613</b>	<b>41,188</b>	15.6
Non-controlling interests	<b>(7,233)</b>	(7,372)	(1.9)	<b>(33,837)</b>	(35,067)	(3.5)
	<b>2,374</b>	291	>100.0	<b>13,776</b>	6,121	>100.0

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

	4Q FY17	4Q FY16	Change	Group FY2017	FY2016	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Net profit after tax</b>	<b>2,374</b>	291	>100.0	<b>13,776</b>	6,121	>100.0
<b>Other comprehensive income:</b>						
<u>Items that may be reclassified</u>						
<u>subsequently to income statement</u>						
Cash flow hedges:						
- Fair value gain/(losses)	<b>2,960</b>	59,606	(95.0)	<b>(37,360)</b>	(26,872)	39.0
- Transfer to income statement	<b>6,953</b>	8,174	(14.9)	<b>28,877</b>	20,058	44.0
Share of net change in fair value of cash flow hedges of a joint venture	<b>46</b>	1,341	(96.6)	<b>(1,080)</b>	(430)	>100.0
Currency translation differences relating to consolidation of foreign subsidiaries	<b>(315)</b>	823	N/M	<b>(488)</b>	549	N/M
<b>Other comprehensive income, net of tax</b>	<b>9,644</b>	69,944	(86.2)	<b>(10,051)</b>	(6,695)	50.1
<b>Total comprehensive income</b>	<b>12,018</b>	70,235	(82.9)	<b>3,725</b>	(574)	N/M
<b>Attributable to:</b>						
Unitholders	<b>17,614</b>	72,930	(75.8)	<b>40,871</b>	39,017	4.8
Non-controlling interests	<b>(5,596)</b>	(2,695)	>100.0	<b>(37,146)</b>	(39,591)	(6.2)
	<b>12,018</b>	70,235	(82.9)	<b>3,725</b>	(574)	N/M

N/M - Not meaningful

1(b)(i) STATEMENTS OF FINANCIAL POSITION

	<u>Group</u>		<u>Trust</u>	
	31 Dec 2017 S\$'000	31 Dec 2016 S\$'000	31 Dec 2017 S\$'000	31 Dec 2016 S\$'000
<b>Non-Current Assets</b>				
Property, plant and equipment	2,255,920	2,379,600	-	-
Intangibles	527,145	537,165	-	-
Investment in subsidiaries	-	-	851,892	951,030
Investment in and advances to joint venture	20,752	23,432	-	-
Notes receivables	-	-	775,712	775,712
Amount receivable from a subsidiary	-	-	20,187	22,028
Service concession receivables	378,758	424,025	-	-
Finance lease receivables	105,139	114,823	-	-
Other assets	180,548	122,874	-	-
<b>Total non-current assets</b>	<b>3,468,262</b>	<b>3,601,919</b>	<b>1,647,791</b>	<b>1,748,770</b>
<b>Current Assets</b>				
Cash and bank deposits	213,956	266,859	31,054	51,969
Trade and other receivables	143,266	118,866	4,979	4,717
Service concession receivables	45,267	44,034	-	-
Finance lease receivables	9,684	9,319	-	-
Derivative financial instruments	-	1,055	-	-
Inventories	54,174	54,456	-	-
Other current assets	21,807	22,134	47	55
<b>Total current assets</b>	<b>488,154</b>	<b>516,723</b>	<b>36,080</b>	<b>56,741</b>
<b>Current Liabilities</b>				
Borrowings	722,377	752,106	-	-
Loan from a subsidiary	-	-	-	43,335
Trade and other payables	174,843	160,193	3,588	4,122
Derivative financial instruments	18,380	19,571	-	-
Income tax payable	3,410	5,454	10	19
<b>Total current liabilities</b>	<b>919,010</b>	<b>937,324</b>	<b>3,598</b>	<b>47,476</b>
<b>Net Current (Liabilities)/Assets</b>	<b>(430,856)</b>	<b>(420,601)</b>	<b>32,482</b>	<b>9,265</b>
<b>Non-Current Liabilities</b>				
Borrowings	1,071,904	1,058,576	145,500	122,612
Notes payable to non-controlling interests	260,000	260,000	-	-
Derivative financial instruments	100,551	85,976	859	986
Other payables	242,012	268,838	-	-
Provisions	32,886	31,280	-	-
Deferred tax liabilities	18,159	22,678	-	-
<b>Total non-current liabilities</b>	<b>1,725,512</b>	<b>1,727,348</b>	<b>146,359</b>	<b>123,598</b>
<b>Net Assets</b>	<b>1,311,894</b>	<b>1,453,970</b>	<b>1,533,914</b>	<b>1,634,437</b>
<b>Represented by:</b>				
<b>Unitholders' Funds</b>				
Units in issue	2,137,538	2,137,389	2,137,538	2,137,389
Hedging reserve	(210,861)	(204,478)	(859)	(986)
Translation reserve	(26,946)	(26,587)	-	-
Capital reserve	38,710	38,710	-	-
Accumulated losses	(785,506)	(689,644)	(602,765)	(501,966)
<b>Total Unitholders' funds</b>	<b>1,152,935</b>	<b>1,255,390</b>	<b>1,533,914</b>	<b>1,634,437</b>
Non-controlling interests	158,959	198,580	-	-
<b>Total</b>	<b>1,311,894</b>	<b>1,453,970</b>	<b>1,533,914</b>	<b>1,634,437</b>

Please refer to paragraphs 8.3 and 8.4 for further details.



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

	<b>Group</b>	
	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Unsecured borrowings</b>		
Amount repayable after one year	<b>145,500</b>	122,612
	<b>145,500</b>	122,612
<b>Secured borrowings</b>		
Amount repayable within one year	<b>722,377</b>	752,106
Amount repayable after one year	<b>926,404</b>	935,964
	<b>1,648,781</b>	1,688,070
<b>Total borrowings</b>	<b>1,794,281</b>	1,810,682

### 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 announced on 14 August 2017, 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 2017. There is no contractual recourse to KIT under the project financing. FRS 1 requires the borrowings to be classified as current liability if an entity breaches a provision of a long term loan agreement on or before the end of the reporting period. Accordingly, Basslink's borrowings were classified as current liabilities as at 31 December 2017. Discussions have been ongoing with the banking syndicate on the subsisting defaults.

Notwithstanding the classification, 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 classification has no material financial impact on the distributions per unit of KIT for the year ended 31 December 2017 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>FY2016</b>
	<b>4Q FY17</b>	<b>4Q FY16</b>	<b>FY2017</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities</b>				
(Loss)/Profit before tax	(397)	(2,482)	14,118	6,536
Adjustments for:				
Depreciation and amortisation	26,033	27,869	104,969	113,712
Finance costs	31,250	30,977	124,949	116,970
Interest income	(461)	(614)	(1,664)	(1,911)
Fair value loss on derivative financial instruments	3,315	5,064	8,523	9,199
Allowance for doubtful trade and other receivables (net)	192	261	573	310
Gain on construction of assets	-	-	-	(773)
Property, plant and equipment written off	1	-	2	486
Loss/(Gain) on disposal of property, plant and equipment	1	-	(6)	17
Share of results of joint venture	(910)	(305)	(2,715)	(710)
Unrealised foreign exchange (gain)/loss	(190)	114	(126)	(29)
Management fees paid in units	-	-	149	67
Operating cash flows before working capital changes	58,834	60,884	248,772	243,874
Changes in working capital :				
Trade and other receivables	34,820	(25,015)	(14,090)	(64,595)
Trade and other payables	(33,932)	12,339	(41,478)	21,170
Inventories	1,000	(1,413)	(341)	830
<b>Cash generated from operations</b>	<b>60,722</b>	<b>46,795</b>	<b>192,863</b>	<b>201,279</b>
Interest received	535	461	1,865	1,682
Interest paid	(31,163)	(30,422)	(107,087)	(110,236)
Income tax paid	(1,692)	(1,405)	(5,425)	(8,553)
<b>Net cash generated from operating activities</b>	<b>28,402</b>	<b>15,429</b>	<b>82,216</b>	<b>84,172</b>
<b>Investing activities</b>				
Dividend received from joint venture	830	-	2,177	-
Repayment of advances from joint venture	364	1,020	2,138	1,020
Advances to joint venture	-	(392)	-	(2,738)
Purchase of property, plant and equipment	(1,235)	-	(1,727)	(947)
Construction of assets	-	-	-	(17,487)
Proceeds from sale of property, plant and equipment	-	1	56	7
Proceeds from sale of inventories	73	87	623	704
<b>Net cash generated from/(used in) investing activities</b>	<b>32</b>	<b>716</b>	<b>3,267</b>	<b>(19,441)</b>
<b>Financing activities</b>				
Decrease/(Increase) in restricted cash	1,591	(18,044)	2,592	(8,774)
Proceeds from borrowings	-	31,382	44,807	122,848
Repayment of loan from a related party	-	-	-	(4,541)
Repayment of borrowings	(6,429)	(3,449)	(37,149)	(13,130)
Unclaimed distributions written back	-	-	15	-
Payment of loan upfront fees	-	-	-	(326)
Distributions paid to Unitholders of the Trust	(35,873)	(35,871)	(143,490)	(143,482)
Distributions paid by subsidiaries to non-controlling interests	(630)	(599)	(2,475)	(2,827)
<b>Net cash used in financing activities</b>	<b>(41,341)</b>	<b>(26,581)</b>	<b>(135,700)</b>	<b>(50,232)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(12,907)</b>	<b>(10,436)</b>	<b>(50,217)</b>	<b>14,499</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>177,323</b>	<b>225,006</b>	<b>214,513</b>	<b>200,064</b>
Effect of currency translation on cash and cash equivalents	(214)	(57)	(94)	(50)
<b>Cash and cash equivalents at end of the period (Note a)</b>	<b>164,202</b>	<b>214,513</b>	<b>164,202</b>	<b>214,513</b>

**Note a:**

	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Cash and bank deposits	213,956	266,859
Less: Restricted cash	(49,754)	(52,346)
<b>Cash and cash equivalents</b>	<b>164,202</b>	<b>214,513</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.

Refer to paragraph 8.1 for further details.

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

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	Non- controlling Interests S\$'000	
<b>2017</b>								
At 1 January 2017	2,137,389	(204,478)	(26,587)	38,710	(689,644)	<b>1,255,390</b>	198,580	<b>1,453,970</b>
<u>Total comprehensive income</u>								
Profit/(Loss) for the period	-	-	-	-	38,006	<b>38,006</b>	(26,604)	<b>11,402</b>
Other comprehensive income for the period	-	(14,705)	(44)	-	-	<b>(14,749)</b>	(4,946)	<b>(19,695)</b>
Total	-	(14,705)	(44)	-	38,006	<b>23,257</b>	(31,550)	<b>(8,293)</b>
<u>Transactions with owners, recognised directly in equity</u>								
Units issued	149	-	-	-	-	<b>149</b>	-	<b>149</b>
Unclaimed distributions written back	-	-	-	-	15	<b>15</b>	-	<b>15</b>
Distributions paid	-	-	-	-	(107,617)	<b>(107,617)</b>	(1,845)	<b>(109,462)</b>
Total	149	-	-	-	(107,602)	<b>(107,453)</b>	(1,845)	<b>(109,298)</b>
<b>At 30 September 2017</b>	<b>2,137,538</b>	<b>(219,183)</b>	<b>(26,631)</b>	<b>38,710</b>	<b>(759,240)</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	<b>9,607</b>	(7,233)	<b>2,374</b>
Other comprehensive income for the period	-	8,322	(315)	-	-	<b>8,007</b>	1,637	<b>9,644</b>
Total	-	8,322	(315)	-	9,607	<b>17,614</b>	(5,596)	<b>12,018</b>
<u>Transactions with owners, recognised directly in equity</u>								
Distributions paid	-	-	-	-	(35,873)	<b>(35,873)</b>	(630)	<b>(36,503)</b>
<b>At 31 December 2017</b>	<b>2,137,538</b>	<b>(210,861)</b>	<b>(26,946)</b>	<b>38,710</b>	<b>(785,506)</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)

<u>Group</u>	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	Non- controlling Interests S\$'000	
<b>2016</b>								
At 1 January 2016	2,137,322	(201,772)	(27,122)	38,710	(587,350)	1,359,788	240,998	1,600,786
<u>Total comprehensive income</u>								
Profit/(Loss) for the period	-	-	-	-	33,525	33,525	(27,695)	5,830
Other comprehensive income for the period	-	(67,241)	(197)	-	-	(67,438)	(9,201)	(76,639)
Total	-	(67,241)	(197)	-	33,525	(33,913)	(36,896)	(70,809)
<u>Transactions with owners, recognised directly in equity</u>								
Units issued	67	-	-	-	-	67	-	67
Distributions paid	-	-	-	-	(107,611)	(107,611)	(2,228)	(109,839)
Total	67	-	-	-	(107,611)	(107,544)	(2,228)	(109,772)
<b>At 30 September 2016</b>	<b>2,137,389</b>	<b>(269,013)</b>	<b>(27,319)</b>	<b>38,710</b>	<b>(661,436)</b>	<b>1,218,331</b>	<b>201,874</b>	<b>1,420,205</b>
<u>Total comprehensive income</u>								
Profit/(Loss) for the period	-	-	-	-	7,663	7,663	(7,372)	291
Other comprehensive income for the period	-	64,535	732	-	-	65,267	4,677	69,944
Total	-	64,535	732	-	7,663	72,930	(2,695)	70,235
<u>Transactions with owners, recognised directly in equity</u>								
Distributions paid	-	-	-	-	(35,871)	(35,871)	(599)	(36,470)
<b>At 31 December 2016</b>	<b>2,137,389</b>	<b>(204,478)</b>	<b>(26,587)</b>	<b>38,710</b>	<b>(689,644)</b>	<b>1,255,390</b>	<b>198,580</b>	<b>1,453,970</b>

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

<u>Trust</u>	Units in Issue S\$'000	Hedging Reserve S\$'000	Accumulated Losses S\$'000	Total Unitholders' Funds S\$'000
<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>
<b>2016</b>				
At 1 January 2016	2,137,322	-	(420,925)	1,716,397
<u>Total comprehensive income</u>				
Profit for the period	-	-	103,102	103,102
Other comprehensive income for the period	-	(1,663)	-	(1,663)
Total	-	(1,663)	103,102	101,439
<u>Transactions with owners, recognised directly in equity</u>				
Units issued	67	-	-	67
Distributions paid	-	-	(107,611)	(107,611)
Total	67	-	(107,611)	(107,544)
<b>At 30 September 2016</b>	<b>2,137,389</b>	<b>(1,663)</b>	<b>(425,434)</b>	<b>1,710,292</b>
<u>Total comprehensive income</u>				
Profit for the period	-	-	(40,661)	(40,661)
Other comprehensive income for the period	-	677	-	677
Total	-	677	(40,661)	(39,984)
<u>Transactions with owners, recognised directly in equity</u>				
Distributions paid	-	-	(35,871)	(35,871)
<b>At 31 December 2016</b>	<b>2,137,389</b>	<b>(986)</b>	<b>(501,966)</b>	<b>1,634,437</b>

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

	<b>1 Oct 2017 to 31 Dec 2017</b>	<b>1 Oct 2016 to 31 Dec 2016</b>	<b>1 Jan 2017 to 31 Dec 2017</b>	<b>1 Jan 2016 to 31 Dec 2016</b>
<b>GROUP and TRUST</b>				
Issued units at the beginning of the period	<b>3,857,378,731</b>	3,857,063,631	<b>3,857,063,631</b>	3,856,931,931
Issuance of new units <sup>(1)</sup>	-	-	<b>315,100</b>	131,700
Issued units at the end of the period	<b>3,857,378,731</b>	3,857,063,631	<b>3,857,378,731</b>	3,857,063,631

Note:

(1) This relates to the payment of 5.8% (2016: 2.4%) of management and performance 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 2017 and 31 December 2016.

The total number of issued units as at 31 December 2017 and 31 December 2016 were 3,857,378,731 and 3,857,063,631 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**

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 2016.

**5. CHANGES IN ACCOUNTING POLICIES**

The Group has adopted all the new and revised FRSs and INT FRSs that are relevant to its operations and effective for annual periods beginning on or after 1 January 2017. The adoption of these new and revised FRSs and INT FRSs did not result in changes to the Group's and Trust's accounting policies.

## 6. EARNINGS PER UNIT (“EPU”)

	<u>Group</u>					
	4Q FY17	4Q FY16	%	FY2017	FY2016	%
Weighted average number of units	3,857,378,731	3,857,063,631	0.0	3,857,328,660	3,857,044,200	0.0
EPU						
- based on the weighted average number of units in issue (cents)						
- basic and diluted	0.25	0.20	25.0	1.23	1.07	15.0

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 2017	31 Dec 2016	%	31 Dec 2017	31 Dec 2016	%
NAV per unit (cents)	29.9	32.5	(8.0)	39.6	42.4	(6.6)
Adjusted NAV per unit (cents)						
- (after distribution payable to unitholders)	29.0	31.6	(8.2)	38.7	41.5	(6.7)

The Group NAV per unit before hedging and translation reserves was 36.1 cents as at 31 December 2017 and 38.5 cents as at 31 December 2016. The Trust NAV per unit before hedging reserves was 39.8 cents as at 31 December 2017 and 42.4 cents as at 31 December 2016.

The number of units used for computation of NAV per unit and adjusted NAV per unit were 3,857,378,731 and 3,857,063,631 which were the number of units in issue as at 31 December 2017 and 31 December 2016 respectively.

## 8. REVIEW OF PERFORMANCE

### 8.1 Cash flow

The Group’s cash and bank deposits net of restricted cash were S\$164.2 million and S\$214.5 million as at 31 December 2017 and 31 December 2016, respectively.

Net cash generated from operating activities in FY2017 was S\$82.2 million, S\$2.0 million lower than FY2016 due to timing difference in receipts and payments.

Net cash generated from investing activities of S\$3.3 million in FY2017 arose mainly from receipt of dividend and repayment of advances from Datacentre One and proceeds from sale of inventories. In FY2016, net cash used in investing activities relates mainly to advances to Datacentre One and the construction cost for the Senoko boiler upgrade.

Net cash used in financing activities of S\$135.7 million and S\$50.2 million in FY2017 and FY2016 respectively, mainly relate to payment of distributions to unitholders and non-controlling interests of subsidiaries, partially offset by net proceeds from borrowings.

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

### 8.2 Income Statement

#### *Revenue*

Group revenue for 4Q FY17 was S\$158.1 million, bringing total revenue recognised in FY2017 to S\$632.5 million, 8.8% higher than that of FY2016.

At City Gas, revenue of S\$81.2 million in 4Q FY17 and S\$320.4 million in FY2017 respectively, were higher than the previous financial year, largely due to higher town gas tariff. City Gas achieved 100% plant availability during the period.

The Concessions<sup>2</sup> contributed revenue of S\$23.8 million in 4Q FY17 and S\$95.6 million in FY2017 compared to S\$24.7 million in 4Q FY16 and S\$113.3 million in FY2016. Revenue was higher last year due to the construction revenue recognised from the Senoko boiler upgrade which was completed in 3Q FY16. All 4 plants fulfilled their contractual obligations during the period.

Basslink's revenue for 4Q FY17 of A\$19.6 million (approximately S\$20.6 million) was 10.1% higher than 4Q FY16 of A\$17.8 million (approximately S\$18.5 million) as it recorded a lower negative CRSM in 4Q FY17. FY2017 revenue grew to A\$80.5 million (approximately S\$85.4 million), from A\$45.8 million (approximately S\$47.0 million) in FY2016 as no facility fees were recognised during the cable outage which occurred between 20 December 2015 and 12 June 2016.

Revenue from KMC for 4Q FY17 was marginally lower as compared to 4Q FY16 at S\$32.5 million and S\$33.1 million respectively. FY2017 revenue of S\$129.9 million was S\$1.2 million higher than last year due to an extended maintenance for one of its four turbines in 1Q FY16 which resulted in a slight reduction in capacity fee in FY2016.

CityNet contributed revenue of S\$1.2 million in FY2017, \$2.9 million lower than FY2016 of S\$4.1 million due to the cessation as trustee-manager of Netlink Trust with effect from 13 April 2017.

#### *Other income*

Other income in 4Q FY16 and FY2016 included insurance compensation recognised in connection with Basslink's cable fault.

#### *Other losses - net*

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

#### *Expenses*

Fuel and electricity costs of S\$33.8 million in 4Q FY17 and S\$126.0 million in FY2017 were higher than 4Q FY16 and FY2016 due to higher fuel prices.

Gas transportation costs of S\$23.2 million in 4Q FY17 were comparable to 4Q FY16. FY2017 gas transportation costs of S\$93.1 million were slightly higher than last year with the increased gas transportation fees and higher volume of town gas transported.

Depreciation and amortisation decreased from S\$27.9 million in 4Q FY16 to S\$26.0 million in 4Q FY17 and S\$113.7 million in FY2016 to S\$105.0 million in FY2017 as certain assets and intangible assets were fully depreciated and amortised in FY2016.

Operation and maintenance costs in 4Q FY17 were marginally lower than 4Q FY16. FY2017 was S\$13.4 million lower as compared to FY2016, mainly due to the construction expenses in relation to the Senoko boiler upgrade in FY2016. The boiler upgrade was completed in 3Q FY16.

Finance costs for 4Q FY17 were comparable to 4Q FY16. Finance costs were higher by S\$8.0 million in FY2017 as certain financing costs was not payable by Basslink during the cable outage last year.

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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)**

### **8.2 Income Statement (cont'd)**

#### ***Expenses (cont'd)***

Trustee-Manager's fees for 4Q FY17 was lower than 4Q FY16 as a result of timing difference in receipt of distributions from the respective entities. Trustee-Managers' fees for FY2017 was comparable to FY2016.

Other operating expenses decreased from S\$13.1 million in 4Q FY16 to S\$12.5 million in 4Q FY17 mainly due to lower property taxes. The increase from S\$42.7 million in FY2016 to S\$47.9 million in FY2017 was due mainly to abortive expenses incurred in connection with a potential acquisition and professional fees incurred for the Basslink outage.

Share of results of joint venture relates to KIT's interest in DataCentre One. The construction of the DataCentre was completed on 12 April 2016 and the lease commenced on the same date. On 7 February 2017, the DataCentre obtained its Certificate of Statutory Completion ("CSC").

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

Profit attributable to Unitholders of the Trust in 4Q FY17 was 25.4% higher than 4Q FY16 mainly due to higher contributions from City Gas in 4Q FY17.

The higher profit attributable to Unitholders in FY2017 as compared to FY2016 mainly arose from higher contributions from Basslink and City Gas. These were partially offset by abortive expenses incurred in connection with a potential acquisition, professional fees incurred for the Basslink outage and lower contribution from CityNet.

### **8.3 Balance Sheet – Group**

The Group reported net current liabilities of S\$430.9 million as at 31 December 2017, which was 2.4% higher than net current liabilities of S\$420.6 million as at 31 December 2016. The net current liabilities position was due to a reclassification of S\$696.9 million borrowings from non-current liabilities to current liabilities in accordance with FRS 1. Please refer to Paragraph 1(b)(ii) for further details.

Total assets as at 31 December 2017 was S\$3,956.4 million, marginally lower than total assets of S\$4,118.6 million as at 31 December 2016.

As at 31 December 2017, total liabilities of S\$2,644.5 million was slightly lower than S\$2,664.7 million as at 31 December 2016.

Total Unitholders' funds stood at S\$1,152.9 million as at 31 December 2017, lower than S\$1,255.4 million as at 31 December 2016 due to distributions paid and marked-to-market movements of derivative financial instruments, partially offset by profit recognised for the year.

### **8.4 Balance Sheet – Trust**

Net assets as at 31 December 2017 was S\$1,533.9 million compared to S\$1,634.4 million as at 31 December 2016 due to distributions paid, partially offset by profits for the year.

## **9. VARIANCE FROM FORECAST STATEMENT**

No forecast statement for financial year 2017 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' 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.

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.

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.

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.

DataCentre One was handed over on 12 April 2016 and has commenced generating cash flows. The DataCentre obtained its CSC on 7 February 2017.

On 20 December 2015, the Basslink Interconnector was taken out of service due to a cable fault incident. The cable returned to service on 13 June 2016.

In December 2016, an independent investigation undertaken by Cable Consulting International (CCI), one of the world's leading submarine power cable experts, was completed and CCI concluded that the cause of the cable fault is "cause unknown".

On 20 and 22 December 2017, two years after the cable fault incident, Hydro Tasmania issued media releases stating that their expert, DNV GL, had completed their investigations and alleged that the probable cause of the cable fault incident was because Basslink operated the cable beyond its design limit. The media releases also made reference to Hydro Tasmania's "offer to pay full facility payments until 31 March 2018" while Basslink reviews the reports of DNV GL and also while the Basslink Interconnector is operated at its 500MW continuous rating.

Based on current circumstances and professional advice, Basslink stands by the independent investigation that was undertaken by CCI and maintains the cable fault was a force majeure event.

Basslink also rejects any suggestion by Hydro Tasmania that it is entitled to any reduction in the facility fee or associated payments under the Basslink Services Agreement as a result of Basslink operating the cable at 500MW continuous rating. Contractually, so long as Basslink operates the interconnector as required by good electricity industry practice, Hydro Tasmania is obliged to pay the facility payments in full. Basslink considers that while it reviews the DNV GL reports, that it is good electricity industry practise to operate the interconnector at 500MW.

Discussions have been ongoing with the banking syndicate on the subsisting defaults under the project financing, which arose from the outage, as previously announced on 18 July 2016 and 14 August 2017. Hydro Tasmania did not pay Basslink the full facility fees from September 2016 to August 2017 (as Hydro Tasmania disagrees that the outage is a force majeure event), and had instead given so-called "good faith payments" to Basslink from December 2016 to July 2017. Since September 2017, Hydro Tasmania had resumed the contractual payment of the full facility fees (and accordingly discontinued the good faith payments) to Basslink. While Basslink will not be able to meet the minimum debt service coverage ratio (DSCR) for the quarter ended 31 December 2017, if Basslink receives payment of the full facility fees for a 12-month period, then Basslink expects to meet the minimum DSCR under the project financing as the DSCR is computed on a trailing 12-month basis. To-date, Basslink remains current on the debt payments and all outstanding payments under the project financing have been fulfilled.

## 10. PROSPECTS (CONT'D)

The insurer has confirmed that the physical loss and damage to the cable as well as time element loss (such as business interruption loss) arising from the incident are insurable (subject to the relevant terms of the insurance policy). An advance payment of A\$46 million has been made by the insurer to Basslink, out of which approximately A\$15.7 million was used to pay for part of the repair costs of the interconnector. While the remaining advance payment received is sufficient to cover Basslink's operating needs, its usage is subject to the consent of the banking syndicate due to the aforesaid subsisting defaults. Basslink is working with the insurer on the remaining claims under the insurance policy.

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

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 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.

### 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 2016 to 31 December 2016
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

23 February 2018

### 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 2018 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 2018 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 2018 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:

- Gas: production and retailing of town gas and retailing of natural gas in Singapore;
- Concessions: concessions in relation to the desalination plant, water treatment plant and waste-to-energy plants in Singapore;
- Power: tolling arrangement for the power plant in Singapore;
- Transmission: operator of subsea electricity interconnector in Australia; and
- Corporate: investment holding, asset management and business development.

Information regarding the Trust's reportable segments for FY2017 and FY2016 are set out below:

### By Business Segment

	Gas (Singapore) S\$'000	Concessions (Singapore) S\$'000	Power (Singapore) S\$'000	Transmission (Australia) S\$'000	Corporate (Singapore) S\$'000	Total Group S\$'000
<b>FY2017</b>						
<b>Revenue</b>	320,372	95,597	129,949	85,387	1,171	632,476
<b>Profit/(loss) before tax</b>	41,515	20,952	(32,082)	(2,032)	(14,235)	14,118
<b>Funds from Operations ("FFO") <sup>(1)</sup></b>	40,669	75,758	45,717	23,999	(8,471)	177,672
<b>Other segment items</b>						
Depreciation and amortisation	(3,477)	(7,052)	(75,598)	(18,842)	-	(104,969)
Fair value loss on derivative financial instruments	(1,058)	-	-	(7,465)	-	(8,523)
Allowance for impairment of trade receivables	(573)	-	-	-	-	(573)
Share of results of joint venture	-	-	-	-	2,715	2,715
Finance costs <sup>(2)</sup>	(4,889)	(3,649)	(62,964)	(50,174)	(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
<b>Profit before tax</b>						<b>14,118</b>
<b>Segment and consolidated total assets</b>	<b>559,106</b>	<b>656,304</b>	<b>1,692,894</b>	<b>995,544</b>	<b>52,568</b>	<b>3,956,416</b>
<b>Segment liabilities</b>	<b>314,233</b>	<b>102,314</b>	<b>965,919</b>	<b>931,465</b>	<b>309,021</b>	<b>2,622,952</b>
Unallocated liabilities:						
Current tax liabilities						3,410
Deferred tax liabilities						18,160
<b>Consolidated total liabilities</b>						<b>2,644,522</b>
<b>Other segment items</b>						
Maintenance capital expenditure - property, plant and equipment	1,313	3	-	411	-	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 unitholders.

## 12. SEGMENT ANALYSIS (CONT'D)

### By Business Segment (cont'd)

	Gas <u>(Singapore)</u> S\$'000	Concessions <u>(Singapore)</u> S\$'000	Power <u>(Singapore)</u> S\$'000	Transmission <u>(Australia)</u> S\$'000	Corporate <u>(Singapore)</u> S\$'000	Total <u>Group</u> S\$'000
<b>FY2016</b>						
Revenue	287,982	113,303	128,714	46,982	4,136	581,117
Profit/(loss) before tax	35,158	23,801	(32,225)	(11,289)	(8,909)	6,536
Funds from Operations ("FFO") <sup>(1)</sup>	40,558	77,480	44,580	20,160	(5,553)	177,225
<b>Other segment items</b>						
Depreciation and amortisation	(12,598)	(7,050)	(75,668)	(18,396)	-	(113,712)
Fair value gain/ (loss) on derivative financial instruments	1,050	-	-	(10,249)	-	(9,199)
Allowance for impairment of trade receivables	(310)	-	-	-	-	(310)
Share of results of joint venture	-	-	-	-	710	710
Finance costs <sup>(2)</sup>	(4,824)	(5,181)	(63,125)	(42,399)	(1,441)	(116,970)
A reconciliation of cash earnings to profit before tax is provided as follows:						
<b>Funds from Operations</b>						<b>177,225</b>
Reduction in concession / lease receivables						(51,252)
Non-cash finance cost						(7,757)
Other non-cash items						(1,743)
Depreciation and amortisation						(113,712)
Maintenance capital expenditure						947
Finance cost attributable to non-controlling interest						(43,972)
FFO from joint venture						(2,916)
FFO attributable to non-controlling interests						49,716
Profit before tax						6,536
<b>Segment and consolidated total assets</b>	<b>569,494</b>	<b>714,757</b>	<b>1,737,256</b>	<b>1,018,470</b>	<b>78,665</b>	<b>4,118,642</b>
<b>Segment liabilities</b>	<b>316,752</b>	<b>105,451</b>	<b>961,373</b>	<b>947,998</b>	<b>304,966</b>	<b>2,636,540</b>
Unallocated liabilities:						
Current tax liabilities						5,454
Deferred tax liabilities						22,678
<b>Consolidated total liabilities</b>						<b>2,664,672</b>
<b>Other segment items</b>						
Investment in and advances to joint venture	-	-	-	-	1,717	1,717
Maintenance capital expenditure - property, plant and equipment	912	27	8	-	-	947

<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 unitholders.

## 12. SEGMENT ANALYSIS (CONT'D)

### By Geographical Area

The Group's Gas, Concessions and Power business segments operate in Singapore whilst the Electricity segment operates in 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>	
	FY2017 S\$'000	FY2016 S\$'000	31 Dec 2017 S\$'000	31 Dec 2016 S\$'000
Singapore	547,089	534,135	1,924,369	2,011,858
Australia	85,387	46,982	879,448	928,339
	<u>632,476</u>	<u>581,117</u>	<u>2,803,817</u>	<u>2,940,197</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

	FY2017 S\$'000	FY2016 S\$'000	Change %
<b>a) Revenue</b>			
First half of the year	314,092	268,600	16.9
Second half of the year	<u>318,384</u>	<u>312,517</u>	1.9
	<u>632,476</u>	<u>581,117</u>	8.8
<b>b) Profit/(Loss) after tax before deducting non-controlling interests</b>			
First half of the year	5,029	(1,878)	N/M
Second half of the year	<u>8,747</u>	<u>7,999</u>	9.4
	<u>13,776</u>	<u>6,121</u>	>100.0

## 15. BREAKDOWN OF TOTAL ANNUAL DISTRIBUTION

	FY2017 S\$'000	FY2016 S\$'000
<b>Total Distribution paid</b>		
- 1 January 2016 to 31 March 2016	-	35,871
- 1 April 2016 to 30 June 2016	-	35,870
- 1 July 2016 to 30 September 2016	-	35,870
- 1 October 2016 to 31 December 2016	-	35,871
- 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 <sup>(1)</sup>	<u>35,873</u>	-
	<u>143,490</u>	<u>143,482</u>

<sup>(1)</sup> For the quarter ended 31 December 2017, 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 23 February 2018.

## 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 18 April 2017. 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)	
	FY2017 S\$'000	FY2016 S\$'000
<b>1. Temasek Holdings (Private) Limited and its Associates</b>		
General Transaction		
(a) Sales of Goods and Services	6,261	2,380
(b) Management Fee Income	1,170	4,136
(c) Reimbursement of expenses <sup>(1)</sup>	32,941	6,635
(d) Purchases	274,309	162,445
(e) Rental expense	2,115	3,400
Total	316,796	178,996
<b>2. Keppel Corporation Group</b>		
General Transaction		
(a) Sales of Goods and Services	298	-
(b) Reimbursement of expenses	232	-
(c) Management Fee Expense	9,828	9,689
(d) Purchases	43,618	68,207
Treasury Transactions	119,788	55,583
Total	173,764	133,479

<sup>1</sup> The IPT values for FY2017 are disclosed based on total contract value from 2017 to 2021, whereas FY2016 are disclosed on an annual basis.

**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 2018

**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.