



KEPPEL INFRASTRUCTURE FUND MANAGEMENT Pte Ltd  
(as Trustee-Manager of Keppel Infrastructure Trust)  
(Co Reg No. 200803959H)

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## **MEDIA RELEASE**

### **Keppel Infrastructure Trust Unaudited Results for the First Half ended 30 June 2023**

**26 July 2023**

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 first half ended 30 June 2023.

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**Keppel Infrastructure Trust recorded  
1% YoY growth in DPU to 1.93 cents for 1H 2023**

**Results Highlights**

- DPU growth supported by higher Distributable Income, which increased by 51.8% year-on-year (YoY) to \$132.9 million in 1H 2023
- New acquisitions in FY 2022, namely KIT's investment in the (i) Aramco Gas Pipelines Company, (ii) European Onshore Wind Platform, (iii) German Offshore Wind Farm, as well as (iv) the acquisition of EMK, contributed \$68.6m or 38.5% of Asset Distributable Income for 1H 2023
- Growing exposure in the renewable energy sector with the investment in Fäbodliden II, an onshore wind farm in Sweden, as part of the committed pipeline assets sponsored by FORAS
- Completed \$300 million equity fund raise through a private placement and preferential offering of approximately 633.3 million new Units to partially repay bridge facilities
- Portfolio well-positioned against inflation and higher energy prices due to cost pass through mechanism and availability-based revenue model

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**Financial Performance**

Keppel Infrastructure Trust (KIT) delivered another strong set of performance in 1H 2023. The Trust reported Distributable Income \$132.9 million for 1H 2023, which is 51.8% higher than 1H 2022 due mainly to higher contributions from City Energy and the new acquisitions completed in FY 2022, which contributed \$68.6 million or 38.5% of Asset Distributable Income for 1H 2023.

Accordingly, the Trust declared higher Distribution per Unit (DPU) of 1.93 cents for 1H 2023, a continued gradual increase of 1% increase YoY. The 1H 2023 DPU translates to a distribution yield of 7.5%, based on KIT's closing price of \$0.510 as at 30 June 2023.

A segmental breakdown of KIT's financial performance is tabled below:

Segmental Performance	Distributable Income		
	1H 2023 \$ '000	1H 2022 \$ '000	Change (%)
Energy Transition	97,672	36,751	165.8
Environmental Services	38,867	37,464	3.7
Distribution & Storage	41,571	43,630	(4.7)
<b>Asset Subtotal</b>	<b>178,110</b>	<b>117,845</b>	<b>51.1</b>
Corporate <sup>1</sup>	(45,219)	(30,277)	(49.4)
<b>Distributable Income</b>	<b>132,891</b>	<b>87,568</b>	<b>51.8</b>

**Operational Performance**

KIT continues to deliver high availability and steady operational performance across its businesses and assets. The Trust is largely insulated from higher energy prices and inflation with the cost passed through mechanism and availability-based model.

<sup>1</sup> Comprises Trust expenses and distribution paid/payable to perpetual securities holders, management fees and financing costs. The higher costs were due to the issuance of the Series 4 Medium Term Notes on 5 May 2022 and draw down of equity bridge loans to fund the acquisition of EMK and BKR2 in 2H 2022.

### Energy Transition

In 1H 2023, the wind farm assets in Europe continue to operate with high availability. KIT's investment in the Aramco Gas Pipelines Company delivered stable distributions, supported by continued gas demand which were driven by the Kingdom's robust economic and population growth. In Singapore, the Keppel Merlimau Cogen plant achieved 100% contractual availability.

In May 2023, KIT, together with Keppel Corporation, announced the acquisition of Fäbodliden II, a 17MW onshore wind farm located approximately 20 kilometres northeast of the Vindelö Municipality in Sweden. This acquisition follows the joint announcement made in July 2022, when Keppel and KIT jointly invested alongside KLP and MEAG, each for an approximate 33.3% stake in a joint investment vehicle, for a 49% share of an initial portfolio of onshore wind energy assets across Norway and Sweden sponsored by Fred. Olsen Renewables AS (FORAS), which was completed on 8 September 2022. As part of that deal, Keppel, KIT, KLP and MEAG also have the exclusive right and obligation to co-invest in 49% of all of FORAS' eligible pipeline of onshore wind energy assets (1.2GW as at 31 December 2022) in Sweden and the United Kingdom when the assets achieve final investment decision. Currently at an advanced stage of development, Fäbodliden II is expected to be completed in 4Q 2023. Upon completion, the addition of Fäbodliden II will increase KIT's exposure in the renewable energy sector to 740 MW in operating capacity, contributing to KIT's 25% renewables target by 2030 based on its equity-adjusted AUM.

As part of its efforts to further its hydrogen strategy, City Energy announced collaborations with Gentari Sdn Bhd (Gentari), a wholly-owned subsidiary of PETRONAS, to jointly conduct feasibility studies of a hydrogen supply chain from Malaysia to Singapore. To promote a seamless cross-border charging experience of its electric vehicle (EV) charging business, City Energy and Gentari have also announced a collaboration to enable customer access to both parties' EV charging network across Singapore and Malaysia. Since launching its EV charging business in 2022, City Energy has secured 34 sites in Singapore as at end-Jun 2023, which could provide more than 3,000 EV lots in total. In terms of operations, City Energy achieved 100% plant availability in 1H 2023 and continues to maintain a sizeable customer base of 894,000, supported by the continued recovery of the Commercial and Industrial sector.

### Environmental Services

In the Environmental Services segment, operations at the Senoko Waste-to-Energy (WTE) Plant, Keppel Seghers Tuas WTE Plant, Keppel Seghers Ulu Pandan NEWater Plant and SingSpring Desalination Plant remained stable and fulfilled their contractual obligations in 1H 2023.

Eco Management Korea (EMK) maintained full utilisation of its incineration business and secured new contracts for its landfill business. As part of its growth plans following the completion of the EMK acquisition in October 2022, the Trustee-Manager continues to seek growth opportunities through accretive bolt-on acquisitions and ways to optimise the EMK business for scale and greater efficiency.

### Distribution & Storage

Ixom saw strong demand from its manufactured chemicals business due to higher coagulant and chlorine volumes in Australia. Ixom also saw higher volume from its New Zealand business with good weather conditions contributing to a strong dairy season. Following the conclusion of the Ixom strategic review in April 2023, the Trustee-Manager will focus on Ixom's next phase of growth, through (i) growing its core businesses through M&A, (ii) driving performance of its new acquisitions, (iii) further streamlining of the business, and (iv) exploring debt recapitalisation.

Philippine Coastal Storage and Pipeline Corporation (Philippine Coastal) continued to see stable fuel storage utilisation rate of 86% as at end-June 2023. Philippine Coastal secured additional storage demand from an anchor customer which commenced in July 2023. Philippine Coastal has also commenced construction of new tanks as part of its capacity expansion plans.

## **Capital Management**

In 2Q 2023, KIT raised approximately \$300 million in gross proceeds through a private placement and preferential offering of approximately 633.3 million new Units. The equity fund raise received strong demand from investors, with the private placement 4.2 times subscribed, and the preferential offering 1.7 times subscribed. The proceeds were utilised to partially repay the \$580 million equity bridge facilities which were drawn down to fund the acquisitions of the Borkum Riffgrund 2 (BKR2) and EMK in 2022. The Trustee-Manager also paid down \$142 million of the bridge facilities via a longer-term debt through City Energy's loan facility. In July 2023, the Trustee-Manager announced a \$130 million loan that will be utilised to repay the remaining \$144 million bridge facilities, terming the loan out to 2026.

KIT has also commenced amortisation of KMC's \$700 million sustainability-linked loan in June 2023, with the first repayment of \$88 million (\$45 million based on KIT's share) in June 2023. The Trustee-Manager continues to review KMC's capital structure.

The Trust ended the period with a healthy net gearing of 38.5% as at 30 June 2023, which provides a comfortable debt headroom to pursue growth opportunities. The Trustee-Manager continues to monitor risk exposures and safeguards against evolving market conditions. To mitigate against fluctuating interest rates, approximately 77.4% of KIT's total loans are fixed and hedged as at 30 June 2023.

## **Commitment to ESG Excellence**

Anchored by a portfolio of critical infrastructure businesses and assets, the Trust sees sustainability management as imperative to its continued success and ability to create value.

In 1H 2023, the Trustee-Manager completed the installation of solar PV system with a generation capacity of 0.2 MWp at City Energy, increasing KIT's total solar capacity to 2.2MWp for operational needs in its portfolio. Beyond the partnership with Gentari, City Energy has also announced other collaborations to accelerate the commercial usage of hydrogen in Singapore and study the development of off-grid hydrogen fuel cell solutions, using hydrogen extracted from town gas.

As part of its efforts in championing innovative green energy solutions, the Trustee-Manager has also announced collaborations with Keppel Infrastructure to explore low carbon water solutions at the SingSpring Desalination Plant and the Ulu Pandan NEWater Plant.

In aligning its ESG ambitions with growth plans, the Trustee-Manager established the KIT Responsible Investment Policy, which is in line with the United Nations-supported Principles for Responsible Investment, of which Keppel Capital is a signatory.

With ESG at the core of its business and strategy, the Trustee-Manager will continue to actively manage the Trust's portfolio and create value to achieve sustainable growth.

- End -

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

Keppel Infrastructure Trust (KIT) is a diversified business trust listed on the Singapore Exchange with approximately \$7.3 billion in assets under management for FY 2022. Its goal is to deliver sustainable and growing returns to Unitholders, through a combination of recurring distributions and capital growth.

KIT's portfolio of strategic infrastructure businesses and assets provide essential products and services to a wide array of customers including government agencies, multinational corporations, commercial and industrial enterprises as well as retail consumers.

The Trustee-Manager of KIT is Keppel Infrastructure Fund Management. KIT is sponsored by Keppel, a global asset manager and operator with strong expertise in sustainability-related solutions spanning the areas of infrastructure, real estate and connectivity.

**IMPORTANT NOTICE**

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

**KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES (collectively the “Group”)  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS & DISTRIBUTION  
ANNOUNCEMENT  
FOR THE HALF YEAR ENDED 30 JUNE 2023**

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## INTRODUCTION

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

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 governed by the Business Trust Act 2004 and allowed to pay distributions to Unitholders out of its cash balance and residual cash flows, in accordance with its distribution policy.

### Acquisition / Investment during the year

In May 2023, Windy EU Holdings committed approximately S\$6.9 million (€4.7 million) for a 16.3% stake in Fäbodliden II, a 17MW Swedish onshore wind farm. The investment is part of the deal where KIT and Keppel Renewable Investments Pte. Ltd., together with its co-investment partners, Kommunal Landspensjonskasse and MEAG MUNICH ERGO Asset Management GmbH, have the exclusive right and obligation to co-invest in 49% of all Fred. Olsen Renewables AS eligible pipeline of onshore wind energy assets in Sweden and the United Kingdom when the assets achieve final investment decision.

### Business segments

KIT’s businesses and assets are reported under three core operating segments, namely:

- Energy Transition: Includes infrastructure investments that support the transition to a low-carbon economy;
- Environmental Services: Includes infrastructure investments that provide essential services which protect human health and safeguard the environment; and
- Distribution and Storage: Includes infrastructure investments that support the circular economy and drive economic growth.

The businesses and assets as at 30 June 2023 are summarised below:

Geography/ Segment	Energy Transition	Environmental Services	Distribution and Storage
<b>Singapore</b>	<u>100% Interest</u> City Energy  <u>51% interest</u> <ul style="list-style-type: none"> <li>• City-OG Gas</li> <li>• Keppel Merlimau Cogen</li> </ul>	<u>100% Interest</u> <ul style="list-style-type: none"> <li>• Senoko Waste-to-Energy (“WTE”) Plant</li> <li>• Keppel Seghers Tuas WTE Plant</li> <li>• Keppel Seghers Ulu Pandan NEWater Plant</li> <li>• SingSpring Desalination Plant</li> </ul>	
<b>Australia</b>			<u>100% Interest</u> Ixom
<b>Philippines</b>			<u>50% Interest</u> Philippine Coastal
<b>Kingdom of Saudi Arabia</b>	<u>Minority and non-controlling</u> Aramco Gas Pipelines Company		
<b>European Union</b>	<u>13.4% interest</u> Wind Fund I (Onshore wind farms) <u>20.5% interest</u> BKR2 (Offshore wind farms)		
<b>South Korea</b>		<u>52% interest</u> Eco Management Korea Holdings Co., Ltd. (“EMK”)	

## **INTRODUCTION (CONT'D)**

### Energy Transition

City Energy is the sole supplier of town gas, with a history of over a century in Singapore. It produces and sells town gas to residential customers, as well as town gas and natural gas to commercial and industrial customers. It is also looking at providing IoT-enabled home solutions and electric vehicle charging solutions through its sub-brand, City Energy Go.

Keppel Merlimau Cogen ("KMC") Plant is a competitive gas-fired power plant in Singapore and generates stable cash flows as a function of availability.

Aramco Gas Pipelines Company ("AGPC") holds a 20-year lease and leaseback agreement commencing from 23 February 2022 over the rights to use of gas pipelines network belonging to a Saudi Arabian Oil Company ("Aramco"). KIT will receive quarterly payments backed by a minimum volume commitment from Aramco, which will retain full ownership and operational control of the gas pipelines network.

Wind Fund I AS holds an initial portfolio with 258MW of operating onshore wind farms projects and 1.2GW of pipeline potential across the Nordics and UK.

BKR2 is an investment in a 465MW operating German offshore wind farms with a remaining useful life until 2053. BKR2 is operated by Ørsted through a 20-year operation and maintenance agreement until 2038, with the operational costs largely fixed, covering scheduled maintenance.

### Environmental Services

Environmental services assets typically generate stable cash flows as a function of availability. All our waste-to-energy and water plants follow industry best practices.

EMK is a leading integrated waste management services player in South Korea, offering waste treatment and recycling, as well as waste-to-energy services.

### Distribution and Storage

Ixom and Philippine Coastal are businesses that provide essential products and services which are scalable and supported by their leading market positions.

Ixom is a leading industrial infrastructure business in Australia and New Zealand. It is the sole manufacturer and provider of liquefied chlorine in Australia, as well as a leading provider of manufactured caustic soda and specialty chemicals.

Ixom's revenue profile is seasonal over the course of the year which is typical for a business of this nature in Australia and New Zealand.

Philippine Coastal is the largest independent petroleum products import storage facility in the Philippines which is strategically located in the Subic Bay Freeport Zone to capture demand which accounts for more than half of the fuel oil product demand in the Philippines.

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

KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
For the half year ended 30 June 2023

Consolidated Income Statement

		<u>Group</u>			
	Note	1H 2023 S\$'000	1H 2022 S\$'000	Change %	
<b>Revenue</b>	3	<b>1,063,636</b>	946,253	12.4	(i)
<b>Other income</b>	4	<b>19,046</b>	2,421	>100.0	(ii)
<b>Other (losses) / gain - net</b>		<b>(19,302)</b>	523	N/M	(iii)
<b>Expenses</b>					
Fuel and electricity costs		<b>(84,469)</b>	(97,261)	(13.2)	(iv)
Gas transportation, freight and storage costs		<b>(112,926)</b>	(100,045)	12.9	(iv)
Raw materials, consumables used and changes in inventories		<b>(385,640)</b>	(387,897)	(0.6)	(iv)
Depreciation and amortisation		<b>(107,371)</b>	(74,990)	43.2	(v)
Impairment loss on financial assets		<b>(483)</b>	(185)	>100.0	
Staff costs		<b>(98,275)</b>	(89,254)	10.1	(vi)
Operation and maintenance costs		<b>(74,473)</b>	(44,819)	66.2	(iv)
Finance costs		<b>(83,408)</b>	(47,270)	76.5	(vii)
Trustee-Manager's fees		<b>(14,459)</b>	(28,023)	(48.4)	(viii)
Other operating expenses		<b>(62,835)</b>	(64,834)	(3.1)	(ix)
<b>Total expenses</b>		<b>(1,024,339)</b>	(934,578)	9.6	
<b>Profit before joint venture</b>		<b>39,041</b>	14,619	>100.0	
Share of results of joint venture		<b>8,918</b>	4,036	>100.0	(x)
<b>Profit before tax</b>	5	<b>47,959</b>	18,655	>100.0	
Income tax expense		<b>(16,068)</b>	(14,310)	12.3	(xi)
<b>Profit for the period</b>		<b>31,891</b>	4,345	>100.0	
<b>Profit attributable to:</b>					
Unitholders of the Trust		<b>39,445</b>	4,458	>100.0	
Perpetual securities holders		<b>13,463</b>	13,463	-	
Equityholders of the Trust		<b>52,908</b>	17,921	>100.0	
Non-controlling interests		<b>(21,017)</b>	(13,576)	54.8	
		<b>31,891</b>	4,345	>100.0	
Earnings per unit, expressed in cents - basic and diluted		<b>0.76</b>	0.09	>100.0	(xii)

Additional information:

Management believe that EBITDA is an important measure of performance, although it is not a standard measure under SFRS (I).

EBITDA	<b>246,349</b>	172,553	42.8
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The Group defines EBITDA as profit before tax, excluding interest income, finance costs, depreciation and amortisation expenses. The reported EBITDA is before distribution to perpetual securities holders, excluding effects of any fair value changes, unrealised foreign exchanges and after adjustment for one-off items of transaction cost incurred for new investments.

N/M - Not meaningful

## KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

### Note:

Please refer to Other Information Paragraph 3 on pages 24 to 26 for Review of Performance for the half year ended 30 June 2023.

(i) The Group revenue is contributed by:

#### Energy Transition

- City Energy: Produce and retail of town gas, retail of natural gas and sales of gas appliances in Singapore
- KMC: Provide availability and capacity targets of its power plant to tollor. Fixed payments for meeting availability targets
- AGPC: Distribution income from the investment in AGPC

#### Environmental Services (Mainly fixed payment for availability of plants capacity)

- Senoko WTE Plant: Collect and treatment of solid waste to generate green energy
- Keppel Seghers Tuas WTE Plant: Collect and treatment of solid waste to generate green energy
- Keppel Seghers Ulu Pandan NEWater Plant: Collect, purify and distribute water
- SingSpring Desalination Plant: Operate a seawater desalination plant
- EMK: Providing waste treatment and recycling, as well as waste-to-energy services

#### Distribution and Storage

- Ixom: Supply and distribute of key water treatment, industrial and speciality chemical in Australia and New Zealand

(ii) Other income mainly comprises interest income from short-term deposits and other miscellaneous income.

(iii) Other (losses)/gains - net mainly relates to exchange differences, fair value gain/loss on derivative financial instruments and financial assets and impairment loss booked during the period.

(iv) These are incidental expenses incurred for the sale of goods and provision of services, mainly as follows:

- Cost of fuel and electricity purchased by City Energy for the production and retailing of town and natural gas;
- Transportation cost incurred for the delivery of piped town gas from City Energy to its customers and distribution of chemical products to Ixom's customers;
- Cost of chemicals incurred by Ixom for the manufacturing, supply and distribution to its customers; and
- Cost of operating and maintaining the plants of Environmental Services segment and KMC to achieve contractual availability

(v) Depreciation and amortisation on property, plant and equipments and intangible assets excluding goodwill are calculated using a straight line method over their estimated useful lives. Please refer to Note 2 of the financial statements in the Group Annual Report for the financial year ended 31 December 2022 for the details on the assets useful lives.

(vi) Staff costs mainly comprises salaries and wages, employer's contribution to defined contribution plans, defined benefit plans and other short-term benefits of the employees of Ixom, City Energy and EMK.

(vii) Included in Finance costs are mainly interest expense on bank borrowings, medium term notes and notes payable to non-controlling interests, amortisation of debt-related transaction costs and transfer of cash flow hedge reserves to profit or loss.

(viii) The Trustee-Manager's fees comprise:

#### Previous Fee Structure prior to 1 July 2022

A base fee of S\$2.0 million per annum subject to increase each year by such percentage increase (if any) in the average of the monthly Singapore CPI for the 12 calendar months immediately preceding the beginning of each financial year over the average of the monthly Singapore CPI for 2010.

Performance fee is charged at 4.5% per annum on all the cash inflows received by the Trust from subsidiaries, associates, sub-trusts, and its investments (including but not limited to dividends, distributions, interest earned, revenues earned, principal repayment of debt securities and all other receipts).

## KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

### CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D) For the half year ended 30 June 2023

#### New Fee Structure effective from 1 July 2022

A base fee at a rate equal to 10% per annum of KIT Group distributable income, before accounting for the base fee and performance fee under the New Fee Structure for the relevant period.

Performance fee is charge at a rate equal to 25% per annum of the increase (if any) in Distribution Per Unit (DPU) as declared by the Trustee-Manager in respect of a financial year as compared with the DPU in respect of the preceding financial year, multiplied by the weighted average number of units in issue for such financial year.

In addition to the base fee and the performance fee, the Trustee-Manager is also entitled to receive an Acquisition Fee in respect of any investment acquired by the Trust or special purpose vehicles holding or constituted to hold the Trust's investment and a Divestment Fee in respect of any investment sold or divested by the Trust or its special purpose vehicles. The Acquisition Fee and Divestment Fee are charged at 1% (or 0.5% for an acquisition from its sponsor group) on the enterprise value of the investment acquired and 0.5% for investment divested respectively.

Breakdown of Trustee-Manager's fees are as follows:

	Half year	
	30 June 2023	30 June 2022
	S\$'000	S\$'000
Base Fee	14,459	-
Base Fee prior to the fee structure change	-	1,159
Performance Fee prior to the fee structure change	-	4,818
Acquisition fees	-	22,046
Total fees	<u>14,459</u>	<u>28,023</u>

- (ix) Included in Other operating expenses are mainly business development costs, statutory and corporate expenses, legal and professional fees and currency hedging gains and losses of the Trust.
- (x) Share of results of joint venture mainly relates to the Group's share of Philippine Coastal, Wind Fund I and BKR2's results.
- (xi) Income tax expense comprises corporate income tax and net deferred tax of the Group. Net deferred tax mainly arises from accelerated tax depreciation, changes in carrying value of intangible assets and recognition of utilised tax losses.
- (xii) Earning per unit ("EPU")

	<u>Group</u>		
	1H FY23	1H FY22	%
Weighted average number of units	5,190,558,644	4,991,474,016	4.0
<b>EPU</b>			
- based on the weighted average number of units in issue (cents)			
- basic and diluted	0.76	0.09	100.0

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.

KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME (CONT'D)  
For the half year ended 30 June 2023

Consolidated Statement of Comprehensive Income

	1H 2023	<u>Group</u> 1H 2022	Change
	S\$'000	S\$'000	%
<b>Profit for the period</b>	<b>31,891</b>	4,345	>100.0
<b>Other comprehensive income:</b>			
<u>Items that may be reclassified</u>			
<u>subsequently to profit or loss</u>			
Cash flow hedges:			
- Fair value gain	8,756	52,769	(83.4)
- Transfer to profit or loss	(12,348)	3,718	N/M
Currency translation differences relating to consolidation of foreign operations	(22,484)	8,092	N/M
Currency translation differences reclassified to profit or loss on disposal of foreign subsidiaries	-	123	(100.0)
<b>Other comprehensive income, net of tax</b>	<b>(26,076)</b>	64,702	N/M
<b>Total comprehensive income</b>	<b>5,815</b>	69,047	(91.6)
<b>Attributable to:</b>			
Unitholders of the Trust	18,174	57,652	(68.5)
Perpetual securities holders	13,463	13,463	-
Equityholders of the Trust	31,637	71,115	(55.5)
Non-controlling interests	(25,822)	(2,068)	>100.0
	<b>5,815</b>	69,047	(91.6)

N/M - Not meaningful

**Note:**

The other comprehensive income items mainly relates to the fair value changes of the cash flow hedges as a result of interest rate swaps and foreign currency forward contracts entered into by the Group, the movement in foreign currency translation reserves that arises from the translation of foreign entities.

KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

As at 30 June 2023

	Note	Group		Trust	
		30 Jun 2023 S\$'000	31 Dec 2022 S\$'000 Reclassified*	30 Jun 2023 S\$'000	31 Dec 2022 S\$'000
<b>Non-Current Assets</b>					
Property, plant and equipment		1,590,167	1,657,539	-	-
Right-of-use assets		94,452	99,720	-	-
Investment properties		10,001	10,200	-	-
Intangibles	6	1,489,501	1,558,610	-	-
Investment in subsidiaries		-	-	1,753,385	1,869,882
Investment in joint venture		418,218	399,470	-	-
Notes receivables		-	-	682,557	682,557
Loan receivable from joint venture		260,720	269,724	-	-
Amount receivable from subsidiaries		-	-	51,989	5,715
Service concession receivables		105,857	132,604	-	-
Finance lease receivables		44,772	50,888	-	-
Derivative financial instruments		71,450	78,951	2,286	1,979
Investment in financial assets		336,800	362,623	-	-
Other assets		98,277	104,990	-	-
<b>Total non-current assets</b>		<b>4,520,215</b>	<b>4,725,319</b>	<b>2,490,217</b>	<b>2,560,133</b>
<b>Current Assets</b>					
Cash and bank deposits		335,354	535,729	78,201	184,950
Investment in financial assets		24	24	-	-
Trade and other receivables		328,731	316,391	16,266	12,776
Amount receivable from a subsidiary		-	-	6,299	-
Service concession receivables		53,372	52,024	-	-
Finance lease receivables		12,065	11,799	-	-
Derivative financial instruments		4,369	5,641	2,901	4,649
Inventories		261,211	280,144	-	-
Other assets		38,626	35,685	28	66
<b>Total current assets</b>		<b>1,033,752</b>	<b>1,237,437</b>	<b>103,695</b>	<b>202,441</b>
<b>Total assets</b>		<b>5,553,967</b>	<b>5,962,756</b>	<b>2,593,912</b>	<b>2,762,574</b>
<b>Current Liabilities</b>					
Borrowings	7	814,681	800,844	153,428	579,549
Trade and other payables		320,910	452,389	18,851	26,074
Provisions		38,623	34,655	-	-
Derivative financial instruments		509	3,907	-	-
Lease liabilities		12,411	13,207	-	-
Income tax payable		21,633	21,593	274	241
<b>Total current liabilities</b>		<b>1,208,767</b>	<b>1,326,595</b>	<b>172,553</b>	<b>605,864</b>
<b>Net Current Liabilities</b>		<b>(175,015)</b>	<b>(89,158)</b>	<b>(68,858)</b>	<b>(403,423)</b>

KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (CONT'D)

As at 30 June 2023

	Note	Group		Trust	
		30 Jun 2023 S\$'000	31 Dec 2022 S\$'000 Reclassified*	30 Jun 2023 S\$'000	31 Dec 2022 S\$'000
<b>Non-Current Liabilities</b>					
Borrowings	7	1,661,217	2,106,321	498,317	498,840
Notes payable to non-controlling interests		245,000	245,000	-	-
Loan from a related party		45,054	2,179	-	-
Loan from a subsidiary		-	-	142,000	-
Derivative financial instruments		-	1,857	-	-
Other payables		189,526	185,370	-	-
Provisions		16,935	17,082	-	-
Lease liabilities		64,842	67,911	-	-
Defined benefit obligation		4,848	5,163	-	-
Deferred tax liabilities		84,655	98,122	-	-
<b>Total non-current liabilities</b>		<b>2,312,077</b>	<b>2,729,005</b>	<b>640,317</b>	<b>498,840</b>
<b>Total liabilities</b>		<b>3,520,844</b>	<b>4,055,600</b>	<b>812,870</b>	<b>1,104,704</b>
<b>Net Assets</b>		<b>2,033,123</b>	<b>1,907,156</b>	<b>1,781,042</b>	<b>1,657,870</b>
<b>Represented by:</b>					
<b>Unitholders' Funds</b>					
Units in issue	8	2,924,247	2,629,502	2,924,247	2,629,502
Hedging reserve		49,257	50,012	5,187	6,629
Translation reserve		(61,924)	(41,408)	-	-
Capital reserve		46,214	46,214	-	-
Defined benefit plan reserve		6,444	6,444	-	-
Share based payment reserve		2,393	2,142	-	-
Accumulated losses		(1,846,782)	(1,728,980)	(1,745,975)	(1,575,919)
<b>Total Unitholders' Funds</b>		<b>1,119,849</b>	<b>963,926</b>	<b>1,183,459</b>	<b>1,060,212</b>
Perpetual securities		597,583	597,658	597,583	597,658
<b>Total Equityholders' Funds</b>		<b>1,717,432</b>	<b>1,561,584</b>	<b>1,781,042</b>	<b>1,657,870</b>
Non-controlling interests		315,691	345,572	-	-
		<b>2,033,123</b>	<b>1,907,156</b>	<b>1,781,042</b>	<b>1,657,870</b>

\* In accordance with SFRS(I) 3 "Business Combinations", pursuant to the ongoing purchase price allocation exercise for the acquisition of EMK, the Group has reclassified an amount of S\$10.2 million from Property, plant and equipment to Investment properties. There is no impact to the amount of goodwill arising from acquisition and consolidated income statement in relation to the reclassification.

## KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

### CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (CONT'D)

As at 30 June 2023

Net asset value ("NAV") per unit

	<u>Group</u>			<u>Trust</u>		
	30 Jun 2023	31 Dec 2022	%	30 Jun 2023	31 Dec 2022	%
NAV per unit (cents)	19.9	19.3	3.1	21.0	21.2	(0.9)
Adjusted NAV per unit (cents) - (after distribution payable to unitholders)	18.0	17.4	3.4	19.1	19.3	(1.0)

The Group NAV per unit before hedging and translation reserves was 20.1 cents as at 30 June 2023 and 19.1 cents as at 31 December 2022. The Trust NAV per unit before hedging reserves was 20.9 cents as at 30 June 2023 and 21.1 cents as at 31 December 2022.

The Group NAV per unit including perpetual securities was 30.5 cents as at 30 June 2023 and 31.3 cents as at 31 December 2022. The Trust NAV per unit including perpetual securities was 31.7 cents as at 30 June 2023 and 33.2 cents as at 31 December 2022.

The number of units used for computation of NAV per unit and adjusted NAV per unit were 5,625,514,586 and 4,991,789,782 which were the number of units in issue as at 30 June 2023 and 31 December 2022 respectively.

KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

CONDENSED INTERIM STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS

Group	Note	Attributable to Unitholders of the Trust										
		Units in Issue S\$'000	Hedging Reserve S\$'000	Translation Reserve S\$'000	Capital Reserve S\$'000	Defined Benefit Plan Reserve S\$'000	Share Based Payment Reserve S\$'000	Accumulated Losses S\$'000	Total Unitholders' Funds S\$'000	Perpetual Securities S\$'000	Non-controlling Interests S\$'000	Total S\$'000
<b>2023</b>												
At 1 January 2023		2,629,502	50,012	(41,408)	46,214	6,444	2,142	(1,728,980)	963,926	597,658	345,572	1,907,156
<b>Total comprehensive income</b>												
Profit for the period		-	-	-	-	-	-	39,445	39,445	13,463	(21,017)	31,891
Other comprehensive income for the period		-	(755)	(20,516)	-	-	-	-	(21,271)	-	(4,805)	(26,076)
Total		-	(755)	(20,516)	-	-	-	39,445	18,174	13,463	(25,822)	5,815
<b>Transactions with owners, recognised directly in equity</b>												
Contributions by and distributions to owners:												
Units issued		299,820	-	-	-	-	-	-	299,820	-	-	299,820
Issuance cost		(5,075)	-	-	-	-	-	-	(5,075)	-	-	(5,075)
Recognition of share-based payments		-	-	-	-	-	251	-	251	-	-	251
Effects of acquiring part of non-controlling interests in a subsidiary		-	-	-	-	-	-	-	-	-	-	-
Contribution by non-controlling shareholders		-	-	-	-	-	-	-	-	-	1,289	1,289
Distributions paid		-	-	-	-	-	-	(157,247)	(157,247)	(13,538)	(5,348)	(176,133)
Total		294,745	-	-	-	-	251	(157,247)	137,749	(13,538)	(4,059)	120,152
<b>At 30 June 2023</b>		<b>2,924,247</b>	<b>49,257</b>	<b>(61,924)</b>	<b>46,214</b>	<b>6,444</b>	<b>2,393</b>	<b>(1,846,782)</b>	<b>1,119,849</b>	<b>597,583</b>	<b>315,691</b>	<b>2,033,123</b>

Group	Note	Attributable to Unitholders of the Trust										
		Units in Issue S\$'000	Hedging Reserve S\$'000	Translation Reserve S\$'000	Capital Reserve S\$'000	Defined Benefit Plan Reserve S\$'000	Share Based Payment Reserve S\$'000	Accumulated Losses S\$'000	Total Unitholders' Funds S\$'000	Perpetual Securities S\$'000	Non-controlling Interests S\$'000	Total S\$'000
<b>2022</b>												
At 1 January 2022		2,629,211	3,837	(16,122)	38,710	(6,018)	773	(1,538,673)	1,111,718	597,622	30,725	1,740,065
<b>Total comprehensive income</b>												
Profit for the period		-	-	-	-	-	-	4,458	4,458	13,463	(13,576)	4,345
Other comprehensive income for the period		-	45,017	8,177	-	-	-	-	53,194	-	11,509	64,703
Total		-	45,017	8,177	-	-	-	4,458	57,652	13,463	(2,067)	69,048
<b>Transactions with owners, recognised directly in equity</b>												
Contributions by and distributions to owners:												
Units issued		291	-	-	-	-	-	-	291	-	-	291
Issuance cost		-	-	-	-	-	-	-	-	-	-	-
Recognition of share-based payments		-	-	-	-	-	696	-	696	-	-	696
Effects of acquiring part of non-controlling interests in a subsidiary		-	-	-	7,504	-	-	-	7,504	-	(4,360)	3,144
Distributions paid		-	-	-	-	-	-	(95,832)	(95,832)	(13,536)	-	(109,368)
Total		291	-	-	7,504	-	696	(95,832)	(87,341)	(13,536)	(4,360)	(105,237)
<b>Changes in ownership interest in subsidiaries</b>												
Acquisition of interest in a subsidiary		-	-	-	-	-	-	-	-	-	-	-
Disposal of interest in a subsidiary		-	-	-	-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-	-	-	-
<b>At 30 June 2022</b>		<b>2,629,502</b>	<b>48,854</b>	<b>(7,945)</b>	<b>46,214</b>	<b>(6,018)</b>	<b>1,469</b>	<b>(1,630,047)</b>	<b>1,082,029</b>	<b>597,549</b>	<b>24,298</b>	<b>1,703,876</b>

**KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES**

**CONDENSED INTERIM 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	Perpetual Securities S\$'000	Total S\$'000
<b>2023</b>						
At 1 January 2023	2,629,502	6,629	(1,575,919)	1,060,212	597,658	1,657,870
<u>Total comprehensive income</u>						
Profit/(Loss) for the period	-	-	(12,809)	(12,809)	13,463	654
Other comprehensive income for the period	-	(1,442)	-	(1,442)	-	(1,442)
Total	-	(1,442)	(12,809)	(14,251)	13,463	(788)
<u>Transactions with owners, recognised directly in equity</u>						
Contributions by and distributions to owners:						
Units issued	299,820	-	-	299,820	-	299,820
Issuance cost	(5,075)	-	-	(5,075)	-	(5,075)
Distributions paid	-	-	(157,247)	(157,247)	(13,538)	(170,785)
Total	294,745	-	(157,247)	137,498	(13,538)	123,960
<b>At 30 June 2023</b>	<b>2,924,247</b>	<b>5,187</b>	<b>(1,745,975)</b>	<b>1,183,459</b>	<b>597,583</b>	<b>1,781,042</b>
<b>2022</b>						
At 1 January 2022	2,629,211	875	(1,325,759)	1,304,327	597,622	1,901,949
<u>Total comprehensive income</u>						
Profit for the period	-	-	58,355	58,355	13,463	71,818
Other comprehensive income for the period	-	2,961	-	2,961	-	2,961
Total	-	2,961	58,355	61,316	13,463	74,779
<u>Transactions with owners, recognised directly in equity</u>						
Contributions by and distributions to owners:						
Units issued	291	-	-	291	-	291
Distributions paid	-	-	(95,832)	(95,832)	(13,536)	(109,368)
Total	291	-	(95,832)	(95,541)	(13,536)	(109,077)
<b>At 30 June 2022</b>	<b>2,629,502</b>	<b>3,836</b>	<b>(1,363,236)</b>	<b>1,270,102</b>	<b>597,549</b>	<b>1,867,651</b>

KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group	
		1H 2023 S\$'000	1H 2022 S\$'000
<b>Operating activities</b>			
Profit before tax		47,959	18,655
Adjustments for:			
Depreciation and amortisation		107,371	74,990
Finance costs		83,408	47,270
Interest income		(16,974)	(1,086)
Impairment loss on financial assets		483	185
Impairment loss on property, plant and equipment and right-of-use assets		45	-
Inventories written down		7	-
Fair value loss / (gain) on derivative financial instruments		186	(50)
Fair value loss on investment in financial assets at FVTPL		22,133	-
Share-based payment expense		251	188
Loss / (Gain) on disposal of property, plant and equipment		848	(1)
Gain on disposal of subsidiaries		-	(470)
Share of results of joint venture		(8,918)	(4,036)
Unrealised foreign exchange differences		1,253	(16,689)
Management fees paid in units	8	251	291
Operating cash flows before movements in working capital		238,303	119,247
Trade and other receivables		(42,287)	(27,815)
Service concession receivables		25,399	25,244
Finance lease receivables		5,850	5,626
Trade and other payables		(79,340)	(42,351)
Inventories		18,926	(17,748)
<b>Cash generated from operations</b>		166,851	62,203
Interest received		17,034	1,080
Interest paid		(81,388)	(44,401)
Income tax paid		(29,827)	(26,232)
<b>Net cash from / (used in) operating activities</b>		72,670	(7,350)
<b>Investing activities</b>			
Acquisition of subsidiaries, net of cash acquired		-	(67,066)
Net cash inflow on disposal of subsidiary		-	2,127
Investment in financial assets measured at FVTPL		-	(336,619)
Dividend received from investment and joint ventures		36,572	-
Repayment of advances from joint venture		10,230	-
Investment in joint venture		(7,115)	-
Purchase of property, plant and equipment, right-of-use assets and intangible assets		(18,675)	(15,833)
Proceeds from sale of property, plant and equipment		6	247
<b>Net cash from / (used in) investing activities</b>		21,018	(417,144)
<b>Financing activities</b>			
Decrease / (increase) in restricted cash		5,742	(1,123)
Proceeds from issuance of units (net)	8	294,494	-
Proceeds from non-controlling interests of subsidiaries		1,289	-
Acquisition of non-controlling interests in a subsidiary		-	(12,000)
Proceeds from borrowings		162,781	539,495
Repayment of borrowings		(562,672)	(254,236)
Repayment of obligations under finance leases		(9,137)	(6,872)
Payment of loan upfront fees		(2,201)	(989)
Distributions paid to Perpetual securities holders		(13,538)	(13,538)
Distributions paid to Unitholders of the Trust		(157,247)	(95,832)
Distributions paid by subsidiaries to non-controlling interests		(5,348)	-
<b>Net cash (used in) / from financing activities</b>		(285,837)	154,906
<b>Net increase in cash and cash equivalents</b>		(192,149)	(269,588)
Cash and cash equivalents at beginning of the period		526,868	809,751
Effect of currency translation on cash and cash equivalents		(2,485)	582
<b>Cash and cash equivalents at end of the period</b>	See Note A below	332,234	540,745

## KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

### NOTES TO CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

#### A. Cash and Cash Equivalents

	30 Jun 2023 S\$'000	30 Jun 2022 S\$'000
Cash and bank deposits	335,354	549,220
Less: Restricted cash	(3,120)	(8,475)
Cash and cash equivalents	<u>332,234</u>	<u>540,745</u>

Restricted cash represents the amount of cash and cash equivalents required to be set aside to meet interest and principal repayments for loans extended to, and for secured bank guarantees of, the Group.

## KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 30 June 2023

#### 1. GENERAL

Keppel Infrastructure Trust is a business trust registered with the Monetary Authority of Singapore and domiciled in Singapore. The Trust was constituted by a trust deed dated January 5, 2007 and is regulated by the Singapore Business Trusts Act 2004.

In 2015, the Trust changed its Trustee-Manager from CitySpring Infrastructure Management Pte. Ltd. to Keppel Infrastructure Fund Management Pte. Ltd. Under the trust deed, Keppel Infrastructure Fund Management Pte. Ltd. (the "Trustee-Manager") will hold the assets (including businesses) acquired in trust for the unitholders as the Trustee-Manager. The registered address and principal place of business of the Trustee-Manager is at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632.

The Trust has been established with the principal objective of investing in infrastructure assets and providing unitholders with regular and predictable distributions and the potential for long-term capital growth.

The Trust was admitted to the Official List of the Main Board of Singapore Exchange Securities Trading Limited on February 12, 2007.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

##### 2.1 Basis of Preparation

The condensed consolidated interim financial statements for the half year ended 30 June 2023 have been prepared in accordance with Singapore Financial Reporting (International) 1-34 *Interim Financial Reporting* (SFRS (I) 1-34) issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the disclosures required for a complete set of financial statements. Accordingly, this report should be read in conjunction with the Group's Annual Report for the financial year ended 31 December 2022 and any public announcements made by Keppel Infrastructure Fund Management Pte. Ltd. (as Trustee-Manager of Keppel Infrastructure Trust) during the interim reporting period.

##### 2.2 Changes in Accounting Policies

The accounting policies adopted by the Group in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's Annual Report for the financial year ended 31 December 2022, except for the adoption of new and revised standards effective as of 1 January 2023.

The following are the new or amended SFRS(I)s, SFRS (I) Interpretations and amendments to SFRS(I)s, that are relevant to the Group:

- SFRS(I) 17 Insurance Contracts (including November 2020 and December 2021 Amendments to SFRS(I) 17)
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies
- Amendments to SFRS(I) 1-8: Definition of Accounting Estimates
- Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to SFRS(I) 1-12: International Tax Reform – Pillar Two Model Rules<sup>1</sup>

The adoption of the above new or amended SFRS(I)s, SFRS (I) Interpretations and amendments to SFRS(I)s has no material effect on the disclosures or on the amounts reported in the condensed interim consolidated financial statements of the Group.

<sup>1</sup> The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

##### 2.3 Critical Accounting Judgments and Estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
For the half year ended 30 June 2023

3. REVENUE

	Energy Transition S\$'000	Environmental services S\$'000	Distribution and Storage S\$'000	Total S\$'000
<b>Half year ended 30 June 2023</b>				
<b>Segment Revenue &amp; timing of revenue recognition</b>				
At a point in time:				
Sale of goods	191,616	-	614,916	806,532
Distribution income	30,551	-	-	30,551
Over time:				
Service income	60,579	71,589	18,165	150,333
Finance income from service concession arrangements	-	3,407	-	3,407
Finance lease income	-	699	-	699
Operation and maintenance income	13,752	45,441	12,921	72,114
	<u>296,498</u>	<u>121,136</u>	<u>646,002</u>	<u>1,063,636</u>
<b>Half year ended 30 June 2022</b>				
<b>Segment Revenue &amp; timing of revenue recognition</b>				
At a point in time:				
Sale of goods	178,786	-	606,040	784,826
Over time:				
Service income	59,273	5,205	15,611	80,089
Finance income from service concession arrangements	-	4,122	-	4,122
Finance lease income	-	918	-	918
Operation and maintenance income	12,951	41,690	21,657	76,298
	<u>251,010</u>	<u>51,935</u>	<u>643,308</u>	<u>946,253</u>

**KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the half year ended 30 June 2023

**4. OTHER INCOME**

	Half year	
	30 June 2023	30 June 2022
	S\$'000	S\$'000
Interest income	16,974	1,086
Other miscellaneous income	2,072	1,335
	19,046	2,421

**5. PROFIT BEFORE TAX**

The following items have been included in arriving at profit before tax:

	Half year	
	30 June 2023	30 June 2022
	S\$'000	S\$'000
Fair value loss on investment in financial assets at fair value through profit or loss ("FVTPL") – Note (i)	(22,133)	-
Exchange differences – Note (ii)	3,910	3
Cost of inventories recognised as an expense	(390,238)	(392,727)
Legal and other related professional fees – Note (iii)	(4,313)	(5,272)

- (i) The fair value loss recorded for the half year ended 30 June 2023 was attributed to the investment in AGPC. As AGPC has a 20-year lease and leaseback agreement, KIT's fair valuation of its investment in AGPC is expected to decline when quarterly distributions are received by KIT over time.
- (ii) The increase in foreign exchange gain was mainly due to the settlement of favourable currency hedge for AUD.
- (iii) The decrease in legal and other related professional fees was mainly due to higher legal and professional fees incurred by Ixom in relation to its bolt-on acquisition in 1H 2022.

**6. INTANGIBLES**

Intangible assets comprise of goodwill arising on consolidation, concession arrangements customer contracts and relationships and software.

**7. BORROWINGS**

	Group	
	30 June 2023	30 June 2022
	S\$'000	S\$'000
<b>Unsecured borrowings</b>		
Amount repayable within one year	158,628	584,349
Amount repayable after one year	816,985	676,490
	975,613	1,260,839
<b>Secured borrowings</b>		
Amount repayable within one year	656,053	216,495
Amount repayable after one year	844,232	1,429,831
	1,500,285	1,646,326
<b>Total borrowings</b>	2,475,898	2,907,165

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 30 June 2023

7. **BORROWINGS (CONT'D)**

Interest coverage ratio is 3.0x, which is computed as trailing 12 months EBITDA over trailing 12 months interest expense on borrowings and distributions on hybrid securities.

**Details of collaterals**

The bank borrowings granted to Ixom is secured over the assets and business undertakings of Ixom. The bank borrowings granted to KMC is secured mainly by an assignment of KMC's rights under the Capacity Tolling Agreement.

The bank borrowings granted to One Eco Co., Ltd is secured mainly over the shares in EMK held by One Eco Co., Ltd and the bank accounts of One Eco Co., Ltd.

8. **UNITS IN ISSUE**

	<b>Group and Trust</b>	
	Issued Units	S\$'000
As at 31 December 2022 and 1 January 2023	<b>4,991,789,782</b>	<b>2,629,502</b>
Units issued to the Trustee-Manager <sup>1</sup>	<b>464,110</b>	<b>251</b>
Units issued for cash <sup>2</sup>	<b>633,260,694</b>	<b>294,494</b>
<b>As at 30 June 2023</b>	<b><u>5,625,514,586</u></b>	<b><u>2,924,247</u></b>

Note:

<sup>1</sup> Relates to the payment of 3% of 2H FY2022 management fees in the form of units to the Trustee-Manager.

<sup>2</sup> On 18 May 2023, KIT completed its equity fund raising ("EFR") to raise gross proceeds of S\$299,569,000 for the partial repayment of the bridge loan facilities to fund the acquisitions of EMK, BKR2 and Wind Fund I. The issuance cost was S\$5,075,000.

The EFR comprised (a) a placement of approximately 383.6 million new units to institutional and other investors and (b) a preferential offering of approximately 249.6 million new units to entitled unitholders. The offering price for the placement and preferential offering were S\$0.4770 and S\$0.467 respectively.

As announced on 28 April 2023 and 22 May 2023, the proceeds from the EFR were fully utilised and the use of proceeds is in accordance with the stated use as announced previously by the Trustee-Manager.

The Group and Trust do not hold any treasury units as at 30 June 2023 and 31 December 2022.

9. **SIGNIFICANT COMMITMENTS**

The Group had no additional significant capital expenditure/commitments entered into during the 1H 2023 that are not provided for in the financial statements.

10. **SIGNIFICANT RELATED PARTY TRANSACTIONS**

Significant transactions between the Group and its related parties took place at terms agreed between the parties during the 1H 2023:

	<b>Half year 30 June 2023 S\$'000</b>
Sale of goods and service	60,148
Purchase of goods and services	(137,988)
Interest expense	(21,262)
Trustee-Manager's fees	<u>(14,459)</u>

KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
For the half year ended 30 June 2023

11. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) *Assets and liabilities measured at fair value*

The following table presents the assets and liabilities measured at fair value.

Financial assets/ financial liabilities	Fair value as at				Valuation techniques	Fair value hierarchy	Significant unobservable input	Sensitivity of unobservable inputs to fair value
	30 June 2023		31 December 2022					
	Assets	Liabilities	Assets	Liabilities				
Group	S\$'000	S\$'000	S\$'000	S\$'000				
Investments in financial assets at FVTPL	336,735	-	362,560		Discounted cash flows which include assumptions not supported by observable market data	Level 3	(i) Gas volumes above the minimum volume commitment ("non- MVC") (ii) Growth rate of tariffs received for non-MVC volumes (iii) Discount rate	Note 2
Interest rate swaps	68,379	-	79,051	(1,857)	Note 1	Level 2	N.A	N.A
Foreign currency forward	4,872	(253)	5,541	(3,885)	Note 1	Level 2	N.A	N.A
Commodity swap	2,568	(256)	-	(22)	Note 1	Level 2	N.A	N.A

Note 1: The Group uses a variety of methods and makes assumptions that are based on market conditions existing at end of each reporting period. Techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The models incorporate various inputs including the credit quality of counterparties and interest rate curves. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

Note 2: Investment in financial assets designated as at FVTPL mainly refers to the investment in AGPC. Quarterly tariff payments received are backed by a minimum volume commitment from Aramco. The discounted cash flows include projection of gas volumes and tariff payments for the non-MVC volumes. The volume projections were provided by an external consultant based on the expected future economic outlook of Saudi Arabia, local policies, supply and demand of oil and gas etc.

Assuming all other variables were held constant, if the following significant unobservable inputs increased/decreased by 1%, the fair value of the investment in AGPC as at 30 June 2023 would increase/(decrease) by:

- (i) Non-MVC volumes: \$2.0 million / (\$2.0 million)
- (ii) Growth rate of tariffs received on non-MVC volumes from Aramco: \$13.2 million / (\$12.3 million)
- (iii) Discount rate: (\$18.1 million) / \$20.0 million

**KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the half year ended 30 June 2023

**11. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

(i) *Assets and liabilities measured at fair value*

Financial assets/ financial liabilities	Fair value as at			
	30 June 2023		31 December 2022	
	Assets	Liabilities	Assets	Liabilities
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Trust</b>				
Interest rate swaps	1,728	-	1,954	-
Foreign currency forward	3,459	-	4,675	-

The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at end of each reporting period. Techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The models incorporate various inputs including the credit quality of counterparties and interest rate curves. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
For the half year ended 30 June 2023

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 Transition: production and retailing of town gas and retailing of natural gas in Singapore, tolling arrangement for the power plant in Singapore, leasing of gas pipelines and sale of electricity produced by wind turbines;
- Environmental Services: concessions in relation to the desalination plant, water treatment plant, recycling and waste-to-energy plants in Singapore and South Korea,
- Distribution & Storage: supplying and distributing water treatment chemicals, industrial and specialty chemicals and storage of petroleum products;
- Corporate: investment holding, asset management and business development.

Information regarding the Trust's reportable segments for half year ended 30 June 2023 and 30 June 2022 are shown below:

**By Business Segment**

	Energy Transition	Environmental Services	Distribution & Storage	Corporate	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>1H 2023</b>					
Revenue	296,498	121,136	646,002	-	1,063,636
Profit/(loss) before tax	8,957	(27,231)	51,122	15,111	47,959
Funds from Operations ("FFO") <sup>(1)</sup>	118,676	42,922	42,238	(45,219)	158,617
<b>Other segment items</b>					
Depreciation and amortisation	(42,247)	(38,420)	(26,704)	-	(107,371)
Fair value gain/(loss) on derivative financial instruments	(186)	-	-	-	(186)
Impairment loss on trade and other receivables (net)	532	65	(114)	-	483
Share of results of joint venture	7,712	-	1,206	-	8,918
Finance costs <sup>(2)</sup>	(32,754)	(14,647)	(18,712)	(17,295)	(83,408)
A reconciliation of profit before tax to Funds from Operations is provided as follows:					
<b>Profit before tax</b>					47,959
Reduction in concession / lease receivables					31,249
Non-cash finance cost					3,226
Other non-cash items					(23,964)
Depreciation and amortisation					107,371
Maintenance capital expenditure					(16,845)
Finance cost attributable to non-controlling interest					21,261
FFO from joint venture					38,558
FFO attributable to non-controlling interests					(36,735)
Distribution to perps holders					(13,463)
<b>Funds from Operations</b>					158,617
<b>Segment and consolidated total assets</b>	<b>2,888,519</b>	<b>1,193,006</b>	<b>1,376,396</b>	<b>96,046</b>	<b>5,553,967</b>
<b>Segment liabilities</b>	<b>1,544,406</b>	<b>378,941</b>	<b>783,976</b>	<b>707,233</b>	<b>3,414,556</b>
Unallocated liabilities:					
Current tax liabilities					21,633
Deferred tax liabilities					84,655
<b>Consolidated total liabilities</b>					<b>3,520,844</b>
<b>Other segment items</b>					
Other segment items					
- additions to non-current assets	4,173	5,658	12,558	-	22,390

<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.

KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
For the half year ended 30 June 2023

12. SEGMENT ANALYSIS (CONT'D)

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

	Energy Transition	Environmental Services	Distribution & Storage	Corporate	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>1H 2022</b>					
Revenue	251,010	51,935	643,308	-	946,253
Profit/(loss) before tax	(29,710)	(1,613)	47,856	2,122	18,655
Funds from Operations ("FFO") <sup>(1)</sup>	36,751	41,700	44,311	(30,277)	92,485
<b>Other segment items</b>					
Depreciation and amortisation	(40,467)	(3,716)	(30,807)	-	(74,990)
Fair value gain/(loss) on derivative financial instruments	50	-	-	-	50
Impairment loss on trade and other receivables (net)	181	-	4	-	185
Share of results of joint venture	-	-	4,036	-	4,036
Finance costs <sup>(2)</sup>	(29,236)	(355)	(11,874)	(5,805)	(47,270)

A reconciliation of profit before tax to Funds from Operations is provided as follows:

<b>Profit before tax</b>		<b>18,655</b>			
Reduction in concession / lease receivables		30,870			
Non-cash finance cost		1,932			
Other non-cash items and transaction costs		(6,329)			
Depreciation and amortisation		74,990			
Maintenance capital expenditure		(15,410)			
Finance cost attributable to non-controlling interest		21,261			
FFO from joint venture		4,474			
FFO attributable to non-controlling interests		(24,495)			
Distribution to perps holders		(13,463)			
<b>Funds from Operations</b>		<b>92,485</b>			
<b>Segment and consolidated total assets</b>	<b>2,354,353</b>	<b>365,902</b>	<b>1,604,994</b>	<b>328,823</b>	<b>4,654,072</b>
<b>Segment liabilities</b>	<b>1,491,183</b>	<b>37,434</b>	<b>913,936</b>	<b>504,714</b>	<b>2,947,267</b>
Unallocated liabilities:					
Current tax liabilities					18,646
Deferred tax liabilities					2,286
<b>Consolidated total liabilities</b>					<b>2,968,199</b>
<b>Other segment items</b>					
Other segment items					
- additions to non-current assets	5,457	95	12,767	-	18,319

<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.

## KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 30 June 2023

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

##### By Geographical Area

The Group has operations mainly in Singapore, South Korea, Australia and New Zealand. 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>	
	1H FY23 S\$'000	1H FY22 S\$'000	30 Jun 2023 S\$'000	30 Jun 2022 S\$'000
Singapore	320,700	302,946	1,878,127	1,757,989
Australia	441,805	449,901	240,517	522,443
New Zealand	153,907	147,364	110,707	114,180
South Korea	66,383	-	831,867	-
Others	80,841	46,042	436,668	242,717
	<u>1,063,636</u>	<u>946,253</u>	<u>3,497,886</u>	<u>2,637,329</u>

<sup>(1)</sup> Non-monetary assets comprising of property, plant and equipment, intangibles and investment in joint venture

Please refer to Other Information Paragraph 3 on pages 24 to 26 for the analysis on consolidated income statement for the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business segment.

#### 13. SUBSEQUENT EVENTS

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

## Other Information Required by Listing Rule Appendix 7.2

**OTHER INFORMATION**

**For the half year ended 30 June 2023**

**1. AUDIT**

The condensed consolidated statement of financial position of Keppel Infrastructure Trust and its subsidiaries as at 30 June 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in unitholder's funds and condensed consolidated statement of cash flows for the half-year period then ended and certain explanatory notes have neither been audited nor reviewed by the auditors.

**2. AUDITORS' REPORT**

Not applicable.

**3. REVIEW OF GROUP PERFORMANCE**

Half Year ended 30 June 2023

**3.1 Income Statement**

**3.1.1 Revenue**

1H 2023 group revenue of S\$1,063.6 million was 12.4% higher than 1H 2022, largely driven by higher contributions from City Energy, Ixom and AGPC.

1H 2023 revenue from the Energy Transition segment were S\$45.5 million higher than the corresponding period last year due to higher distributions received from AGPC as well as favorable fuel price over-recovery and higher gas sales due to economic recovery from City Energy. KMC achieved 100.0% plant availability for the period, resulting in a slightly higher revenue for 1H 2023 as compared to the corresponding period last year.

The Environmental Services segment contributed revenue of S\$121.1 million in 1H 2023 which was S\$69.2 million higher than the corresponding period last year due mainly to contribution of full half year revenue from EMK. All five plants fulfilled their contractual obligations during the 1H 2023 period.

For the Distribution and Storage segment, revenue increased by S\$2.7 million from the corresponding period last year due mainly to stronger performance from Ixom with favorable volumes and prices of its products and full six-month revenue from Bituminous Products, which Ixom acquired in 2022.

**3.1.2 Other income**

Other income for 1H 2023 increased by S\$16.6 million from the corresponding period last year because of higher fixed deposit interest income due to higher interest rates and full 6 month interest income on loan due from BRK2.

**3.1.3 Other (losses) / gain - net**

1H 2023 other losses were due to the fair value losses recognised on investment in financial assets at FVTPL which were absent in 1H 2022. The other gains in 1H 2022 mainly arose from the gain on divestment of Fiji business by Ixom.

**3.1.4 Expenses**

Fuel and electricity costs for 1H 2023 were S\$12.8 million lower than 1H 2022 due mainly to lower fuel prices paid by City Energy, despite the higher volumes dispatched.

Higher gas transportation and freight costs, raw materials, consumables used and changes in inventories in 1H 2023 as compared to last year were mainly due to higher expenses that is in line with Ixom's higher revenue and full six-month costs incurred by EMK from the higher gas transportation unit prices.

Depreciation and amortisation for 1H 2023 were S\$32.4 million higher than 1H 2022 due mainly to the full half year of depreciation and amortisation recorded by EMK.

1H 2023 staff costs were S\$9.0 million higher than 1H 2022 due mainly to the full half year staff cost incurred by EMK.

**OTHER INFORMATION**

**For the half year ended 30 June 2023**

**3. REVIEW OF GROUP PERFORMANCE (CONT'D)**

**3.1.4 Expenses (cont'd)**

Higher finance costs in 1H 2023 was due mainly to interest incurred from the drawdown of equity bridge loans ("EBL") in the last quarter of 2022 and from the Series 004 Notes which were issued by KIT on 5 May 2022.

Trustee-manager's fees in 1H 2023 were S\$13.5 million lower as compared to 1H 2022 due to the absence of acquisition fees paid in relation to the investment in AGPC that contributed to the higher trustee-manager's fees paid in 1H 2022.

1H 2023 other operating expenses of S\$62.8 million were S\$2.0 million lower than corresponding period last year due mainly to lower business development costs, IT costs and administrative expenses, offset by the higher full half year expenses from EMK.

**3.1.5 Share of results of joint venture**

Share of results of joint venture were higher in 1H 2023 than corresponding period in 1H 2022 by S\$4.8 million due to the effects of contribution of KIT's share of profits from BKR2 for the full half year.

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

The Group recorded a higher profit attributable to Unitholders of the Trust in 1H 2023 than corresponding period in 1H 2022 by S\$35.0 million due mainly to contributions from new acquisitions with stronger performances by City Energy, Ixom and AGPC as well as lower trustee-manager's fees.

**3.2 Financial Position**

**3.2.1 Balance Sheet – Group**

Total assets as at 30 June 2023 of S\$5,554.0 million, was S\$408.8 million lower than total assets of S\$5,962.8 million as at 31 December 2022 due to depreciation and amortisation incurred for 1H 2023 and weaker AUD exchange rates used to translate AUD denominated assets. Cash and bank deposits were lower due to repayment of external borrowings as well as 2H 2022 distribution and 1H 2023 stub distribution to unitholders during the period.

Consequently, total liabilities as at 30 June 2023 of S\$3,520.8 million was S\$534.8 million lower than S\$4,055.6 million as at 31 December 2022, mainly due to partial repayment of the EBL using the proceeds of the EFR completed in May 2023 and lower accruals.

Negative working capital of S\$175.0 million as at 30 June 2023 is mainly due to (i) remaining EBL of S\$144 million maturing in December 2023 and (ii) Ixom's borrowings of S\$465.7 million classified as current liability, which are maturing in February 2024. The Group is finalising the refinancing of both loans with longer tenure loans. Accordingly, the Trustee-Manager is of the opinion that the Group is able to meet its short-term funding obligations.

Total Unitholders' funds stood at S\$1,119.8 million as at 30 June 2023, higher than S\$963.9 million as at 31 December 2022 mainly due to new units issued from the EFR exercise completed in May 2023 and 1H 2023 profit attributable to unitholders. This is partially offset by distributions paid and foreign currency translation reserve movement for the period ended 30 June 2023.

**3.2.2 Balance Sheet – Trust**

Total assets as at 30 June 2023 of S\$2,539.9 million was lower compared to S\$2,762.6 million as at 31 December 2022 due to the impairment loss recorded on investment in subsidiaries and the use of cash and bank deposits to pay 2H 2022 distribution and 1H 2023 stub distribution to unitholders during the period.

Total liabilities as at 30 June 2023 decreased by S\$291.8 million to S\$812.9 million mainly due to the partial repayment of S\$436.0 million in its EBL, which was partially funded by a S\$142.0 million loan from a subsidiary.

Net assets as at 30 June 2023 of S\$1,781.0 million was higher compared to S\$1,657.9 million as at 31 December 2022 due to new units issued for cash arising from the S\$300 million EFR completed in May 2023.

**OTHER INFORMATION**

For the half year ended 30 June 2023

**3. REVIEW OF GROUP PERFORMANCE (CONT'D)**

**3.3 Statement of Cash Flow**

The Group's cash and bank deposits net of restricted cash were S\$332.2 million and S\$540.7 million as at 30 June 2023 and 30 June 2022, respectively.

Net cash generated from operating activities in 1H 2023 was S\$72.7 million, which was S\$80.0 million higher than the corresponding period in 1H 2022 largely due to higher operating profit recorded.

Net cash from investing activities of S\$21.0 million in 1H 2023 relates mainly to dividends received from investments in AGPC and Wind Fund I, offset by the capital expenditure and investment in Fäbodliden II of the European wind farms.

Net cash used in financing activities of S\$285.8 million in 1H 2023 mainly pertains to repayment of external borrowings, payment of distributions to unitholders, payment of distributions to perpetual securities holders and distributions paid by subsidiaries to non-controlling interests. This is partially offset by the proceeds from issuance of new units from the EFR exercise.

**4. VARIANCE FROM FORECAST STATEMENT**

No forecast statement for the half year ended 30 June 2023 has been disclosed.

**5. PROSPECTS**

**5.1 Energy Transition**

**5.1.1 City Energy**

City Energy saw continued recovery in town gas volumes from its commercial and industrial customers in 1H 2023. City Energy expects this volume momentum to continue in 2H 2023 with greater leisure travel as well as convention and exhibition events fuelling the Commercial & Industrial segment's volumes. City Energy has no exposure to energy prices due to the tariff pass-through mechanism.

"Go by City Energy" continues to make good progress by securing 34 sites, with 53 charging points installed at 12 sites to-date.

City Energy secured Blossoms by the Park at Slim Barracks Rise as the first condominium in Singapore to be fitted out with about 750 gas appliances from Küche Smart Collection, which comprises fully integrated smart kitchen appliances under "Life by City Energy",

City Energy is also making good progress in its decarbonisation strategy. It has signed memorandums of understanding (MOUs) relating to green hydrogen, one with Gentari, a wholly-owned subsidiary of Petronas, to explore the importation of hydrogen from Malaysia to Singapore, and another with Senoko Energy to jointly study the technical and commercial feasibility of supplying of hydrogen between City Energy and Senoko Energy.

**5.1.2 Keppel Merlimau Cogen**

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

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

KMC achieved contractual availability of 100% for 1H 2023.

The first amortisation for the sustainability-linked loan of KMC, amounting to S\$87.5 million (S\$44.6 million based on KIT's share), commenced in June 2023. Based on the existing loan repayment profile, the loan amortisation will recur every June from FY2024 to FY2026, with a balance of S\$350 million due in FY2027 for refinancing. KMC's computed Distributable Income is expected to be significantly negated by the mandatory debt repayments.

OTHER INFORMATION

For the half year ended 30 June 2023

5. PROSPECTS (CONT'D)

5.1.3 Aramco Gas Pipelines Company

KIT has received S\$30.6 million (US\$22.9 million) distributions in 1H 2023, and it is on track to meet KIT's projected cash distribution target for 2023.

5.1.4 Windy EU Holdings (Investment in a European onshore wind platform)

Windy EU Holdings Pte Ltd recorded a distributable income of S\$2.5 million (€1.7 million) in 1H 2023, and is on track to meet KIT's projected distribution target for 2023.

In May 2023, Windy EU Holdings committed approximately S\$6.9 million (€4.7 million) for a 16.3% stake in Fäbodliden II, a 17MW Swedish onshore wind farm. The investment is part of the deal where KIT and Keppel Renewable Investments Pte. Ltd., together with co-investment partners, Kommunal Landspensjonskasse and MEAG MUNICH ERGO Asset Management GmbH, have the exclusive right and obligation to co-invest in 49% of all Fred. Olsen Renewables AS eligible pipeline of onshore wind energy assets in Sweden and the United Kingdom when the assets achieve final investment decision.

Fäbodliden II, which is currently at an advanced stage of development and expected to be completed in 4Q 2023, will increase KIT's exposure to the renewable energy sector and contribute to the Group's Distributable income.

The Norwegian government announced a high price tax effective from 28 September 2022. The impact of this additional tax on Wind Fund I AS investment is expected to be partially offset by strong demand for electricity in Europe.

Further to the announcement made in September 2022, the Norwegian government announced in May 2023 that the implementation of the proposed resource rent taxation on onshore wind power will be postponed to 2024.

5.1.5 Neptune1 (Investment in offshore wind farms in Germany)

Neptune1 Infrastructure Holdings Pte Ltd recorded a distributable income of S\$32.4 million (€22.5 million) in 1H 2023, and is on track to meet KIT's projected distribution target for 2023.

On 22 December 2022, Neptune1 Infrastructure Holdings Pte. Ltd, a joint venture company established by KIT and KRI, completed the acquisition of 50.01% interest in Borkum Riffgrund 2 Investor Holding GmbH which holds the investment in an operating 465MW German offshore wind farm (BKR2). KIT holds an effective interest of 20.5% in the investment.

The wind farm is well-located 59km off the coast of Lower Saxony in the North Sea, Germany, an area with high wind availability as reflected in the high average capacity factors of more than 40% in the last two years. Operating under the German Erneuerbare-Energien-Gesetz (EEG) 2014 market premium mechanism, BKR2 receives a guaranteed feed-in tariff and floor price until 2038. During this period, BKR2 would receive the higher of the feed-in tariff or the spot capture price.

While BKR2 benefited from higher electricity prices in FY2022, the German government imposed an electricity price cap on wind solar and nuclear power generation which had ended in June 2023. In the case of BKR2, the relevant price cap was approximately 214 Euros/MWh which is above the feed-in tariff of 184 Euros/MWh, which would be effective until 2026. Therefore, the impact is not expected to be significant.

BKR2 carries an amortising bond payable of approximately €503.1 million (€251.6 million based on KIT's share) as at 30 June 2023. The year-on-year repayments amount is on a reducing basis and occur in January and July of each year, with a bullet repayment of approximately €129.9 million (€65 million based on KIT's share) in June 2028.

In July 2023, BRK2 has recorded a bond amortisation of approximately €43.3 million (€21.6 million based on KIT's share) and this will partially reduce the distributable income of BRK2 for 2H 2023 and FY2023 accordingly. KIT had completed the acquisition of BKR2 on 22 December 2022 but did not record the initial bond amortisation of approximately €37.9 million (€19 million based on KIT's share) made in Jan 2023 in its distributable income. This is because the amortisation in Jan 2023 was effectively funded from cash generated from July to December 2022 from BKR2's operations, which is prior to the completion of the acquisition by KIT.

Both wind farms continue to operate at high availability for 1H 2023.

**OTHER INFORMATION**

**For the half year ended 30 June 2023**

**5. PROSPECTS (CONT'D)**

5.2 Environmental Services

The Singapore waste and water assets within the Environmental Services segment 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.

Management continues to explore the possibility of extension of the Singspring Desalination concession and Senoko WTE concession. Discussions with the regulators are ongoing.

5.2.1 Eco Management Korea Holdings Co., Ltd

In the solid segment, EMK continued to achieve high availability and utilisation in 1H 2023, in line with the business plan. In 1H 2023, the landfill business has seen a ramp up in volume as well as securing major contracts from blue-chip customers and customers from the largest industrial complex in South Korea, strengthening its market position in the Southeast region.

Post-acquisition integration plan has been completed, including sharing of Keppel's best practices. Management continues to explore attractive bolt-on opportunities and portfolio optimisation initiatives to grow the business.

5.3 Distribution and Storage

5.3.1 Ixom

Ixom continues to grow its earnings with strong performances from all its business units and has delivered adjusted EBITDA of S\$93.8 million in 1H 2023, greater than KIT projection for FY23 and previous year due to:-

- (i) Strong volumes from manufactured chemicals due to higher coagulant volumes particularly in South Australia and chlorine volumes Australia wide;
- (ii) Increased volume from its New Zealand business due to good weather contributing to a strong dairy season; and
- (iii) Contribution from its new bolt-on acquisitions

As part of its senior leadership renewal, Ixom has appointed Mr. Bryce Wolfe, the current Chief Financial Officer as its interim CEO on 2 June 2023. An executive search is underway for the appointment of a new CEO to drive Ixom's next phase of growth.

The Trustee-Manager will continue to pursue value-enhancing opportunities at Ixom which include:

- (i) Growing core businesses through mergers & acquisitions;
- (ii) Driving performance of new acquisitions;
- (iii) Further streamlining of the business; and
- (iv) Leveraging Ixom's strong financial performance to explore debt recapitalisation strategy.

5.3.2 Philippine Coastal

Philippine Coastal reported tank utilisation rate of 86% as at end-June 2023 compared to 90.5% as at end-December 2022, due to fluctuation in excess demand from customers. The utilisation rate is expected to recover strongly in 2H 2023 based on secured contracts with new customers. Philippine Coastal has a diversified customer base with weighted average contract period of 3.0 years.

With high utilisation and growing customer demand, Philippine Coastal has embarked on new tank builds in the Subic Bay area to expand capacity and grow top line revenue.

On 1 April 2023, as part of its planned leadership renewal, Mr. Richard Tiansay was appointed CEO succeeding Mr. David Attewill.

**OTHER INFORMATION**

**For the half year ended 30 June 2023**

**6. DISTRIBUTIONS**

**6a. Current financial period reported on**

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

Amount	:	S\$61.9 million <sup>1</sup>
Distribution period	:	1 January 2023 to 26 April 2023
Distribution rate	:	1.24 Singapore cents per unit <sup>2</sup>
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.

<sup>1</sup>Stub distribution for the period from 1 January 2023 to 26 April 2023 was paid on 11 May 2023.

Amount	:	S\$38.8 million
Distribution period	:	27 April 2023 to 30 June 2023
Distribution rate	:	0.69 Singapore cents per unit <sup>2</sup>
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.

<sup>2</sup>The total distribution for 1H 2023 is 1.93 Singapore cents per unit.

**6b. Corresponding Period of the Immediately Preceding Financial Year**

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

Amount	:	S\$95.3 million
Distribution period	:	1 January 2022 to 30 June 2022
Distribution rate	:	1.91 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.

**6c. Date Payable**

11 August 2023

**6d. Record Date**

Notice is hereby given that, the Unit Transfer Books and Register of Unitholders of KIT will be closed at 5 p.m. on 3 August 2023 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, 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632, up to 5 p.m. on 3 August 2023 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 p.m. on 3 August 2023 will be entitled to the Distribution.

## KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

### OTHER INFORMATION

For the half year ended 30 June 2023

#### 7. 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 2023. The figures below are calculated based on the effective interest held by the Trust in each subsidiary. During the financial period, the following interested person transactions were entered into by the Group:

Name of Interested Person / Nature of Transaction	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions Conducted under unitholder's mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted during the financial period under review under unitholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	1H FY23 S\$'000	1H FY22 S\$'000	1H FY23 S\$'000	1H FY22 S\$'000
<b>1. Temasek Holdings (Private) Limited and its Associates</b>				
General transactions				
(a) Sales of goods and services	-	-	15,564 <sup>(1)</sup>	2,516
(b) Purchases	-	-	89,077	229,528
(c) Reimbursement of expenses	-	-	215	159
Treasury transactions	-	-	2,537	1,036
<b>Total</b>	-	-	<b>107,393</b>	<b>233,239</b>
<b>2. Keppel Corporation Group</b>				
General transactions				
(a) Sales of goods and services	-	-	3,942	528
(b) Purchases	-	-	147,311 <sup>(2)</sup>	57,300
(c) Reimbursement of expenses	-	-	1,005	-
(d) Rental expense	-	-	-	3,070 <sup>(3)</sup>
(e) Management fee expense	-	-	19,443	28,021
Treasury Transactions	-	-	52,442	340,700
<b>Total</b>	-	-	<b>224,143</b>	<b>429,619</b>

<sup>(1)</sup> Includes transactions relating to the renewal of a town gas supply agreement with an interested person.

<sup>(2)</sup> Includes transactions with interested persons for supply of electricity and procurement of natural gas.

<sup>(3)</sup> Relates to a lease agreement with an interested person for a connection pipeline for supply of backup fuel.

## KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

### OTHER INFORMATION

For the half year ended 30 June 2023

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

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

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

DARREN TAN  
Company Secretary  
26 July 2023

### CONFIRMATION BY THE BOARD

Pursuant to Rule 705(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the half year ended 30 June 2023 financial statements of Keppel Infrastructure Trust to be false or misleading, in any material aspect.

On behalf of the Board of Directors

*Daniel Ee*

DANIEL CUTHBERT EE HOCK HUAT  
Chairman

Singapore  
26 July 2023

*Christina Tan*

CHRISTINA TAN HUA MUI  
Director

#### **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.