

**KEPPEL INFRASTRUCTURE TRUST  
FIRST QUARTER ENDED 31 MARCH 2016 FINANCIAL STATEMENTS**

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## INTRODUCTION

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

On 18 May 2015, CIT acquired the business undertakings and assets of Crystal Trust (formerly known as Keppel Infrastructure Trust) in exchange for the issue of approximately 1.33 billion new CIT units to Crystal Trust Unitholders (the "Crystal Acquisition"), and was renamed Keppel Infrastructure Trust.

On 30 June 2015, KIT completed the acquisition of a 51% stake in Keppel Merlimau Cogen Pte Ltd ("KMC") which owns the Keppel Merlimau Cogen Plant (the "KMC Plant"), a 1,300 MW combined cycle gas turbine generation facility on Jurong Island, Singapore (the "KMC Acquisition"). The purchase consideration of S\$510 million was financed by an equity fund raising.

On 19 October 2015, KIT announced the change of its financial year end from 31 March to 31 December. The results for the first quarter ended 31 March 2016 are compared to the results for the first quarter ended 30 June 2015 of the previous financial period.

For ease of reference, the following abbreviations are used in this announcement:

**"1Q FY16"**: For the 3 months ended 31 March 2016; and

**"1Q FY15"**: For the 3 months ended 30 June 2015.

Keppel Infrastructure Fund Management Pte. Ltd. is the Trustee-Manager of KIT, and wholly-owned by the Sponsor of the Trust, Keppel Infrastructure Holdings Pte. Ltd., which is in turn a wholly-owned subsidiary of Keppel Corporation Limited.

With effect from 21 September 2015, KIT was 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 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 FIRST QUARTER ENDED 31 MARCH 2016**

The Directors of **Keppel Infrastructure Fund Management Pte. Ltd.**, as **Trustee-Manager of Keppel Infrastructure Trust**, advise the following unaudited results of the Group for the first quarter ended 31 March 2016.

**1(a) STATEMENT OF INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME  
for the first quarter ended 31 March 2016**

**(i) Consolidated Income Statement**

	<b>1Q FY16</b>	<b>1Q FY15</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Revenue</b>	<b>131,249</b>	114,389	14.7
<b>Other income</b>	<b>1,708</b>	822	>100.0
<b>Other (losses)/gain - net</b>	<b>(1,351)</b>	411	N/M
<b>Expenses</b>			
Fuel and electricity costs	<b>(21,435)</b>	(35,445)	(39.5)
Gas transportation costs	<b>(21,673)</b>	(21,837)	(0.7)
Depreciation and amortisation	<b>(28,679)</b>	(9,414)	>100.0
Staff costs	<b>(6,743)</b>	(6,579)	2.5
Operation and maintenance costs	<b>(23,116)</b>	(8,707)	>100.0
Finance costs	<b>(26,064)</b>	(16,211)	60.8
Management fees	<b>(2,301)</b>	(1,959)	17.5
Other operating expenses	<b>(9,622)</b>	(11,593)	(17.0)
Total expenses	<b>(139,633)</b>	(111,745)	25.0
<b>Profit/(loss) before joint venture</b>	<b>(8,027)</b>	3,877	N/M
Share of results of joint venture	<b>(62)</b>	(55)	13.6
<b>(Loss)/profit before tax</b>	<b>(8,089)</b>	3,822	N/M
Income tax expense	<b>(1,428)</b>	(622)	>100.0
<b>Net (loss)/profit after tax</b>	<b>(9,517)</b>	3,200	N/M
<b>Profit/(loss) attributable to:</b>			
Unitholders of the Trust	<b>2</b>	2,658	(99.9)
Non-controlling interests	<b>(9,519)</b>	542	N/M
	<b>(9,517)</b>	3,200	N/M

N/M - Not meaningful

Please refer to paragraph 8.2 for further details.

1(a) **STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
for the first quarter ended 31 March 2016

(ii) **Consolidated Statement of Comprehensive Income**

	1Q FY16 S\$'000	1Q FY15 S\$'000	Change %
<b>Net (loss)/profit after tax</b>	<b>(9,517)</b>	3,200	N/M
<b>Other comprehensive income:</b>			
<u>Items that may be reclassified subsequently to income statement</u>			
Cash flow hedges:			
- Fair value (losses)/gains	<b>(31,032)</b>	41,262	N/M
- Transfer to income statement	<b>1,030</b>	3,063	(66.4)
Currency translation differences relating to consolidation of foreign subsidiaries	<b>(874)</b>	(294)	>100.0
<b>Other comprehensive income, net of tax</b>	<b>(30,876)</b>	44,031	N/M
<b>Total comprehensive income</b>	<b>(40,393)</b>	47,231	N/M
<b>Attributable to:</b>			
Unitholders of the Trust	<b>(25,483)</b>	46,745	N/M
Non-controlling interests	<b>(14,910)</b>	486	N/M
	<b>(40,393)</b>	47,231	N/M

N/M - Not meaningful

1(b)(i) STATEMENTS OF FINANCIAL POSITION

BALANCE SHEET (GROUP)

	As at 31 Mar 2016 S\$'000	As at 31 Dec 2015 S\$'000
<b>Non-Current Assets</b>		
Property, plant and equipment	2,443,313	2,455,759
Intangibles	550,502	553,542
Investment in and advances to joint venture	21,372	21,434
Service concession receivables	430,003	436,232
Finance lease receivables	121,844	124,142
Derivative financial instruments	3,642	44,817
Other assets	53,261	32,132
	<b>3,623,937</b>	<b>3,668,058</b>
<b>Current Assets</b>		
Cash and bank deposits	221,256	243,636
Trade and other receivables	108,039	90,462
Service concession receivables	57,853	57,853
Finance lease receivables	9,056	8,995
Inventories	53,977	55,990
Other current assets	20,359	22,362
	<b>470,540</b>	<b>479,298</b>
<b>Current Liabilities</b>		
Borrowings	33,062	29,649
Trade and other payables	141,178	144,279
Derivative financial instruments	25,252	52,359
Current tax liabilities	7,995	9,044
	<b>207,487</b>	<b>235,331</b>
<b>Net Current Assets</b>	<b>263,053</b>	<b>243,967</b>
<b>Non-Current Liabilities</b>		
Borrowings	1,674,817	1,644,530
Notes payable to non-controlling interest	260,000	260,000
Derivative financial instruments	94,944	73,312
Other payables	267,527	265,658
Provisions	38,977	38,143
Deferred tax liabilities	26,734	29,596
	<b>2,362,999</b>	<b>2,311,239</b>
<b>Net Assets</b>	<b>1,523,991</b>	<b>1,600,786</b>
<b>Represented by:</b>		
<b>Unitholders' Funds</b>		
Units in issue	2,137,389	2,137,322
Hedging reserve	(226,433)	(201,772)
Translation reserve	(27,946)	(27,122)
Capital reserve	38,710	38,710
Accumulated losses	(623,217)	(587,350)
Total unitholders' funds	<b>1,298,503</b>	<b>1,359,788</b>
Non-controlling interests	<b>225,488</b>	<b>240,998</b>
	<b>1,523,991</b>	<b>1,600,786</b>

Please refer to paragraph 8.3 for further details.

1(b)(i) STATEMENTS OF FINANCIAL POSITION (cont'd)

BALANCE SHEET (TRUST)

	As at 31 Mar 2016 S\$'000	As at 31 Dec 2015 S\$'000
<b>Non-Current Assets</b>		
Subsidiary companies	1,029,111	1,029,111
Long-term receivables	775,712	775,712
	<u>1,804,823</u>	<u>1,804,823</u>
<b>Current Assets</b>		
Cash and bank deposits	55,228	56,759
Trade and other receivables	10,247	5,594
Other current assets	121	172
	<u>65,596</u>	<u>62,525</u>
<b>Current Liabilities</b>		
Loan from related party	4,541	4,541
Loan from subsidiary company	108,000	99,000
Trade and other payables	4,195	4,023
Current tax liabilities	56	52
	<u>116,792</u>	<u>107,616</u>
<b>Net Current Assets</b>	<u>(51,196)</u>	<u>(45,091)</u>
<b>Non-Current Liability</b>		
Borrowings	24,782	-
Loan from subsidiary company	16,335	43,335
	<u>41,117</u>	<u>43,335</u>
	157,909	150,951
<b>Net Assets</b>	<u>1,712,510</u>	<u>1,716,397</u>
<b>Represented by:</b>		
<b>Unitholders' Funds</b>		
Units in issue	2,137,389	2,137,322
Accumulated losses	(424,879)	(420,925)
	<u>1,712,510</u>	<u>1,716,397</u>

Please refer to paragraph 8.4 for further details.

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

	<b>As at 31 March 2016 S\$'000</b>	<b>As at 31 Dec 2015 S\$'000</b>
<b>Unsecured borrowings</b>		
Amount repayable within one year	4,541	4,541
<b>Secured borrowings</b>		
Amount repayable within one year	28,521	25,108
Amount repayable after one year	1,674,817	1,644,530
	<b>1,707,879</b>	<b>1,674,179</b>

**Details of any collateral at KIT**

The bank borrowings are secured over the assets and business undertakings of City Gas, SingSpring and Basslink Group. The loan 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 loan granted to KMC is secured mainly by an assignment of KMC's rights under the Capacity Tolling Agreement.

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

1(c) **CONSOLIDATED STATEMENT OF CASH FLOWS**  
for the first quarter ended 31 March 2016

	1Q FY16 S\$'000	1Q FY15 S\$'000
<b>Operating activities</b>		
(Loss)/profit before tax	(8,089)	3,822
Adjustments for:		
Depreciation and amortisation	28,679	9,414
Finance costs	26,064	16,211
Interest income	(455)	(521)
Fair value loss/(gain) on derivative financial instruments	1,342	(451)
Loss on disposal of property, plant and equipment	249	-
Share of results of joint venture	62	55
Unrealised translation gain	24	(5)
Operating cash flow before working capital changes	<u>47,876</u>	28,525
Changes in working capital :		
Trade and other receivables	(27,915)	193
Trade and other payables	8,439	12,543
Inventories	<u>2,012</u>	1,992
<b>Cash generated from operations</b>	<u>30,412</u>	43,253
Interest received	414	223
Interest paid	(28,768)	(13,565)
Income tax paid	<u>(2,954)</u>	(1,701)
<b>Net cash (used in)/generated from operating activities</b>	<u>(896)</u>	28,210
<b>Investing activities</b>		
Investment in and advances to joint venture	-	(4,080)
Purchase of property, plant and equipment	(113)	(808)
Construction of assets	(6,926)	-
Acquisition of subsidiaries, net of cash acquired (Note a)	-	(13,148)
<b>Net cash used in investing activities</b>	<u>(7,039)</u>	(18,036)
<b>Financing activities</b>		
Decrease/(increase) in restricted cash	8,484	(2,854)
Proceeds of notes issued by subsidiary to non-controlling interest	-	245,000
Proceeds from borrowings	25,097	-
Repayment of related parties' loans	-	(500,000)
Repayment of borrowings	(3,154)	(7,254)
Net proceeds raised from issue of units (Note b)	-	519,990
Payment of loan upfront fees	(315)	-
Distributions paid to unitholders of the Trust	(35,869)	(81,966)
Distributions paid by subsidiaries to non-controlling interests	(600)	(480)
<b>Net cash (used in)/generated from financing activities</b>	<u>(6,357)</u>	172,436
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(14,292)</u>	182,610
<b>Cash and cash equivalents at beginning of the period</b>	<u>200,064</u>	197,862
Effect of currency translation on cash and cash equivalents	22	(199)
<b>Cash and cash equivalents at end of the period (Note c)</b>	<u>185,794</u>	380,273

Note a: Acquisition of subsidiaries, net of cash acquired, relates to the Crystal Acquisition and the KMC Acquisition. Cash acquired from the Crystal Acquisition and the KMC Acquisition was S\$11.9 million and S\$230 million, respectively. The cash of S\$230 million from the KMC Acquisition was designated as a prepayment of the capacity tolling fee.



1(c) **CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)**  
**for the first quarter ended 31 March 2016**

Note a: During the financial year ended 31 December 2015, the fair values of the net assets of subsidiaries acquired were as follows:

	<b>Fair Values</b>
	<b>S\$'000</b>
<b>ASSETS</b>	
Property, plant and equipment	1,636,643
Cash and bank deposits	241,852
Trade and other receivables	44,043
Service concession receivables	509,468
Inventories	38,950
<b>Total assets</b>	<b>2,470,956</b>
<b>LIABILITIES</b>	
Borrowings	703,479
Trade and other payables	715,011
Current tax liabilities	2,275
Deferred tax liabilities	6,500
<b>Total liabilities</b>	<b>1,427,265</b>
Net identifiable assets acquired	1,043,691
Non-controlling interest measured at non-controlling interest's proportionate share of the net assets	(245,000)
Intangibles arising from acquisition	191,659
Total purchase consideration	990,350
Less: Purchase consideration via units swap	(729,475)
Less: Cash and cash equivalents in subsidiaries acquired	(241,852)
Less: Transaction cost paid	(5,875)
<b>Acquisition of subsidiaries, net of cash acquired</b>	<b>13,148</b>

Note b: Of the proceeds of approximately S\$525 million raised from the equity fund raising (comprising of a private placement and preferential offering), approximately S\$510 million had been utilised to fund the KMC Acquisition as announced on 30 June 2015. The remaining proceeds of approximately S\$15 million were largely utilised in accordance with the intended uses and allocation of amounts set out in the same announcement of 30 June 2015 in relation to professional and other fees payable in connection with the equity fund raising and the KMC Acquisition.

Note c:

	<b>As at</b>	<b>As at</b>
	<b>30 Jun 2016</b>	<b>30 Jun 2015</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Cash and bank deposits	221,256	423,840
Less: Restricted cash	(35,462)	(43,567)
Cash and cash equivalents	<b>185,794</b>	<b>380,273</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.

Refer to paragraph 8.1 for further details.

**1(d)(i) STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS  
for the first quarter ended 31 March 2016**

Group	Attributable to Unitholders of the Trust					Non-controlling Interests	Total unitholders' funds	
	Units in Issue	Hedging Reserve	Translation Reserve	Capital Reserve	Accumulated Losses			Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			S\$'000
<b>2016</b>								
Balance as at 1 Jan 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>								
Loss for the period	-	-	-	-	2	2	(9,519)	(9,517)
Other comprehensive income for the period	-	(24,661)	(824)	-	-	(25,485)	(5,391)	(30,876)
Total	-	(24,661)	(824)	-	2	(25,483)	(14,910)	(40,393)
<u>Transactions with owners recognised directly in equity</u>								
Units issued	67	-	-	-	-	67	-	67
Distributions paid	-	-	-	-	(35,869)	(35,869)	(600)	(36,469)
Total	67	-	-	-	(35,869)	(35,802)	(600)	(36,402)
<b>Balance as at 31 Mar 2016</b>	<b>2,137,389</b>	<b>(226,433)</b>	<b>(27,946)</b>	<b>38,710</b>	<b>(623,217)</b>	<b>1,298,503</b>	<b>225,488</b>	<b>1,523,991</b>
<b>2015</b>								
Balance as at 1 Apr 2015	886,731	(236,114)	(27,124)	38,710	(475,329)	186,874	11,855	198,729
<u>Total comprehensive income</u>								
Loss for the period	-	-	-	-	2,658	2,658	542	3,200
Other comprehensive income for the period	-	44,333	(246)	-	-	44,087	(56)	44,031
Total	-	44,333	(246)	-	2,658	46,745	486	47,231
<u>Transactions with owners recognised directly in equity</u>								
Units issued	1,249,466	-	-	-	-	1,249,466	-	1,249,466
Non-controlling interest arising from acquisition of subsidiary	-	-	-	-	-	-	245,000	245,000
Distributions paid	-	-	-	-	(81,966)	(81,966)	(480)	(82,446)
Total	1,249,466	-	-	-	(81,966)	1,162,490	244,520	1,407,010
<b>Balance as at 30 Jun 2015</b>	<b>2,136,197</b>	<b>(191,781)</b>	<b>(27,370)</b>	<b>38,710</b>	<b>(554,637)</b>	<b>1,401,119</b>	<b>256,861</b>	<b>1,657,980</b>

**Trust**

Trust	Units in Issue	Hedging Reserve	Accumulated Losses	Total unitholders' funds
	S\$'000	S\$'000	S\$'000	S\$'000
	<b>2016</b>			
Balance as at 1 Jan 2016	2,137,322	-	(420,925)	1,716,397
<u>Total comprehensive income</u>				
Profit for the period	-	-	31,915	31,915
<u>Transactions with owners recognised directly in equity</u>				
Units issued	67	-	-	67
Distributions paid	-	-	(35,869)	(35,869)
Total	67	-	(35,869)	(35,802)
<b>Balance as at 31 Mar 2016</b>	<b>2,137,389</b>	<b>-</b>	<b>(424,878)</b>	<b>1,712,511</b>
<b>2015</b>				
Balance as at 1 Apr 2015	886,731	-	(163,201)	723,530
<u>Total comprehensive income</u>				
Profit for the period	-	-	8,459	8,459
Other comprehensive income for the period	-	(134)	-	(134)
Total	-	(134)	8,459	8,325
<u>Transactions with owners recognised directly in equity</u>				
Units issued	1,249,466	-	-	1,249,466
Distributions paid	-	-	(81,967)	(81,967)
Total	1,249,466	-	(81,967)	1,167,499
<b>Balance as at 30 Jun 2015</b>	<b>2,136,197</b>	<b>(134)</b>	<b>(236,709)</b>	<b>1,899,354</b>

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

	<b>1 Jan 2016 to 31 Mar 2016</b>	<b>1 Apr 2015 to 30 Jun 2015</b>
<b>GROUP and TRUST</b>		
Issued units at the beginning of the period	<b>3,856,931,931</b>	1,518,893,062
Issuance of consideration units (Note a)	-	1,326,319,374
Issuance of placement and preferential units (Note b)	-	1,011,719,495
Issuance of new units (Note c)	<b>131,700</b>	-
Issued units at the end of the period	<b>3,857,063,631</b>	<b>3,856,931,931</b>

- (a) Consideration units issued on 18 May 2015 pursuant to the Crystal Acquisition.  
(b) Placement units issued on 29 May 2015 pursuant to the private placement and preferential units issued on 22 June 2015 pursuant to the non-renounceable preferential offering in connection with the KMC Acquisition.  
(c) Payment of 2.4% of management fee and performance fee in the form of units to the Trustee-Manager on 24 February 2016.

**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 March 2016 and 31 December 2015.

The total number of issued units as at 31 March 2016 and 31 December 2015 were 3,857,063,631 and 3,856,931,931 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 2015.

**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 2016. 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”)

### Earnings per unit for the financial period

	1Q FY16	1Q FY15	%
(i) Weighted average number of units	3,856,984,032	2,443,662,920	57.8
(ii) Earnings per unit for the period based on the weighted average number of units in issue (cents)			
- Basic and diluted	*	0.11	N/M
* Less than 0.01 cents			

## 7. NET ASSET VALUE (“NAV”) PER UNIT

	Group			Trust		
	31 Mar 2016	31 Dec 2015	%	31 Mar 2016	31 Dec 2015	%
Net asset value per unit (cents)	33.7	35.3	(4.5)	44.4	44.5	(6.5)
Adjusted net asset value per unit (cents)						
- based on total issued units of 3,857,063,631 and 3,856,931,931 (after distribution payable to unitholders)	32.7	34.3	(4.7)	43.5	43.6	(8.0)

The Group NAV per unit before hedging and translation reserves was 40.3 cents as at 31 March 2016 and 41.2 cents as at 31 December 2015.

The number of units used for computation of actual NAV per unit were 3,857,063,631 and 3,856,931,931 respectively which were the number of units in issue as at 31 March 2016 and 31 December 2015 respectively.

## 8. REVIEW OF PERFORMANCE

*The analysis below relates to comparison for 1Q FY16 (1 January 2016 to 31 March 2016) vs 1Q FY15 (1 April 2015 to 30 June 2015).*

### 8.1 Cashflow

Cash generated from operations for 1Q FY16 was S\$30.4 million, S\$12.8 million lower than that for 1Q FY15 as facility fee from Basslink was not received due to the cable fault. KMC’s capacity tolling fee has already been received upfront and is therefore not reflected in the cash flows. S\$0.9 million net cash was used in operating activities in 1Q FY16 against net cash generated from operating activities in 1Q FY15 as higher interest was paid (please refer to Section 8.2 for the underlying reasons).

Net cash used in investing activities was S\$7.0 million for 1Q FY16, lower than S\$18.0 million for 1Q FY15 as a result of the Crystal Acquisition and the KMC Acquisition and advances made to the DataCentre One joint venture in 1Q FY15.

Net cash used in financing activities of S\$6.4 million in 1Q FY16 consisted primarily of the financing activities relating to the distributions to unitholders of KIT and non-controlling interests of subsidiaries, drawdown from the Trust’s loan facility to repay its subsidiary and to fund the boilers upgrade for the Senoko WTE Plant. For 1Q FY15, the net cash used in financing activities relates to the KMC Acquisition, distributions to unitholders of KIT and non-controlling interests of subsidiaries.

Cash and bank deposits less restricted cash as at 31 March 2016 was S\$185.8 million compared to S\$380.3 million as at 30 June 2015 as cash was used to repay borrowings in 3Q FY15.

## **8.2 Income Statement**

### **Revenue**

Group revenue in 1Q FY16 was S\$131.2 million compared to \$114.4 million in 1Q FY15.

At City Gas, revenue of S\$70.5 million in 1Q FY16 was lower than 1Q FY15 of S\$82.6 million as town gas tariff decreased with lower fuel prices. City Gas achieved 100% production availability throughout the period.

The Concessions<sup>2</sup> contributed revenue of S\$27.9 million for 1Q FY16 compared to S\$14.2 million in 1Q FY15. Revenue was lower in 1Q FY15 as the Crystal Assets (Senoko Waste-to-Energy ("WTE"), Tuas WTE and Ulu Pandan NEWater Plants) were acquired on 18 May 2015. All 4 plants fulfilled their contractual obligations during the period.

Basslink's revenue decreased to A\$1.1 million (approximately S\$1.2 million) in 1Q FY16 from A\$15.8 million (approximately S\$16.6 million) in 1Q FY15. The lower revenue was due mainly to facility fee not received as a result of the cable fault since 20 December 2015.

CityNet contributed revenue of S\$1.0 million in both 1Q FY16 and 1Q FY15.

Contributions from KMC only commenced after its acquisition on 30 June 2015. For 1Q FY16, KMC's revenue amounted to S\$30.6 million. During the period, KMC underwent extended maintenance at one of the four turbines in the plant, which resulted in a small reduction in capacity fee.

### **Other gains/(losses) - net**

Other gains/(losses) comprise mainly the fair value movement on derivative instruments.

### **Expenses**

Fuel and electricity costs of S\$21.4 million in 1Q FY16 was lower than 1Q FY15, which was in line with lower fuel prices.

Gas transportation costs of S\$21.7 million in 1Q FY16 was comparable to S\$21.8 million in 1Q FY15.

Depreciation and amortisation costs of S\$28.7 million in 1Q FY16 were higher compared to S\$9.4 million in 1Q FY15 as the depreciation and amortisation costs of KMC and the Crystal Assets were included after their acquisitions.

Operation and maintenance costs increased to S\$23.1 million in 1Q FY16 from S\$8.7 million in 1Q FY15 as the operation and maintenance costs of the Crystal Assets and KMC were included.

Finance costs of S\$26.1 million in 1Q FY16 was higher compared to S\$16.2 million in 1Q FY15 as a result of the KMC Acquisition, the interest paid on loans extended by the minority shareholder of KMC and higher interest rates.

Management fee increased marginally by S\$0.3 million in 1Q FY16 compared to 1Q FY15 following the Crystal Acquisition and the KMC Acquisition as management fees were only charged after the respective acquisition date in 1QFY15 and the management fee structure of the new Trustee-Manager was adopted.

Other operating expenses fell from S\$11.6 million in 1Q FY15 to S\$9.6 million in 1Q FY16 as transaction costs were incurred in connection with the Crystal and KMC Acquisitions in 1Q FY15.

Share of results of joint venture relates to the Trust's interest in DataCentre One which commenced construction in 3Q FY14. As the construction is ongoing, the results comprised mainly statutory and operating expenses.

### **Income tax**

In 1Q FY16, income tax expense was S\$0.8 million higher compared to 1Q FY15 as higher current tax expense was recognised.

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<sup>2</sup> Concessions comprise Senoko Waste-to-Energy ("WTE"), Tuas WTE, SingSpring and Ulu Pandan NEWater Plant

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

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

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

Profit attributable to Unitholders of the Trust in 1Q FY16 was lower compared to S\$2.7 million in 1Q FY15 primarily as a result of Basslink not receiving facility fees due to the cable fault.

### **8.3 Balance Sheet – Group**

Total assets as at 31 March 2016 was S\$4,094.5 million, which was marginally lower than total assets of S\$4,147.4 million as at 31 December 2015. Included in total assets as at 31 March 2016 was S\$21.4 million investment in joint venture which relates to investment and advances for the data centre project.

Total liabilities increased from S\$2,546.6 million as at 31 December 2015 to S\$2,570.5 million as at 31 March 2016 as the Trust drew down S\$33.7 million from its loan facility to repay its subsidiary and to fund the boilers upgrade for Senoko WTE plant.

Total unitholders' funds decreased from S\$1,359.8 million as at 31 December 2015 to S\$1,298.5 million as at 31 March 2016 as a result of mark-to-market loss of the derivative financial instruments and distributions to unitholders.

### **8.4 Balance Sheet – Trust**

Net assets as at 31 March 2016 of S\$1,712.5 was comparable to S\$1,716.4 million as at 31 December 2015.

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

No forecast statement for financial year 2016 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 cause 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 will also affect production levels and revenues at City Gas.

City Gas' performance could fluctuate depending on changes in 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.

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.

KIT has entered into an agreement with NEA to provide additional incineration capacity at the Senoko WTE plant. The upgrade, started in September 2015, is planned to be completed in 3Q 2016 and will progressively increase the contracted incineration capacity of the plant by up to 10% from 2,100 tonnes per day. This is expected to increase the operating cash flows of the plant. Three out of six boilers have been completed as at 31 March 2016.

Under the capacity tolling agreement, KMC will receive a maximum annual capacity fee of S\$108 million 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. The CRSM may be reviewed in April 2016.

DataCentre One has been completed and handed over on 12 April 2016 and would commence generating cash flows thereafter.

On 20 December 2015, Basslink was taken out of service due to a cable fault incident, the cause of which is being investigated. It is currently estimated that the link may resume operations in June 2016, although there remains a significant number of unknown variables such as weather, seabed conditions and logistical arrangements that may impact the timeframe. Based on current circumstances and subject to further professional advice and investigation, Basslink believes that the outage is a force majeure event and the fault is covered by insurance. The cable fault is presently not expected to have any material impact on the net tangible asset per unit and distribution per unit for the financial year ending 31 December 2016. Unitholders will be updated as more information becomes available.

The Trustee-Manager will evaluate asset enhancement opportunities in its enlarged 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 January 2016 to 31 March 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.

### 11b. Corresponding Period of the Immediately Preceding Financial Year

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

Amount	:	S\$9.6 million ^
Distribution period	:	29 May 2015 to 30 June 2015 ^
Distribution rate	:	0.25 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.

^ Distribution for the period from 1 April 2015 to 17 May 2015 of S\$6.4 million was paid on 26 May 2015. Distribution for the period from 18 May 2015 to 28 May 2015 of S\$3.1 million was paid on 8 June 2015. These excludes the special distribution of S\$30.0 million paid on 8 June 2015.

### 11c. Date Payable

20 May 2016

### 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 21 April 2016 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 21 April 2016 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 21 April 2016 will be entitled to the distribution.



## 12. INTERESTED PERSON TRANSACTIONS

The Group had obtained a general mandate pursuant to Rule 920 for interested person transactions as approved by independent unitholders at the extraordinary general meeting held on 28 July 2015. 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 unitholders' 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)	
	1Q FY16 S\$'000	1Q FY15 S\$'000	1Q FY16 S\$'000	1Q FY15 S\$'000
<b>1. Temasek Holdings (Private) Limited and its Associates</b>				
General Transaction				
(a) Sales of Goods and Services	-	-	285	7,340
(b) Management Fee Income	-	-	1,034	1,034
(c) Reimbursement of expenses	-	-	1,629	1,568
(d) Purchases	-	-	38,470	53,207
(e) Leasing of Assets (Rental charge)	-	-	2,530	299
(f) Management Fee Expense (including Reimbursement of Expenses)	-	-	-	1,204
Total	-	-	43,948	64,652
<b>2. Keppel Corporation Group</b>				
General Transaction				
(a) Sales of Goods and Services	-	1,052,456	-	-
(b) Management Fee Expense (including Reimbursement of Expenses)	-	-	2,445	870
(c) Purchases	-	194,213	11,374	491
(d) Acquisition of subsidiary	-	510,000	-	-
(e) Acquisition fee	-	4,335	-	-
Treasury Transactions	-	-	25,790	116,385
Total	-	1,761,004	39,609	117,746

**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 1Q FY16 financial statements of Keppel Infrastructure Trust to be false or misleading, in any material aspect.

**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 Trust 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

Singapore  
13 April 2016



ONG TIONG GUAN  
Director