

**KEPPEL INFRASTRUCTURE TRUST
 FIRST QUARTER ENDED 31 MARCH 2020 FINANCIAL STATEMENTS
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INTRODUCTION

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

KIT’s portfolio as at 31 March 2020 included the following businesses and assets:

Geography/ Segment	Distribution and Network	Energy	Waste and Water
Singapore	<u>100% Interest</u> City Gas 51% interest City-OG Gas	<u>51% interest</u> Keppel Merlimau Cogen	<u>100% Interest</u> 1. Senoko Waste-to-Energy WTE Plant 2. Keppel Seghers Tuas WTE Plan 3. Keppel Seghers Ulu Pandan NEWater Plant <u>70% interest</u> 4. SingSpring Desalination Plant
Australia	<u>100% Interest</u> 1. Ixom 2. Basslink 3. Basslink Telecoms		

On 31 January 2020, Ixom completed its acquisition of Medora source water management solutions business (“Medora”) in the United States of America, strengthening the Group’s position as one of the industry leaders in the source water management industry.

The sponsor of KIT is Keppel Infrastructure Holdings Pte. Ltd., a wholly owned subsidiary of Keppel Corporation Limited (“KCL”). Keppel Infrastructure Fund Management Pte. Ltd. is the Trustee-Manager of KIT, and wholly owned by Keppel Capital Holdings Pte. Ltd., which is in turn a wholly owned subsidiary of KCL.

KIT is included in the FTSE ST Large/Mid Cap Index and FTSE ST Mid Cap Index.

KIT, being a business trust, is allowed to pay distributions to Unitholders out of its retained cash and residual cash flows, in accordance with its distribution policy. This is unlike companies, which are governed by the Companies Act, and can only make dividend payments out of accounting profits.

1. **UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

The Directors of **Keppel Infrastructure Fund Management Pte. Ltd., as Trustee-Manager of Keppel Infrastructure Trust**, advises the following unaudited results of the Group for the first quarter ended 31 March 2020.

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

(i) **Consolidated Income Statement**

	1Q FY20	<u>Group</u> 1Q FY19	Change
	S\$'000	S\$'000	%
Revenue	406,230	318,462	27.6
Other income	2,290	1,080	>100.0
Other gain / (losses) - net	635	(7,274)	N/M
Expenses			
Fuel and electricity costs	(31,125)	(36,349)	(14.4)
Gas transportation, freight and storage costs	(44,512)	(28,075)	58.5
Depreciation and amortisation	(44,213)	(30,845)	43.3
Staff costs	(36,688)	(21,030)	74.5
Operation and maintenance costs	(22,443)	(20,113)	11.6
Raw materials, consumables used and changes in inventories	(146,428)	(106,877)	37.0
Finance costs	(35,791)	(34,054)	5.1
Trustee-Manager's fees	(3,152)	(13,293)	(76.3)
Other operating expenses	(25,454)	(42,748)	(40.5)
Total expenses	(389,806)	(333,384)	16.9
Profit/(Loss) before joint venture	19,349	(21,116)	N/M
Share of results of joint venture	-	1,018	(100.0)
Profit/(Loss) before tax	19,349	(20,098)	N/M
Income tax expense	(5,360)	(4,661)	15.0
Net profit/(loss) after tax	13,989	(24,759)	N/M
Profit/(Loss) attributable to:			
Unitholders	18,941	(16,211)	N/M
Perpetual securities holders	3,552	-	N/M
Non-controlling interests	(8,504)	(8,548)	(0.5)
	13,989	(24,759)	N/M

N/M - Not meaningful

Please refer to paragraph 8.2 for further details.

1(a) INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME (CONT'D)

(ii) Consolidated Statement of Comprehensive Income

	1Q FY20	<u>Group</u> 1Q FY19	Change
	S\$'000	S\$'000	%
Net profit/(loss) after tax	13,989	(24,759)	N/M
Other comprehensive income:			
<u>Items that may be reclassified</u>			
<u>subsequently to income statement</u>			
Cash flow hedges:			
- Fair value losses	(16,726)	(18,752)	(10.8)
- Transfer to income statement	2,008	8,781	(77.1)
Share of net change in fair value of cash flow hedges of a joint venture	-	79	(100.0)
Currency translation differences relating to consolidation of foreign subsidiaries	<u>(7,554)</u>	<u>(18,940)</u>	(60.1)
Other comprehensive income, net of tax	<u>(22,272)</u>	<u>(28,832)</u>	(22.8)
Total comprehensive income	<u>(8,283)</u>	<u>(53,591)</u>	(84.5)
Attributable to:			
Unitholders	(3,859)	(45,661)	(91.5)
Perpetual securities holders	3,552	-	N/M
Non-controlling interests	<u>(7,976)</u>	<u>(7,930)</u>	0.6
	<u>(8,283)</u>	<u>(53,591)</u>	(84.5)

N/M - Not meaningful

1(b)(i) STATEMENTS OF FINANCIAL POSITION

	<u>Group</u>		<u>Trust</u>	
	31 Mar 2020 S\$'000	31 Dec 2019 S\$'000	31 Mar 2020 S\$'000	31 Dec 2019 S\$'000
Non-Current Assets				
Property, plant and equipment	2,306,540	2,354,813	-	-
Intangibles	990,755	985,341	-	-
Investment in subsidiaries	-	-	1,281,859	1,305,565
Notes receivables	-	-	775,712	775,712
Amount receivable from a subsidiary	-	-	12,407	12,407
Service concession receivables	272,075	284,372	-	-
Finance lease receivables	82,543	84,772	-	-
Derivative financial instruments	1,019	40	868	-
Right-of-use asset	112,160	115,596	-	-
Other assets	145,234	149,093	-	-
Total non-current assets	3,910,326	3,974,027	2,070,846	2,093,684
Current Assets				
Cash and bank deposits	442,834	470,093	214,879	215,275
Trade and other receivables	290,504	269,885	13,096	8,946
Service concession receivables	48,197	47,856	-	-
Finance lease receivables	10,559	10,487	-	-
Derivative financial instruments	4,534	847	1,024	-
Inventories	189,442	198,772	-	-
Other current assets	28,712	31,308	61	15
Total current assets	1,014,782	1,029,248	229,060	224,236
Current Liabilities				
Borrowings	1,318,371	1,318,473	-	-
Trade and other payables	295,377	318,733	4,398	6,606
Provisions	23,136	23,235	-	-
Derivative financial instruments	22,537	25,589	-	-
Lease liabilities	14,002	13,786	-	-
Income tax payable	6,955	6,281	107	87
Total current liabilities	1,680,378	1,706,097	4,505	6,693
Net Current (Liabilities)/Assets	(665,596)	(676,849)	224,555	217,543
Non-Current Liabilities				
Borrowings	782,556	793,180	99,807	99,783
Notes payable to non-controlling interests	260,000	260,000	-	-
Derivative financial instruments	145,669	127,441	2,511	1,230
Other payables	246,379	246,373	-	-
Provisions	32,087	32,387	-	-
Lease liabilities	79,597	81,500	-	-
Defined benefit obligation	23,308	23,586	-	-
Deferred tax liabilities	16,558	18,542	-	-
Total non-current liabilities	1,586,154	1,583,009	102,318	101,013
Net Assets	1,658,576	1,714,169	2,193,083	2,210,214
Represented by:				
Unitholders' Funds				
Units in issue	2,629,996	2,630,307	2,629,996	2,630,307
Other reserves	(278,213)	(255,413)	(619)	(1,230)
Accumulated losses	(1,077,995)	(1,050,488)	(738,817)	(717,834)
Total Unitholders' funds	1,273,788	1,324,406	1,890,560	1,911,243
Perpetual securities	302,523	298,971	302,523	298,971
Non-controlling interests	82,265	90,792	-	-
	1,658,576	1,714,169	2,193,083	2,210,214

Please refer to paragraphs 8.3 and 8.4 for further details.

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

	<u>Group</u>	
	31 Mar 2020	31 Dec 2019
	S\$'000	S\$'000
Unsecured borrowings		
Amount repayable after one year	<u>277,409</u>	<u>277,361</u>
Secured borrowings		
Amount repayable within one year	1,318,371	1,318,473
Amount repayable after one year	<u>505,147</u>	<u>515,819</u>
	<u>1,823,518</u>	<u>1,834,292</u>
Total borrowings	<u>2,100,927</u>	<u>2,111,653</u>

Details of collaterals

The bank borrowings are secured over the assets and business undertakings of SingSpring, Basslink Group and Ixom Group. The bank borrowings granted to SingSpring is also secured by a charge over the units in SingSpring held by the Trustee-Manager and Hyflux Ltd¹, and a charge over the shares held by the Trustee-Manager in SingSpring Pte Ltd. The bank borrowings granted to KMC is secured mainly by an assignment of KMC's rights under the Capacity Tolling Agreement.

On 20 December 2015, the Basslink interconnector experienced an unplanned outage caused by a cable fault. The interconnector returned to service on 13 June 2016. In November 2019, Basslink announced a 12-month extension of the maturity date of the financing arrangements in place for the Basslink Interconnector and the waiver by the lending syndicate of all breaches and events of default that had arisen under the financing arrangements as at 27 November 2019.

Basslink remains current on its debt payments under the project financing subsequent to the return to service of the interconnector on 13 June 2016.

¹ 30% unitholder of SingSpring Trust

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS

	<u>Group</u>	
	1Q FY20	1Q FY19
	S\$'000	S\$'000
Operating activities		
Profit/(loss) before tax	19,349	(20,098)
Adjustments for:		
Depreciation and amortisation	44,213	30,845
Finance costs	35,791	34,054
Interest income	(1,285)	(658)
Fair value gain on derivative financial instruments	(855)	7,409
Impairment loss on trade and other receivables (net)	45	222
Transaction cost	-	35,125
Gain on disposal of property, plant and equipment	(4)	-
Share of results of joint venture	-	(1,018)
Unrealised foreign exchange loss/(gain)	227	(137)
Management fees paid in units	283	128
Operating cash flows before working capital changes	<u>97,764</u>	<u>85,872</u>
Changes in working capital :		
Trade and other receivables	2,121	9,663
Trade and other payables	(33,628)	(3,741)
Inventories	15,992	(2,673)
Cash generated from operations	<u>82,249</u>	<u>89,121</u>
Interest received	1,179	450
Interest paid	(32,237)	(29,347)
Income tax paid	(6,067)	(6,873)
Net cash from operating activities	<u>45,124</u>	<u>53,351</u>
Investing activities		
Net cash outflow on acquisition of subsidiary (Note b)	(23,771)	(1,096,707)
Dividend received from joint venture	-	1,027
Repayment of advances from joint venture	-	298
Purchase of property, plant and equipment and intangible assets	(6,566)	(3,755)
Proceeds from sale of property, plant and equipment	4	-
Proceeds from sale of inventories	-	34
Net cash used in investing activities	<u>(30,333)</u>	<u>(1,099,103)</u>
Financing activities		
(Increase)/decrease in restricted cash	(1,684)	2,234
Proceeds from issuance of units (net)	-	296,518
Purchase of units	(594)	-
Proceeds from borrowings	22,850	1,504,165
Repayment of borrowings	(15,882)	(626,070)
Repayment of obligations under finance leases	(1,687)	(1,261)
Payment of loan upfront fees	-	(13,179)
Distributions paid to Unitholders of the Trust	(46,448)	(35,882)
Distributions paid by subsidiaries to non-controlling interests	(551)	(705)
Net cash (used in)/from financing activities	<u>(43,996)</u>	<u>1,125,820</u>
Net (decrease)/increase in cash and cash equivalents	<u>(29,205)</u>	<u>80,068</u>
Cash and cash equivalents at beginning of the period	<u>445,290</u>	<u>179,705</u>
Effect of currency translation on cash and cash equivalents	261	(46)
Cash and cash equivalents at end of the period (Note a)	<u>416,346</u>	<u>259,727</u>

1(c) **CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)**

Note a:

	31 Mar 2020 S\$'000	31 Mar 2019 S\$'000
Cash and bank deposits	442,834	309,391
Less: Restricted cash	<u>(26,488)</u>	<u>(49,664)</u>
Cash and cash equivalents	<u>416,346</u>	<u>259,727</u>

Restricted cash represents the amount of cash and cash equivalents required to be set aside to meet interest and principal repayments for loans extended to, and for secured bank guarantees of, the Group. Also included in the Group's restricted cash is the insurance proceeds received in relation to Basslink cable outage, the usage of which is subject to the consent of the lenders.

Refer to paragraph 8.1 for further details.

Note b:

The Group's wholly-owned subsidiary, Ixom, has completed the acquisition of Medora on 31 January 2020. The provisional fair values of the net assets of the subsidiary acquired were as follows:

	Fair value S\$'000
Property, plant and equipment	1,713
Identifiable intangible assets	343
Financial liabilities	(1,999)
Inventories	6,790
Financial assets	<u>1,890</u>
Total identifiable assets acquired and liabilities assumed	8,737
Goodwill	22,820
Total purchase consideration	<u>31,557</u>
Net cash outflow arising on acquisition:	
Total purchase consideration	31,557
Less: deferred cash consideration	<u>(7,786)</u>
	<u>23,771</u>

The purchase price allocation of the acquisition of Medora for the quarter ended 31 March 2020 is provisional and the Group expects to complete the purchase price allocation exercise within 12 months from date of acquisition of Medora.

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

Group	Attributable to Unitholders of the Trust										
	Units in Issue S\$'000	Treasury Units S\$'000	Hedging Reserve S\$'000	Translation Reserve S\$'000	Capital Reserve S\$'000	Defined Benefit Plan Reserve S\$'000	Accumulated Losses S\$'000	Total Unitholders' Funds S\$'000	Perpetual Securities S\$'000	Non-controlling Interests S\$'000	Total S\$'000
2020											
At 1 January 2020	2,630,307	-	(239,613)	(46,609)	38,710	(7,901)	(1,050,488)	1,324,406	298,971	90,792	1,714,169
<u>Total comprehensive income</u>											
Profit/(loss) for the period	-	-	-	-	-	-	18,941	18,941	3,552	(8,504)	13,989
Other comprehensive income for the period	-	-	(15,218)	(7,582)	-	-	-	(22,800)	-	528	(22,272)
Total	-	-	(15,218)	(7,582)	-	-	18,941	(3,859)	3,552	(7,976)	(8,283)
<u>Contributions by and distributions to owners</u>											
Units issued	283	-	-	-	-	-	-	283	-	-	283
Purchase of units	-	(594)	-	-	-	-	-	(594)	-	-	(594)
Cancellation of treasury units	(594)	594	-	-	-	-	-	-	-	-	-
Distributions paid	-	-	-	-	-	-	(46,448)	(46,448)	-	(551)	(46,999)
Total	(311)	-	-	-	-	-	(46,448)	(46,759)	-	(551)	(47,310)
At 31 March 2020	2,629,996	-	(254,831)	(54,191)	38,710	(7,901)	(1,077,995)	1,273,788	302,523	82,265	1,658,576
2019											
At 1 January 2019	2,138,066	-	(200,226)	(492)	38,710	-	(923,582)	1,052,476	-	125,780	1,178,256
<u>Total comprehensive income</u>											
Loss for the period	-	-	-	-	-	-	(16,211)	(16,211)	-	(8,548)	(24,759)
Other comprehensive income for the period	-	-	(10,756)	(18,694)	-	-	-	(29,450)	-	618	(28,832)
Total	-	-	(10,756)	(18,694)	-	-	(16,211)	(45,661)	-	(7,930)	(53,591)
<u>Contributions by and distributions to owners</u>											
Issue of units	300,128	-	-	-	-	-	-	300,128	-	-	300,128
Issuance cost	(3,610)	-	-	-	-	-	-	(3,610)	-	-	(3,610)
Distributions paid	-	-	-	-	-	-	(35,882)	(35,882)	-	(705)	(36,587)
<u>Changes in ownership interest in subsidiary</u>											
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	5,121	5,121
Total	296,518	-	-	-	-	-	(35,882)	260,636	-	4,416	265,052
At 31 March 2019	2,434,584	-	(210,982)	(19,186)	38,710	-	(975,675)	1,267,451	-	122,266	1,389,717

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

<u>Trust</u>	Units in Issue S\$'000	Treasury Units S\$'000	Hedging Reserve S\$'000	Accumulated Losses S\$'000	Total Unitholders' Funds S\$'000	Perpetual Securities S\$'000	Total S\$'000
2020							
At 1 January 2020	2,630,307	-	(1,230)	(717,834)	1,911,243	298,971	2,210,214
<u>Total comprehensive income</u>							
Profit for the period	-	-	-	25,465	25,465	3,552	29,017
Other comprehensive income for the period	-	-	611	-	611	-	611
Total	-	-	611	25,465	26,076	3,552	29,628
<u>Contributions by and distributions to owners</u>							
Issue of units	283	-	-	-	283	-	283
Purchase of units	-	(594)	-	-	(594)	-	(594)
Cancellation of treasury units	(594)	594	-	-	-	-	-
Distributions paid	-	-	-	(46,448)	(46,448)	-	(46,448)
Total	(311)	-	-	(46,448)	(46,759)	-	(46,759)
At 31 March 2020	2,629,996	-	(619)	(738,817)	1,890,560	302,523	2,193,083
2019							
At 1 January 2019	2,138,066	-	31	(657,094)	1,481,003	-	1,481,003
<u>Total comprehensive income</u>							
Profit for the period	-	-	-	18,850	18,850	-	18,850
Other comprehensive income for the period	-	-	15	-	15	-	15
Total	-	-	15	18,850	18,865	-	18,865
<u>Contributions by and distributions to owners</u>							
Units issued	300,128	-	-	-	300,128	-	300,128
Issuance cost	(3,610)	-	-	-	(3,610)	-	(3,610)
Distributions paid	-	-	-	(35,882)	(35,882)	-	(35,882)
Total	296,518	-	-	(35,882)	260,636	-	260,636
At 31 March 2019	2,434,584	-	46	(674,126)	1,760,504	-	1,760,504

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

	<u>Group and Trust</u>	
	1 Jan 2020 to 31 Mar 2020	1 Jan 2019 to 31 Mar 2019
Issued units at the beginning of the period	4,994,391,069	3,858,298,065
Settlement of management fees ⁽¹⁾	522,217	269,707
Private placement	-	680,273,000
Purchase and subsequent cancellation of treasury units	(1,450,000)	-
Issued units at the end of the period	4,993,463,286	4,538,840,772

Note:

(1) This relates to the payment of 4.8% of 4Q FY19 (5.9% of 4Q FY18) management fees in the form of units to the Trustee-Manager.

1(d)(iii) TOTAL NUMBER OF ISSUED UNITS EXCLUDING TREASURY UNITS AS AT THE END OF THE CURRENT FINANCIAL PERIOD, AND AS AT THE END OF THE IMMEDIATELY PRECEDING YEAR

The Group and Trust does not hold any treasury units as at 31 March 2020 and 31 December 2019.

The total number of issued units as at 31 March 2020 and 31 December 2019 were 4,993,463,286 and 4,994,391,069 respectively.

1(d)(iv) STATEMENT OF ALL SALES, TRANSFERS, DISPOSAL, CANCELLATION AND/OR USE OF TREASURY UNITS AS AT THE END OF THE CURRENT FINANCIAL PERIOD REPORTED ON

	<u>Group and Trust</u>	
	1 Jan 2020 to 31 Mar 2020	1 Jan 2019 to 31 Mar 2019
Treasury units at the beginning of the period	-	-
Purchase of units	1,450,000	-
Cancellation of treasury units	(1,450,000)	-
Treasury units at the end of the period	-	-

2. AUDIT

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

3. AUDITORS' REPORT

Not applicable.

4. ACCOUNTING POLICIES

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation in the financial statements for the current financial period are consistent with those of the audited financial statements as at 31 December 2019.

5. CHANGES IN ACCOUNTING POLICIES

The Group has adopted all the new and revised SFRS(I) and SFRS(I) INT that are relevant to its operations and effective for annual periods beginning on or after 1 January 2020. The adoption of these new and revised SFRS(I) and SFRS(I) INT did not result in changes to the Group's and Trust's accounting policies

6. EARNINGS PER UNIT ("EPU")

	<u>Group</u>		
	1Q FY20	1Q FY19	%
Weighted average number of units	4,994,548,576	3,910,384,749	27.7
EPU			
- based on the weighted average number of units in issue (cents)			
- basic and diluted	0.38	(0.41) ⁽¹⁾	N/M

⁽¹⁾ The negative EPU for 1QFY19 is mainly due to transaction cost incurred in relation to the Ixom acquisition. Excluding the transaction cost, EPU for 1QFY19 would be 0.48 cents.

KIT, being a business trust, is allowed to pay distributions to Unitholders out of its retained cash and residual cash flows, in accordance with its distribution policy. This is unlike companies, which are governed by the Companies Act, and can only make dividend payments out of accounting profits.

7. NET ASSET VALUE (“NAV”) PER UNIT

	<u>Group</u>			<u>Trust</u>		
	31 Mar 2020	31 Dec 2019	%	31 Mar 2020	31 Dec 2019	%
NAV per unit (cents)	25.5	26.5	(3.8)	37.9	38.3	(1.0)
Adjusted NAV per unit (cents)						
- (after distribution payable to unitholders)	24.6	25.6	(3.9)	37.0	37.3	(0.8)

The Group NAV per unit before hedging and translation reserves was 31.7 cents as at 31 March 2020 and 32.2 cents as at 31 December 2019. The Trust NAV per unit before hedging reserves was 37.9 cents as at 31 March 2020 and 38.3 cents as at 31 December 2019.

The Group NAV per unit including perpetual securities was 31.6 cents as at 31 March 2020 and 32.5 cents as at 31 December 2019. The Trust NAV per unit including perpetual securities was 43.9 cents as at 31 March 2020 and 44.3 cents as at 31 December 2019.

The number of units used for computation of NAV per unit and adjusted NAV per unit were 4,993,463,286 and 4,994,391,069 which were the number of units in issue as at 31 March 2020 and 31 December 2019 respectively.

8. REVIEW OF PERFORMANCE

8.1 Cash flow

The Group’s cash and bank deposits net of restricted cash were S\$416.3 million and S\$259.7 million as at 31 March 2020 and 31 March 2019, respectively.

Net cash generated from operating activities in 1Q FY20 was S\$45.1 million, S\$8.2 million lower than 1Q FY19, largely due to timing difference in working capital.

Net cash used in investing activities of S\$30.3 million in Q1 FY20 relates mainly to the acquisition of Medora and capital expenditure. In 1Q FY19, net cash used in investing activities relates to the acquisition of Ixom.

Net cash used in financing activities of S\$44.0 million in 1Q FY20 mainly pertains to borrowings taken up to fund the acquisition of Medora, partially offset by the repayment of certain facilities of the Group and payment of distributions to unitholders. In 1Q FY19, net cash from financing activities of S\$1,125.8 million mainly pertains to equity bridge facility and term loan drawn to fund the acquisition of Ixom.

8.2 Income Statement

Revenue

Group revenue for 1Q FY20 was S\$406.2 million, 27.6% higher than that of 1Q FY19, largely driven by the contribution of full quarter revenue by Ixom as compared to a shorter period of contribution commencing from the date of acquisition, 19 February 2019, in 1Q FY19.

At City Gas, revenue of S\$78.9 million in 1Q FY20 was S\$8.5 million lower than corresponding period last year due to lower tariff as a result of lower fuel prices. City Gas achieved 100% plant availability during the period.

The Concessions² contributed revenue of S\$24.7 million in 1Q FY20 which were comparable to that in 1Q FY19 of S\$24.4 million. All 4 plants fulfilled their contractual obligations during the period.

Basslink’s revenue for 1Q FY20 of S\$21.7 million was comparable to 1Q FY19 of S\$21.8 million.

At KMC, revenue for 1Q FY20 was also comparable to 1Q FY19. The power plant fulfilled its contractual obligations during the period.

Other gains / (losses) - net

Other gains / (losses) comprised mainly the fair value movement of financial derivative instruments.

² Concessions comprise Senoko WTE, Tuas WTE, SingSpring Desalination and Ulu Pandan NEWater plants

8. REVIEW OF PERFORMANCE (CONT'D)

8.2 Income Statement (cont'd)

Expenses

Fuel and electricity costs for 1Q FY20 were lower than last year due to lower fuel prices.

Higher gas transportation, freight and storage costs, depreciation and amortisation, staff costs, operation and maintenance, raw materials, consumables used and changes in inventories costs, finance costs in 1Q FY20 as compared to last year are mainly due to contribution of full quarter of Ixom's expenses as compared to a shorter period of contribution commencing from the date of acquisition, 19 February 2019, in 1Q FY19.

Trustee-manager's fees and other operating expenses in Q1 FY20 were lower due to the acquisition fee paid to Trustee-Manager and transaction cost incurred in relation to the acquisition of Ixom in 1Q FY19.

Profit attributable to Unitholders of the Trust

The Group reversed from a loss to a profit attributable to Unitholders of the Trust in 1Q FY20 which was mainly due to the absence of transaction costs incurred in relation to the acquisition of Ixom in 1Q FY19 and a full quarter contribution of Ixom's results in 1Q FY20.

8.3 Balance Sheet – Group

Total assets as at 31 March 2020 of S\$4,925.1 million was marginally lower than total assets of S\$5,003.3 million as at 31 December 2019, mainly due to depreciation and amortisation of property, plant and equipment and intangibles, coupled with the decrease in cash and bank deposits (please refer to paragraph 8.1 for more details).

Total liabilities as at 31 March 2020 of S\$3,266.5 million was slightly lower than S\$3,289.1 million as at 31 December 2019. The Group reported net current liabilities of S\$665.6 million as at 31 March 2020 which includes borrowings of S\$1,296.3 million currently in process of being refinanced.

Total Unitholders' funds stood at S\$1,273.8 million as at 31 March 2020, lower than S\$1,324.4 million as at 31 December 2019 which stems from distributions paid, hedging reserve and foreign currency translation loss, partially offset by the profit attributable to Unitholders of the Trust in 1Q FY20.

8.4 Balance Sheet – Trust

Net assets as at 31 March 2020 of S\$2,193.1 million was lower compared to S\$2,210.2 million as at 31 December 2019 mainly due to distributions paid, partially offset by the profit for the period.

9. VARIANCE FROM FORECAST STATEMENT

No forecast statement for financial year 2020 has been disclosed.

10. PROSPECTS

City Gas and Ixom are businesses that provide essential products and services which are scalable, supported by their leading market positions.

City Gas is the sole supplier of town gas, with history of over a century, in Singapore. It produces and sells town gas to residential customers, as well as town gas and natural gas to industrial customers.

Ixom is a leading industrial infrastructure business in Australia and New Zealand. It is the sole manufacturer and provider of liquefied chlorine in Australia, as well as a leading provider of manufactured caustic soda. Ixom's revenue profile is seasonal over the course of the year which is typical for a business of this nature in Australia and New Zealand.

KIT's power and water and waste assets typically generate stable cash flows as a function of availability. All our plants follow industry best practices.

10. PROSPECTS (CONT'D)

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

COVID-19 Pandemic

Since its emergence on December 2019, Covid-19 has led into a global outbreak which is characterised by the World Health Organisation as a pandemic in March 2020. Ixom is classified as essential services in Australia and New Zealand and all of KIT's Singapore businesses and assets are also classified as essential services.

While Ixom and City Gas are currently seeing some impact, at this moment, COVID-19 is not expected to adversely impact the operations and financial position of remaining assets in KIT, which are all availability based. Nevertheless, the extent of the impact of COVID-19 will depend on the duration of the pandemic. KIT continues to monitor the operational and financial impact of COVID-19 to KIT's portfolio of assets.

City Gas

The tariff adjustments mechanism is designed to ensure that City Gas fully recovers its fuel costs over the long run. In the short run, City Gas's financial performance could fluctuate due to time lag in the adjustment to the gas tariffs in response to changes in fuel cost.

City Gas continues to focus on ensuring town gas supply is maintained to support essential requirements in Singapore in the current pandemic.

Ixom

On 31 January 2020, Ixom completed its acquisition of Medora, strengthening the Group's position as one of the industry leaders in the source water management industry.

Ixom, which started contributing to KIT from 19 February 2019, has delivered S\$65.7 million of distributable cashflows to date. The Ixom Group's business has historically produced stable and resilient distributable cash flows each year. For the current period, it is on track to deliver its projected cash distribution targets.

Ixom has continued to deliver resilient performance despite the challenging operating environment caused by the COVID-19 pandemic. Efforts has been stepped up to ensure vital chemicals are available to support the populations and economies of Australia and New Zealand in this critical period.

Ixom is also well positioned to capture long-term growth opportunities during this period through strengthening its market leading position and optimising operations, cost and productivity.

Basslink

On 20 December 2015, the Basslink interconnector asset was taken out of service due to a cable failure (the "Incident"). The cable returned to service on 13 June 2016. Basslink continues to maintain its position that the Incident was a Force Majeure Event under the Basslink Operations Agreement and Basslink Service Agreement and strongly denies the allegations made by the State of Tasmania (the "State") and Hydro Tasmania ("HT"). Basslink is vigorously defending itself in the arbitration and the arbitration is expected to conclude by 2020.

On 27 November 2019, Basslink announced a 12-month extension of the maturity date of the financing arrangements in place for the Basslink Interconnector and the waiver by the lending syndicate of all breaches and events of default that had arisen under the financing arrangements as at 27 November 2019.

While intended to be neutral over the long-term, the Commercial Risk Sharing Mechanism (CRSM) in Basslink of 1Q FY2020 has been positive at maximum 12.5% of the base facility fee.

Keppel Merlimau Cogen

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

Waste and water plants

Waste and water concessions have long-term contracts with Singapore statutory bodies and derive most of their cash flows from capacity and availability payments. As such, the underlying performance of these assets are expected to remain stable.

10. PROSPECTS (CONT'D)

In view of developments at Hyflux, KIT has increased its monitoring of operational performance at SingSpring Desalination Plant to ensure that SingSpring's obligations under the Water Purchase Agreement are satisfactorily discharged. There has been no impact to operations at the SingSpring Desalination Plant, KIT continues to work to ensure operational continuity. KIT will make the necessary announcements, if and when, there are material developments.

11. DISTRIBUTIONS

11a. Current financial period reported on

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

Amount	:	S\$46.4 million
Distribution period	:	1 January 2020 to 31 March 2020
Distribution rate	:	0.93 Singapore cents per unit
Distribution type	:	Cash, Tax-exempt Distribution
Tax rate	:	Distributions to Unitholders are exempt from Singapore income tax, regardless of their nationality, corporate identity or tax residence status. No credit is allowed to Unitholders for the tax paid by the Trustee-Manager.

11b. Corresponding Period of the Immediately Preceding Financial Year

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

Amount	:	S\$36.7 million
Distribution period	:	1 January 2019 to 31 March 2019
Distribution rate	:	0.93 Singapore cents per unit
Distribution type	:	Cash, Tax-exempt Distribution
Tax rate	:	Distributions to Unitholders are exempt from Singapore income tax, regardless of their nationality, corporate identity or tax residence status. No credit is allowed to Unitholders for the tax paid by the Trustee-Manager.

11c. Date Payable

15 May 2020

11d. Record Date

Notice is hereby given that, the Unit Transfer Books and Register of Unitholders of KIT will be closed at 5.00 p.m. on 28 April 2020 for the purposes of determining each Unitholder's entitlement to the Distribution. Duly completed transfers in respect of Units in the capital of KIT received by the Registrar, Boardroom Corporate & Advisory Services Pte. Ltd, 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623, up to 5.00 p.m. on 28 April 2020 will be registered to determine Unitholders' entitlement to the Distribution. Unitholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with Units at 5.00 p.m. on 28 April 2020 will be entitled to the Distribution.

12. INTERESTED PERSON TRANSACTIONS

The Group had obtained a general mandate pursuant to Rule 920 for interested person transactions as approved by independent unitholders at the annual general meeting held on 16 April 2019. 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)	
	1Q FY20 S\$'000	1Q FY19 S\$'000	1Q FY20 S\$'000	1Q FY19 S\$'000
1. Temasek Holdings (Private) Limited and its Associates				
General Transaction				
(a) Sales of Goods and Services	-	-	387	873
(b) Purchases	-	1,044 ⁽¹⁾	40,569	47,737
(c) Rental expense	-	-	562	84
Total	-	1,044 ⁽¹⁾	41,518	48,694
2. Keppel Corporation Group				
General Transaction				
(a) Sales of Goods and Services	-	-	-	-
(b) Purchases	-	-	10,540	10,428
(c) Management Fee Expense	-	-	3,292	13,602
(d) Reimbursement of expenses	-	-	112	136
Treasury Transactions	-	-	294,808	103,990
Investment or Divestment	-	-	-	-
Total	-	-	308,752	128,156

⁽¹⁾ The transaction relates to a distribution agreement with the related party for the supply of cooling equipment. As the transaction value is lower than the materiality threshold prescribed in Rule 905 and 906 of Chapter 9 of the SGX Listing Manual, immediate announcement and shareholder's approval is not required.

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

WINNIE MAK/ESTHER CHUA
Company Secretaries
20 April 2020

CONFIRMATION BY THE BOARD

Pursuant to Rule 705(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the first quarter ended 31 March 2020 financial statements of Keppel Infrastructure Trust to be false or misleading, in any material aspect.

On behalf of the Board of Directors



KOH BAN HENG
Chairman



CHRISTINA TAN HUA MUI
Director

Singapore
20 April 2020

IMPORTANT NOTICE

The past performance of KIT is not necessarily indicative of its future performance. Certain statements made in this announcement may not be based on historical information or facts and may be "forward-looking" statements due to a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar businesses and governmental and public policy changes, and the continued availability of financing in the amounts and terms necessary to support future business. Such forward-looking statements speak only as of the date on which they are made, and KIT does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking statements.

Prospective investors and unitholders of KIT ("Unitholders") are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel Infrastructure Fund Management Pte. Ltd. (as trustee-manager of KIT) (the "Trustee-Manager") on future events. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained in this announcement. The information is subject to change without notice, its accuracy is not guaranteed, has not been independently verified and may not contain all material information concerning KIT. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, KIT, the Trustee-Manager or any of its affiliates and/or subsidiaries. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Trustee-Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited ("SGX-ST"). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.