

**KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES (collectively the “Group”)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS & DISTRIBUTION
ANNOUNCEMENT
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021**

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KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

INTRODUCTION

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

KIT’s portfolio as at 31 December 2021 includes the following businesses and assets:

Geography/ Segment	Distribution and Network	Energy	Waste and Water
Singapore	<u>100% Interest</u> City Energy 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
Australia¹	<u>100% Interest</u> Ixom		
Philippines	<u>50% Interest</u> Philippine Coastal		

On 29 January 2021, KIT completed the acquisition of 80% of the entire share capital of Philippine Tank Storage International (Holdings) Inc. (“PTSI”), which owns Philippine Coastal Storage & Pipeline Corporation (“Philippine Coastal”), the largest petroleum products import storage facility in the Philippines. Immediately after the completion of the acquisition, the Group sold 30% of the interest in PTSI to Metro Pacific Investments Corporation (“MPIC”), which was the non-controlling interest of the acquisition. Following the disposal of the 30% interest in PTSI, KIT and MPIC indirectly hold an approximately equal percentage of interest in PTSI, with KIT indirectly holding one voting share more than MPIC.

On 30 April 2021, Ixom completed the acquisition of 100% of interest in Australian Botanical Products Pty Ltd (ABP), a leading supplier of essential oils in Australia and New Zealand, with a growing presence in Asia. The acquisition represents a significant growth opportunity for Ixom’s life sciences business through both an expanded product offering in a growing market as well as providing access to their customer base across Australia, New Zealand and Asian markets.

On 30 November 2021, Ixom has also completed the acquisition of SCR Solutions, a leading manufacturer and distributor of emissions reduction solution (AdBlue), in New Zealand. SCR Solutions is a value accretive bolt on acquisition that will further strengthen Ixom’s New Zealand business.

On 1 December 2021, City Gas was rebranded as City Energy. City Energy intends to transform its piped gas business to provide innovative green energy solutions that meet the needs of a growing city and changing planet, now and into the future. While City Energy continues to focus on ensuring town gas supply is maintained to support essential requirements in Singapore in the current pandemic, it is also looking at providing electric vehicle charging solutions through its sub-brand, City Energy Go.

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 Excludes Basslink, which is in voluntary administration

KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
For the six months and full year ended 31 December 2021

Consolidated Income Statement

	Note			Group				Change %	
		2H FY21 S\$'000	2H FY20 S\$'000	Change %	FY2021 S\$'000	FY2020 S\$'000	Change %		
Continuing operations									
Revenue	4	836,996	750,413	11.5	1,575,019	1,499,181	5.1	(i)	
Other income		4,595	4,260	7.9	6,199	8,174	(24.2)	(ii)	
Other (losses) / gain - net		315	(10,591)	N/M	(17,803)	(8,182)	>100.0	(iii)	
Expenses									
Fuel and electricity costs		(74,530)	(51,758)	44.0	(135,641)	(101,294)	33.9	(iv)	
Gas transportation, freight and storage costs		(91,843)	(87,385)	5.1	(179,500)	(172,703)	3.9	(iv)	
Raw materials, consumables used and changes in inventories		(323,044)	(276,966)	16.6	(581,215)	(567,675)	2.4	(iv)	
Depreciation and amortisation		(79,692)	(82,045)	(2.9)	(161,391)	(161,609)	(0.1)	(v)	
Staff costs		(91,529)	(74,233)	23.3	(165,161)	(142,807)	15.7	(vi)	
Operation and maintenance costs		(47,148)	(48,616)	(3.0)	(91,364)	(91,462)	(0.1)	(iv)	
Finance costs		(45,157)	(43,758)	3.2	(89,321)	(93,113)	(4.1)	(vii)	
Trustee-Manager's fees		(5,906)	(6,105)	(3.3)	(12,394)	(11,970)	3.5	(viii)	
Other operating expenses		(57,908)	(54,650)	6.0	(108,556)	(98,162)	10.6	(ix)	
Total expenses		(816,757)	(725,516)	12.6	(1,524,543)	(1,440,795)	5.8		
Profit before joint venture		25,149	18,566	35.5	38,872	58,378	(33.4)		
Share of results of joint venture	7	1,136	-	N/M	885	-	N/M	(x)	
Profit before tax	5	26,285	18,566	41.6	39,757	58,378	(31.9)		
Income tax expense		(11,532)	(12,213)	(5.6)	(15,953)	(20,792)	(23.3)	(xi)	
Profit for the year from continuing operation		14,753	6,353	>100.0	23,804	37,586	(36.7)		
Discontinued operation									
Loss for the year from discontinued operation	6	(142,773)	(94,063)	51.8	(161,857)	(89,747)	80.3		
Loss for the year		(128,020)	(87,710)	46.0	(138,053)	(52,161)	>100.0		
(Loss)/profit attributable to:									
Unitholders of the Trust before NCI		(125,854)	(79,632)	58.0	(128,806)	(34,451)	>100.0		
Perpetual securities holders		13,687	7,184	90.5	21,531	14,289	50.7		
Equityholders of the Trust		(112,167)	(72,448)	54.8	(107,275)	(20,162)	>100.0		
Non-controlling interests (NCI)		(15,853)	(15,262)	3.9	(30,778)	(31,999)	(3.8)		
		(128,020)	(87,710)	46.0	(138,053)	(52,161)	>100.0		
Earnings per unit									
From continuing and discontinued operations: - basic and diluted		(2.52)	(1.60)	57.5	(2.58)	(0.69)	>100.0	(xii)	
From continuing operations: - basic and diluted		0.34	0.29	17.2	0.66	1.11	(40.5)	(xii)	
Additional information:									
Management believe that EBITDA is an important measure of performance, although it is not a standard measure under SFRS (I).									
EBITDA		160,968	160,792	0.1	317,607	328,264	(3.2)		

The Group defines EBITDA as (loss)/profit before tax, excluding interest income, finance costs, depreciation and amortisation expenses. The reported EBITDA is before distribution to perpetual securities holders and after adjustment for one-off items of transaction cost incurred in relation to acquisition, related expenses as part of the fair value review exercise undertaken post acquisition, impairment loss on Ixom's assets and loss on deconsolidation of Basslink following the voluntary administration on 12 Nov 21.

N/M - Not meaningful

KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

Note:

Please refer to Other Information Paragraph 3 on page 31 to 33 for Review of Performance for the six months and full year ended 31 December 2021.

- (i) The Group revenue is contributed by:

Distribution and Network

- City Energy: Produce and retail of town gas, retail of natural gas and sales of gas appliances in Singapore
- Ixom: Supply and distribute of key water treatment, industrial and speciality chemical in Australia and New Zealand.

Energy

- KMC: Provide availability and capacity targets of its power plant to tollor. Fixed payments for meeting availability targets

Waste and water (Fixed payment for availability of plants capacity)

- Senoko Waste-to-Energy 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.

- (ii) Other income mainly comprises of interest income from short-term deposits and other miscellaneous income.
- (iii) Other gain/(losses) - net mainly relates to exchanges differences, fair value gain/loss on derivative financial instruments and Impairment loss on Ixom's assets (please refer to Note 5 "Profit before tax" for details).
- (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 waste and water 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.
- (vi) Staff costs mainly comprises of salaries and wages, employer's contribution to defined contribution plans, defined benefit plans and other short-term benefits of the employees of Ixom and City Energy.
- (vii) Included in Finance costs are mainly interest expense on bank borrowings 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:

A Base fee of \$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).

In addition to the Base Fee and the Performance Fee, the Trustee-Manager (in its personal capacity) 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.

- (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 50% share of Philippine Coastal's results. Please refer to Note 7 "Investment in joint venture" for details.

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(xi) Income tax expense comprises of 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>					
	2H FY21	2H FY20	%	FY2021	FY2020	%
Weighted average number of units	4,991,263,352	4,990,437,786	0.0	4,991,067,696	4,991,430,849	(0.0)
EPU						
- based on the weighted average number of units in issue (cents)						
From continuing and discontinued operations:						
- basic and diluted	(2.52) ⁽¹⁾	(1.60) ⁽²⁾	57.5	(2.58) ⁽¹⁾	(0.69) ⁽²⁾	>100.0
From continuing operations:						
- basic and diluted	0.34	0.29	17.2	0.66	1.11	(40.5)

⁽¹⁾ The negative EPU from continuing and discontinued operations for 2H 2021 and FY2021 is mainly due to transaction cost incurred and expenses related to a fair value review exercise undertaken by Ixom following its acquisition of assets and businesses, impairment loss on Ixom's assets and loss on derecognition of Basslink following the voluntary administration. Excluding the above, EPU for 2H FY21 and FY2021 would be 0.93 cents and 1.23 cents respectively.

⁽²⁾ The negative EPU from continuing and discontinued operations for 2H 2020 and FY2020 comprised of the impact of Ixom divestment of Latin America and China Life Science business, Basslink arbitration provision and transaction cost incurred in relation to the Medora acquisition. Excluding the above one-off transactions, EPU for 2H FY20 and FY2020 would be 0.27 cents and 1.19 cents respectively.

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 six months and full year ended 31 December 2021

Consolidated Statement of Comprehensive Income

	<u>Group</u>					
	2H FY21	2H FY20	Change	FY2021	FY2020	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Loss for the year	(128,020)	(87,710)	46.0	(138,053)	(52,161)	>100.0
Other comprehensive income:						
<u>Items that may be reclassified</u> <u>subsequently to profit or loss</u>						
Cash flow hedges:						
- Fair value gain/(loss)	45,327	(13,434)	N/M	94,787	(58,379)	N/M
- Transfer to profit or loss	174,692	19,353	>100.0	189,413	27,894	>100.0
Currency translation differences relating to consolidation of foreign operations	(13,473)	15,011	N/M	(2,071)	13,910	N/M
Currency translation differences reclassified to profit or loss on disposal of foreign subsidiaries	9,394	8,716	7.8	9,394	8,716	7.8
<u>Items that will not be reclassified</u> <u>subsequently to profit or loss</u>						
Remeasurement of defined benefit obligation	2,490	(607)	N/M	2,490	(607)	N/M
Other comprehensive income, net of tax	218,430	29,039	>100.0	294,013	(8,466)	N/M
Total comprehensive income	90,410	(58,671)	N/M	155,960	(60,627)	N/M
Attributable to:						
Unitholders of the Trust before NCI	89,360	(48,745)	N/M	154,827	(42,264)	N/M
Perpetual securities holders	13,687	7,184	90.5	21,531	14,289	50.7
Equityholders of the Trust	103,047	(41,561)	N/M	176,358	(27,975)	N/M
Non-controlling interests (NCI)	(12,637)	(17,110)	(26.1)	(20,398)	(32,652)	(37.5)
	90,410	(58,671)	N/M	155,960	(60,627)	N/M

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 31 December 2021

	Note	Group		Trust	
		31 Dec 2021 S\$'000	31 Dec 2020 S\$'000	31 Dec 2021 S\$'000	31 Dec 2020 S\$'000
Non-Current Assets					
Property, plant and equipment		1,498,901	2,310,469	-	-
Right-of-use asset		103,082	112,752	-	-
Intangibles		913,093	1,015,398	-	-
Investment in subsidiaries		-	-	697,141	1,398,187
Investment in joint venture	7	206,279	-	-	-
Notes receivables		-	-	775,712	775,712
Amount receivable from a subsidiary		-	-	206,663	9,407
Service concession receivables		184,609	235,185	-	-
Finance lease receivables		62,687	74,308	-	-
Derivative financial instruments		24,327	2	1,865	-
Contract Assets		2,685	-	-	-
Other assets		117,655	133,426	-	-
Total non-current assets		3,113,318	3,881,540	1,681,381	2,183,306
Current Assets					
Cash and bank deposits		817,103	580,721	516,955	236,627
Trade and other receivables		237,125	211,811	9,322	18,620
Service concession receivables		50,576	49,316	-	-
Finance lease receivables		11,346	10,867	-	-
Derivative financial instruments		2,462	254	-	-
Inventories		239,667	168,971	-	-
Other current assets		29,186	26,055	18	54
Total current assets		1,387,465	1,047,995	526,295	255,301
Current Liabilities					
Borrowings	8	125,990	643,933	99,985	-
Trade and other payables		387,079	348,077	5,077	3,815
Provisions		35,847	30,533	-	-
Derivative financial instruments		2,898	37,099	991	4,587
Lease liabilities		12,535	12,256	-	-
Income tax payable		23,715	17,595	29	62
Total current liabilities		588,064	1,089,493	106,082	8,464
Net Current Assets/(Liabilities)		799,401	(41,498)	420,213	246,837
Non-Current Liabilities					
Borrowings	8	1,604,409	1,517,090	199,508	99,883
Notes payable to non-controlling interests		260,000	260,000	-	-
Derivative financial instruments		9,229	165,462	-	4,885
Other payables		188,778	250,506	-	-
Provisions		16,402	39,746	-	-
Lease liabilities		70,194	76,000	-	-
Defined benefit obligation		22,373	26,124	-	-
Deferred tax liabilities		1,274	11,172	-	-
Total non-current liabilities		2,172,659	2,346,100	199,508	104,768
Net Assets		1,740,060	1,493,942	1,902,086	2,325,375
Represented by:					
Unitholders' Funds					
Units in issue	9	2,629,211	2,628,761	2,629,211	2,628,761
Hedging reserve		3,837	(269,748)	875	(9,471)
Translation reserve		(16,122)	(23,680)	-	-
Capital reserve		38,710	38,710	-	-
Defined benefit plan reserve		(6,018)	(8,508)	-	-
Share based payment reserve		773	254	-	-
Accumulated losses		(1,538,678)	(1,224,207)	(1,325,622)	(592,881)
Total Unitholders' funds		1,111,713	1,141,582	1,304,464	2,026,409
Perpetual securities		597,622	298,966	597,622	298,966
Total Equityholders' Funds		1,709,335	1,440,548	1,902,086	2,325,375
Non-controlling interests		30,725	53,394	-	-
		1,740,060	1,493,942	1,902,086	2,325,375

KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

Net asset value ("NAV") per unit

	<u>Group</u>			<u>Trust</u>		
	31 Dec 2021	31 Dec 2020	%	31 Dec 2021	31 Dec 2020	%
NAV per unit (cents)	22.3	22.9	(2.6)	26.1	40.6	(35.7)
Adjusted NAV per unit (cents)						
- (after distribution payable to unitholders)	20.4	21.0	(2.9)	24.2	38.8	(37.6)

The Group NAV per unit before hedging and translation reserves was 22.5 cents as at 31 December 2021 and 28.8 cents as at 31 December 2020. The Trust NAV per unit before hedging reserves was 26.1 cents as at 31 December 2021 and 40.8 cents as at 31 December 2020.

The Group NAV per unit including perpetual securities was 34.2 cents as at 31 December 2021 and 28.9 cents as at 31 December 2020. The Trust NAV per unit including perpetual securities was 38.1 cents as at 31 December 2021 and 46.6 cents as at 31 December 2020.

The number of units used for computation of NAV per unit and adjusted NAV per unit were 4,991,263,352 and 4,990,437,786 which were the number of units in issue as at 31 December 2021 and 31 December 2020 respectively.

KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

CONDENSED INTERIM STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS

<u>Group</u>	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	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
2021												
At 1 January 2021	2,628,761	-	(269,748)	(23,680)	38,710	(8,508)	254	(1,224,207)	1,141,582	298,966	53,394	1,493,942
<u>Total comprehensive income</u>												
Profit/(loss) for the period	-	-	-	-	-	-	-	(2,957)	(2,957)	7,844	(14,925)	(10,038)
Other comprehensive income for the period	-	-	56,918	11,501	-	-	-	-	68,419	-	7,164	75,583
Total	-	-	56,918	11,501	-	-	-	(2,957)	65,462	7,844	(7,761)	65,545
<u>Transactions with owners, recognised directly in equity</u>												
Contributions by and distributions to owners:												
Units issued	450	-	-	-	-	-	-	-	450	-	-	450
Perpetual securities issued	-	-	-	-	-	-	-	-	-	300,000	-	300,000
Issuance cost	-	-	-	-	-	-	-	-	-	(2,279)	-	(2,279)
Recognition of share-based payments	-	-	-	-	-	-	232	-	232	-	-	232
Distributions paid	-	-	-	-	-	-	-	(92,822)	(92,822)	(7,105)	(2,086)	(102,013)
Total	450	-	-	-	-	-	232	(92,822)	(92,140)	290,616	(2,086)	196,390
At 30 June 2021	2,629,211	-	(212,830)	(12,179)	38,710	(8,508)	486	(1,319,986)	1,114,904	597,426	43,547	1,755,877
<u>Total comprehensive income</u>												
Profit/(loss) for the period	-	-	-	-	-	-	-	(125,854)	(125,854)	13,687	(15,853)	(128,020)
Other comprehensive income for the period	-	-	216,667	(3,943)	-	2,490	-	-	215,214	-	3,216	218,430
Total	-	-	216,667	(3,943)	-	2,490	-	(125,854)	89,360	13,687	(12,637)	90,410
<u>Transactions with owners, recognised directly in equity</u>												
Contributions by and distributions to owners:												
Reversal of issuance cost	-	-	-	-	-	-	-	-	-	122	-	122
Recognition of share-based payments	-	-	-	-	-	-	287	-	287	-	-	287
Unclaimed distributions written back	-	-	-	-	-	-	-	-	-	-	-	-
Distributions paid	-	-	-	-	-	-	-	(92,838)	(92,838)	(13,613)	(185)	(106,636)
Total	-	-	-	-	-	-	287	(92,838)	(92,551)	(13,491)	(185)	(106,227)
At 31 December 2021	2,629,211	-	3,837	(16,122)	38,710	(6,018)	773	(1,538,678)	1,111,713	597,622	30,725	1,740,060

KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

CONDENSED INTERIM STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS (CONT'D)

<u>Group</u>	Attributable to Unitholders of the Trust											Total S\$'000
	Units in Issue S\$'000	Treasury Units 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	
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>												
Loss for the period	-	-	-	-	-	-	-	45,180	45,180	7,105	(16,737)	35,548
Other comprehensive income for the period	-	-	(37,475)	(1,225)	-	-	-	-	(38,700)	-	1,195	(37,505)
Total	-	-	(37,475)	(1,225)	-	-	-	45,180	6,480	7,105	(15,542)	(1,957)
<u>Transactions with owners, recognised directly in equity</u>												
Contributions by and distributions to owners:												
Units issued	398	-	-	-	-	-	-	-	398	-	-	398
Purchase of units	-	(1,944)	-	-	-	-	-	-	(1,944)	-	-	(1,944)
Cancellation of treasury units	(1,944)	1,944	-	-	-	-	-	-	-	-	-	-
Distributions paid	-	-	-	-	-	-	-	(92,856)	(92,856)	(7,145)	(1,223)	(101,224)
Total	(1,546)	-	-	-	-	-	-	(92,856)	(94,402)	(7,145)	(1,223)	(102,770)
At 30 June 2020	2,628,761	-	(277,088)	(47,834)	38,710	(7,901)	-	(1,098,164)	1,236,484	298,931	74,027	1,609,442
<u>Total comprehensive income</u>												
Profit/(loss) for the period	-	-	-	-	-	-	-	(79,632)	(79,632)	7,184	(15,262)	(87,710)
Other comprehensive income for the period	-	-	7,340	24,154	-	(607)	-	-	30,887	-	(1,848)	29,039
Total	-	-	7,340	24,154	-	(607)	-	(79,632)	(48,745)	7,184	(17,110)	(58,671)
<u>Transactions with owners, recognised directly in equity</u>												
Contributions by and distributions to owners:												
Issuance cost	-	-	-	-	-	-	-	-	-	(4)	-	(4)
Recognition of share-based payments	-	-	-	-	-	-	254	-	254	-	-	254
Distributions paid	-	-	-	-	-	-	-	(46,411)	(46,411)	(7,145)	(3,523)	(57,079)
Total	-	-	-	-	-	-	254	(46,411)	(46,157)	(7,149)	(3,523)	(56,829)
At 31 December 2020	2,628,761	-	(269,748)	(23,680)	38,710	(8,508)	254	(1,224,207)	1,141,582	298,966	53,394	1,493,942

KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

CONDENSED INTERIM 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
2021							
At 1 January 2021	2,628,761	-	(9,471)	(592,881)	2,026,409	298,966	2,325,375
<u>Total comprehensive income</u>							
Profit for the period	-	-	-	73,739	73,739	7,844	81,583
Other comprehensive income for the period	-	-	3,331	-	3,331	-	3,331
Total	-	-	3,331	73,739	77,070	7,844	84,914
<u>Transactions with owners, recognised directly in equity</u>							
Contributions by and distributions to owners:							
Units issued	450	-	-	-	450	-	450
Perpetual securities issued	-	-	-	-	-	300,000	300,000
Issuance cost	-	-	-	-	-	(2,279)	(2,279)
Distributions paid	-	-	-	(92,822)	(92,822)	(7,105)	(99,927)
Total	450	-	-	(92,822)	(92,372)	290,616	198,244
At 30 June 2021	2,629,211	-	(6,140)	(611,964)	2,011,107	597,426	2,608,533
<u>Total comprehensive income</u>							
Profit for the period	-	-	-	(620,820)	(620,820)	13,687	(607,133)
Other comprehensive income for the period	-	-	7,015	-	7,015	-	7,015
Total	-	-	7,015	(620,820)	(613,805)	13,687	(600,118)
<u>Transactions with owners, recognised directly in equity</u>							
Contributions by and distributions to owners:							
Reversal of issuance cost	-	-	-	-	-	122	122
Distributions paid	-	-	-	(92,838)	(92,838)	(13,613)	(106,451)
Total	-	-	-	(92,838)	(92,838)	(13,491)	(106,329)
At 31 December 2021	2,629,211	-	875	(1,325,622)	1,304,464	597,622	1,902,086
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	-	-	-	70,074	70,074	7,105	77,179
Other comprehensive income for the period	-	-	(2,308)	-	(2,308)	-	(2,308)
Total	-	-	(2,308)	70,074	67,766	7,105	74,871
<u>Transactions with owners, recognised directly in equity</u>							
Contributions by and distributions to owners:							
Units issued	398	-	-	-	398	-	398
Purchase of units	-	(1,944)	-	-	(1,944)	-	(1,944)
Cancellation of treasury units	(1,944)	1,944	-	-	-	-	-
Distributions paid	-	-	-	(92,856)	(92,856)	(7,145)	(100,001)
Total	(1,546)	-	-	(92,856)	(94,402)	(7,145)	(101,547)
At 30 June 2020	2,628,761	-	(3,538)	(740,616)	1,884,607	298,931	2,183,538
<u>Total comprehensive income</u>							
Profit for the period	-	-	-	194,146	194,146	7,184	201,330
Other comprehensive income for the period	-	-	(5,933)	-	(5,933)	-	(5,933)
Total	-	-	(5,933)	194,146	188,213	7,184	195,397
<u>Transactions with owners, recognised directly in equity</u>							
Contributions by and distributions to owners:							
Issuance cost	-	-	-	-	-	(4)	(4)
Distributions paid	-	-	-	(46,411)	(46,411)	(7,145)	(53,556)
Total	-	-	-	(46,411)	(46,411)	(7,149)	(53,560)
At 31 December 2020	2,628,761	-	(9,471)	(592,881)	2,026,409	298,966	2,325,375

KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	<u>Group</u>			
		2H FY21 S\$'000	2H FY20 S\$'000	FY2021 S\$'000	FY2020 S\$'000
Operating activities					
Loss before tax		(116,488)	(75,497)	(122,100)	(31,369)
Adjustments for:					
Depreciation and amortisation		86,172	90,605	177,018	178,145
Finance costs		85,870	66,945	153,000	138,037
Interest income		(626)	(595)	(1,054)	(2,646)
Impairment loss on financial assets		429	(168)	1,018	1,141
Impairment loss on lom's assets		4,655	-	21,650	-
Receivables written off against revenue		-	29,226	-	29,226
Fair value loss on derivative financial instruments		165,982	7,725	169,891	8,520
Property, plant and equipment written off		-	1,257	-	1,263
Share-based payment expense		598	160	829	160
Transaction cost		4,078	3,987	4,803	4,649
Gain on disposal of property, plant and equipment		-	(20)	(1)	(21)
Loss on disposal of joint venture		-	(13)	-	-
(Gain)/loss on disposal of subsidiaries		(41,339)	12,972	(41,339)	12,972
Share of results of joint venture		(1,136)	-	(885)	-
Unrealised foreign exchange differences		11,220	(774)	(13,096)	(3,983)
Management fees paid in units		-	-	450	398
Operating cash flows before movements in working capital		199,415	135,810	350,184	336,492
Trade and other receivables		(1,060)	5,889	(9,626)	26,866
Service concession receivables		24,618	23,826	49,304	47,738
Finance lease receivables		5,502	5,310	11,142	10,084
Trade and other payables		70,621	108,764	75,656	65,558
Inventories		(40,765)	16,338	(54,507)	12,612
Cash generated from operations		258,331	295,937	422,153	499,350
Interest received		606	936	998	2,892
Interest paid		(89,908)	(79,882)	(148,292)	(143,356)
Income tax paid		(11,918)	(5,704)	(26,603)	(13,354)
Net cash from operating activities		157,111	211,287	248,256	345,532
Investing activities					
Acquisition of subsidiaries, net of cash acquired	A	(17,175)	1,418	(36,451)	(23,015)
Net cash inflow on disposal of subsidiary		-	15,698	-	15,698
Investment in joint venture		(70)	-	(201,293)	-
Purchase of property, plant and equipment, right-of-use assets and intangible assets		(24,416)	(19,162)	(37,591)	(28,997)
Proceeds from sale of property, plant and equipment		270	96	373	190
Net cash used in investing activities		(41,391)	(1,950)	(274,962)	(36,124)
Financing activities					
Decrease in restricted cash		17,816	1,042	17,432	18
Proceeds from issuance of perpetual securities (net)		122	-	297,843	-
Purchase of units		-	-	-	(1,944)
Proceeds from borrowings		206,065	3,049	710,256	764,162
Repayment of borrowings		(31,521)	(72,947)	(518,826)	(791,702)
Repayment of obligations under finance leases		(8,285)	(6,152)	(13,596)	(16,089)
Payment of loan upfront fees		(500)	-	(748)	(2,450)
Distributions paid to Perpetual securities holders		(13,613)	(7,144)	(20,718)	(14,289)
Distributions paid to Unitholders of the Trust		(92,838)	(46,411)	(185,660)	(139,267)
Distributions paid by subsidiaries to non-controlling interests		(185)	(3,523)	(2,271)	(4,746)
Net cash from/(used in) financing activities		77,061	(132,086)	283,712	(206,307)
Net increase in cash and cash equivalents		192,781	77,251	257,006	103,101
Cash and cash equivalents at beginning of the period		624,834	473,106	555,936	445,290
Effect of currency translation on cash and cash equivalents		(7,864)	5,579	(3,191)	7,545
Cash and cash equivalents at end of the period	B	809,751	555,936	809,751	555,936

KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

NOTES TO CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

A. Acquisition of subsidiary and business

The Group's wholly-owned subsidiary, Ixom, has completed the acquisition of Australian Botanical Products Pty Ltd ("ABP") and SCR Solutions on 30 April 2021 and 30 November 2021 respectively. The provisional fair values of the net assets of the subsidiaries acquired were as follows:

	Fair value S\$'000
Property, plant and equipment	6,046
Identifiable intangible assets	5,818
Inventories	17,407
Financial assets	9,868
Financial liabilities	(6,117)
Lease liabilities	(2,055)
Deferred tax liabilities	(703)
Provisions	(2,176)
Total identifiable assets acquired and liabilities assumed	28,088
Goodwill	4,674
Total purchase consideration transferred in cash	32,762
Net cash outflow arising on acquisition:	
Cash consideration	35,002
Less: Contingent consideration	(695)
Less: Cash and cash equivalent balances acquired	(2,662)
	31,645

The Group incurred acquisition costs of S\$4.8m.

The purchase price allocation of the acquisition of ABP and SCR Solutions for the year ended 31 December 2021 is provisional and the Group expects to complete the purchase price allocation exercise within 12 months from date of acquisition.

B. Cash and Cash Equivalents

	31 Dec 2021 S\$'000	31 Dec 2020 S\$'000
Cash and bank deposits	817,103	580,721
Less: Restricted cash	(7,352)	(24,785)
Cash and cash equivalents	809,751	555,936

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 six months and full year ended 31 December 2021

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, Chapter 31A.

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 six months and full year ended 31 December 2021 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 interim financial statements for the period ended 30 June 2021 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 2020, except for the adoption of new and revised standards effective as of 1 January 2021.

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:

- Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16: *Interest Rate Benchmark Reform - Phase 2*
- Amendment to SFRS(I) 16 *Leases - Covid-19-Related Rent Concessions beyond 30 June 2021*

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, except as discussed below.

Impact of the initial application of Interest Rate Benchmark Reform

In the prior year, the Group adopted the Phase 1 amendments Interest Rate Benchmark Reform: Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7. These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform.

In the current year, the Group adopted the Phase 2 amendments Interest Rate Benchmark Reform: Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16. Adopting these amendments enables the Group to reflect the effects of transitioning from interbank offered rates ('IBOR') to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements.

The Group has not restated comparatives for the prior period and there was no impact on the opening retained earnings as of January 1, 2021.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months and full year ended 31 December 2021

Both the Phase 1 and Phase 2 amendments are relevant to the Group because it applies hedge accounting to its interest rate benchmark exposures, and in the current period modifications in response to the reform have been made to some (but not all) of the Group's derivative and non-derivative financial instruments that mature post 2021 (the date by which the reform is expected to be implemented).

Details of the derivative and non-derivative financial instruments affected by the interest rate benchmark reform together with a summary of the actions taken by the Group to manage the risks relating to the reform and the accounting impact, including the impact on hedge accounting relationships, are included in Note 3.

The amendments are relevant to the Group's cash flow hedges where Singapore Swap Offer Rate ("SOR")-linked derivatives are designated as a cash flow hedge of SOR-linked bank borrowings.

The application of the amendments affects the Group's accounting in the following:

- The Group retains the cumulative gain or loss in the cash flow hedge reserve for designated cash flow hedges that are subject to interest rate benchmark reform even though there is uncertainty arising from the interest rate benchmark reform with respect to the timing and amount of the cash flows of the hedged items. Should the Group consider the hedged future cashflows are no longer expected to occur due to reasons other than interest rate benchmark reform, the cumulative gain or loss will be immediately reclassified to profit or loss.

The group will continue to apply the Phase 1 amendments to SFRS(I) 9/SFRS(I) 1-39 until the uncertainty arising from the interest rate benchmark reform with respect to the timing and the amount of the underlying cash flows to which the Group is exposed ends. The Group expects this uncertainty will continue until the Group's contracts that reference IBORs are amended to specify the date on which the interest rate benchmark will be replaced and the basis for the cash flows of the alternative benchmark rate are determined including any fixed spread.

As a result of the Phase 2 amendments:

- when the contractual terms of the Group's bank borrowings are amended as a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the basis immediately preceding the change, the Group changes the basis for determining the contractual cash flows prospectively by revising the effective interest rate. If additional changes are made, which are not directly related to the reform, the applicable requirements of SFRS(I) 9 are applied to the other changes.
- when changes are made to the hedging instruments, hedged item and hedged risk as a result of the interest rate benchmark reform, the Group updates the hedge documentation without discontinuing the hedging relationship and, in the case of a cash flow hedge, the amount accumulated in the cash flow hedge reserve is deemed to be based on Singapore Overnight Rate Average ('SORA').

Note 3 provides the required disclosures related to these amendments.

2.3 Critical Accounting Judgments and Estimates

(a) Critical judgments in applying the Group's accounting policies

In the process of applying the Group's accounting policies, there is no instance of application of judgments with significant updates since the audited financial statements as at 31 December 2020 and is expected to have a significant effect on the amounts recognised in the condensed interim consolidated financial statements, apart from those involving estimations and as follows:

SOR

In calculating the change in fair value attributable to the hedged SGD borrowings, the Group assumes that:

- The existing floating-rate borrowings will move to SORA at the same time as the interest rate swaps (hedging instruments) with similar adjustment spreads;
- No other material changes to the terms of the borrowings and interest rate swaps are anticipated; and
- The interest rate swaps will not be derecognised

Given that the critical terms are assumed to continue to match, the change in fair value of the hedged risk is the same as the change in fair value of the hedging instrument. Therefore, no hedge ineffectiveness is recognised as a result of the expected transition of the cash flow hedges from SOR to SORA.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months and full year ended 31 December 2021

(b) Key sources of estimation uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in:

- Note A of notes to condensed consolidated statement of cash flows – Acquisition of ABP and SCR Solutions: the fair value of the consideration transferred and the fair value of the assets acquired and liabilities assumed, measured on a provisional basis

3. FINANCIAL RISK MANAGEMENT – INTEREST RATE RISK MANAGEMENT

The Group operates internationally and is exposed to a variety of financial risk, comprising foreign currency risk, interest rate risk, credit risk and liquidity risk.

There were no instances of significant updates to the Groups financial risk management in the audited financial statements as at 31 December 2020, except for the following:

Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; ensuring the most cost-effective hedging strategies are applied.

The Group is exposed to SOR. The exposures arise on derivatives and non-derivative financial assets and liabilities referenced to SOR. As listed in Note 2.2, the Group has cash flow hedge relationships affected by the interest rate benchmark reform. Hedged items in these hedges include SOR-linked bank borrowings, which was transitioned to SORA. Hedging instruments include SOR-linked interest rate swaps.

The Group is closely monitoring the market and the updates from the various industry working groups managing the transition to new benchmark interest rates. This includes announcements made by the Association of Banks in Singapore (ABS), the Singapore Foreign Exchange Market Committee (SFEMC), and the Steering Committee for SOR Transition to SORA (SC-STs) ('IBOR Committees'). The IBOR Committees have confirmed that the SOR will be discontinued by June 30, 2023 and replaced by SORA.

Progress towards implementation of alternative benchmark interest rates

All newly transacted floating rate financial assets and liabilities are linked to an alternative benchmark rate, such as SORA or if, linked to SOR, include detailed fallback clauses clearly referencing the alternative benchmark rate and the trigger event on which the clause is activated.

The Group has a risk management policy of maintaining an appropriate mix between fixed and floating rate borrowings. However, due to the lack of liquidity in the SORA markets, the Group is temporarily increasing the amount of fixed rate debt it carries by either issuing fixed rate debt or entering into interest rate swap contracts. The Group is planning to transition the majority of its SOR-linked contracts to risk-free rates through introduction of, or amendments to, fallback clauses into the contracts which will change the basis for determining the interest cash flows from SOR to SORA at an agreed point in time.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months and full year ended 31 December 2021

Interest rate benchmark transition for non-derivative financial instruments

The following table summarises the non-derivative financial instruments held by the Group that feature cash flows that have been or will be affected by the interest rate benchmark reform. It does not include the Group's fixed rate financial instruments because cash flows on those instruments are not affected by the interest rate benchmark reform.

Non-derivative financial instruments prior to transition – Borrowings linked to SOR taken up by:	Maturing in	Notional	Hedge accounting – Amount designated in a cash flow hedge	Transition progress for non- derivative financial instruments
Keppel Infrastructure Trust	2022	\$100 million	\$100 million	Expected to transition in 2022
City Energy Trust	2026	\$178 million	\$89 million	Transition to SORA
Keppel Merlimau Cogen Pte Ltd	2027	\$700 million	\$700 million	Expected to transition in 2022
SingSpring Trust	2025	\$155.5 million	\$18.2 million	Expected to transition in 2022

Interest rate benchmark transition for derivatives and hedge relationships

Certain bank borrowings of the Group were hedged in a cash flow hedge using a 1 to 3 months SOR to fixed interest rate swap contract. During the year, the Group entered into an equal but offsetting derivative against the original derivative and a new off-market derivative based on SORA plus fixed spread on the same terms as the original derivative (i.e. the fair value on day one of the new SORA derivative was the same as the original SOR derivative). This change was effected as a direct consequence of the reform and on an economically equivalent basis. The Group updated the hedge documentation to include the new derivatives and amended the designated hedged risk to "variability in the cash flows of the bank borrowings resulting from changes in SORA". The hedge relationship was not discontinued and the accumulated gain in the cash flow hedge reserve is recalculated based on SORA.

The Group will continue to apply the amendments to SFRS(I) 9 until the uncertainty arising from the interest rate benchmark reform with respect to the timing and the amount of the underlying cash flows that the group is exposed ends. The Group expects this uncertainty will continue until the Group's contracts that reference IBORs are amended to specify the date on which the interest rate benchmark will be replaced, the basis for the cash flows of the alternative benchmark rate is determined including any fixed spread.

KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the six months and full year ended 31 December 2021

4. REVENUE

	Distribution & Network S\$'000	Waste & Water S\$'000	Energy S\$'000	Total S\$'000
Six months ended 31 Dec 2021				
Segment Revenue & timing of revenue recognition				
<u>Continuing operations</u>				
At a point in time:				
Sale of goods	698,082	-	-	698,082
Over time:				
Service income	14,089	4,904	52,951	71,944
Finance income from service concession arrangements	-	4,816	-	4,816
Finance lease income	-	662	-	662
Operation and maintenance income	13,658	35,174	12,660	61,492
	<u>725,829</u>	<u>45,556</u>	<u>65,611</u>	<u>836,996</u>
<u>Discontinued operations</u>				
Over time:				
Service income	11,914	-	-	11,914
Six months ended 31 Dec 2020				
Segment Revenue & timing of revenue recognition				
<u>Continuing operations</u>				
At a point in time:				
Sale of goods	619,170	-	-	619,170
Over time:				
Service income	9,340	5,198	50,931	65,469
Finance income from service concession arrangements	-	5,476	-	5,476
Finance lease income	-	1,219	-	1,219
Operation and maintenance income	10,137	36,522	12,420	59,079
	<u>638,647</u>	<u>48,415</u>	<u>63,351</u>	<u>750,413</u>
<u>Discontinued operations</u>				
Over time:				
Service income	10,151	-	-	10,151

KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the six months and full year ended 31 December 2021

4. REVENUE (Cont'd)

	Distribution & Network S\$'000	Waste & Water S\$'000	Energy S\$'000	Total S\$'000
12 months ended 31 Dec 2021				
Segment Revenue & timing of revenue recognition				
At a point in time:				
Sale of goods	1,304,855	-	-	1,304,855
Over time:				
Service income	23,195	10,095	106,952	140,242
Finance income from service concession arrangements	-	9,645	-	9,645
Finance lease income	-	1,545	-	1,545
Operation and maintenance income	22,766	70,647	25,319	118,732
	<u>1,350,816</u>	<u>91,932</u>	<u>132,271</u>	<u>1,575,019</u>
<u>Discontinued operations</u>				
Over time:				
Service income	57,408	-	-	57,408
12 months ended 31 Dec 2020				
Segment Revenue & timing of revenue recognition				
At a point in time:				
Sale of goods	1,239,643	-	-	1,239,643
Over time:				
Service income	18,536	10,433	103,543	132,512
Finance income from service concession arrangements	-	10,966	-	10,966
Finance lease income	-	2,560	-	2,560
Operation and maintenance income	16,361	71,921	25,218	113,500
	<u>1,274,540</u>	<u>95,880</u>	<u>128,761</u>	<u>1,499,181</u>
<u>Discontinued operations</u>				
Over time:				
Service income	52,720	-	-	52,720

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4. REVENUE (Cont'd)

Breakdown of revenue:

	31 Dec 2021 S\$'000	31 Dec 2020 S\$'000
Revenue		
Continuing Operations		
First half of the year	738,023	748,768
Second half of the year	836,996	750,413
	<u>1,575,019</u>	<u>1,499,181</u>
Discontinued Operations		
First half of the year	45,494	42,569
Second half of the year	11,914	10,151
	<u>57,408</u>	<u>52,720</u>
Profit/(Loss) after tax before deducting non-controlling interests		
Continuing Operations		
First half of the year	9,051	31,233
Second half of the year	14,753	6,353
	<u>23,804</u>	<u>37,586</u>
Discontinued Operations		
First half of the year	(19,084)	4,316
Second half of the year	(142,773)	(94,063)
	<u>(161,857)</u>	<u>(89,747)</u>

5. PROFIT BEFORE TAX

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

	6 months		12 months	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Exchange differences	563	(1,672)	1,840	(4,354)
Cost of inventories recognised as an expense	328,274	282,509	590,968	579,170
Impairment loss on Ixom's assets ¹	4,655	-	21,650	-
Legal and other related professional fees	3,476	3,370	6,320	7,029

- (1) Ixom has received notice from a significant long-term customer that the customer will be ceasing operations within 12 months and therefore no longer purchasing from Ixom. This has resulted in the recognition of an impairment provision of S\$19.2m in relation to assets including plant and machinery, intangible customer contracts and right-of-use assets. Further, Ixom has made impairment of approximately S\$1.7m in relation to its business in Fiji which is currently in a sale process and intangible assets of approximately S\$0.8m.

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6. DISCONTINUED OPERATION

On 12 November 2021, certain companies in the Basslink group ("Basslink") have been placed into voluntary administration, with the directors of the respective Basslink companies appointing Ernst & Young as voluntary administrators. The Basslink companies are incorporated in Australia and their principal business is the operation of a subsea electricity interconnector. Basslink owns, amongst other things, the Basslink Interconnector, being the interconnection between the present Tasmanian and Victorian electricity grids via a high voltage direct current submarine cable across Bass Strait.

Pursuant to the appointment of the voluntary administrators, KIT has lost control over Basslink which is considered a significant component under the Distribution and Network segment, hence, it will be classified as a discontinued operation in accordance with SFRS(I) 5 *Non-current Assets held for Sale and Discontinued Operations*.

The results of the discontinued operation, which have been included in the loss for the year, were as follows:

	<u>Group</u>	
	31 Dec 2021	31 Dec 2020
	S\$'000	S\$'000
Revenue	57,408	52,720
Other income	30,608	2,302
Other (losses) / gain – net	(170,754)	(8,970)
Fuel and electricity costs	(296)	(345)
Depreciation and amortisation	(15,627)	(16,536)
Staff costs	(4,145)	(4,174)
Operation and maintenance costs	(4,290)	(4,421)
Finance costs	(63,679)	(44,924)
Other operating expenses	(32,421)	(65,399)
	(203,196)	(89,747)
Gain on derecognition of discontinued operation	41,339	-
Loss for the year from discontinued operation	(161,857)	(89,747)

During the year, Basslink Group contributed S\$49.2m (2020:S\$15.4m) to the Group's net operating cash flows, paid S\$3.7m (2020:S\$5.8m) in respect of investing activities and paid S\$39.1m (2020:S\$41.1m) in respect of financing activities.

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7. INVESTMENT IN JOINT VENTURES

	31 Dec 2021
	S\$'000
At 1 January	-
Additions ¹	201,223
Share of results for the period	(251)
Foreign exchange difference	(2,304)
At 30 June	198,668
Transaction cost capitalised	70
Share of results for the period	1,136
Foreign exchange difference	6,405
At 31 December	<u>206,279</u>

(1) On January 29, 2021, the Group completed the acquisition of 80% of the entire share capital of Philippine Tank Storage International (Holdings) Inc. ("PTSI"), which owns Philippine Costal Storage & Pipeline Corporation ("Philippine Coastal"), the largest petroleum products import storage facility in the Philippines. Immediately after the completion of the acquisition, the Group sold 30% of the interest in PTSI to Metro Pacific Investments Corporation ("MPIC"), which was the non-controlling interest of the acquisition. Following the disposal of the 30% interest in PTSI, the Group and MPIC each holds an approximately equal percentage of interest in PTSI, with KIT directly holding one voting share more than MPIC ("Net Acquisition").

Notwithstanding the additional one voting share, the Group jointly controls the venture with MPIC under the contractual agreement which requires unanimous consent for all major decisions over the relevant activities. Accordingly, the joint venture is accounted for using the equity method.

The purchase consideration for the Net Acquisition was approximately US\$166.9 million (equivalent to approximately S\$223.5 million), with a completion adjustment of approximately US\$1.9 million (equivalent to approximately S\$2.5 million). The purchase consideration for the Net Acquisition was funded by cash from KIT and debt taken up by the company in Philippines, jointly-owned by KIT and MPIC, incorporated for acquiring PTSI.

The summarised financial information of the jointly-owned holding companies in Philippines and PTSI based on its SFRS(I) financial statements and a reconciliation with the carry amount of the investment in the consolidation financial statements is as follows:

	31 Dec 2021
	S\$'000
Current assets	31,515
Non-current assets	763,045
Total assets	<u>794,560</u>
Current liabilities	7,401
Non-current liabilities	389,217
Total liabilities	<u>396,618</u>
Net assets	397,942
Proportion of the Group's ownership	50%
Group's share of net assets	198,971
Transaction cost ²	7,308
Carrying amount of equity interest	<u>206,279</u>
Revenue	45,691
Profit before tax, representing total comprehensive income	<u>2,760</u>

(2) Includes acquisition fee of approximately S\$3.06 million, capitalised under "Investment in joint venture", paid to the Trustee-Manager.

KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

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8. BORROWINGS

	Group	
	31 Dec 2021 S\$'000	31 Dec 2020 S\$'000
Unsecured borrowings		
Amount repayable within one year	99,985	-
Amount repayable after one year	377,042	277,559
	<u>477,027</u>	<u>277,559</u>
Secured borrowings		
Amount repayable within one year	26,005	643,933
Amount repayable after one year	1,227,367	1,239,531
	<u>1,253,372</u>	<u>1,883,464</u>
Total borrowings	<u>1,730,399</u>	<u>2,161,023</u>

On 1 December 2021, the Trust issued notes (the "Series 003 Notes") with principal amount of S\$200,000,000 bearing interest at a rate of 3% per annum under the upsized S\$2 billion Multicurrency Debt Issuance Programme (the "Programme"). The Series 003 Notes is unsecured.

During the financial period, City Energy has amended and extended its loan of S\$178 million from February 2024 till February 2026. The loan remains unsecured.

Details of collaterals

The bank borrowings are secured over the assets and business undertakings of SingSpring 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.

9. UNITS IN ISSUE

	Group and Trust	
	Issued Units	S\$'000
As at 1 July 2021 and 31 December 2021	<u>4,991,263,352</u>	<u>2,629,211</u>
As at 1 July 2020 and 31 December 2020	<u>4,990,437,786</u>	<u>2,628,761</u>

The Group and Trust does not hold any treasury units as at 31 December 2021 and 31 December 2020.

10. SIGNIFICANT COMMITMENTS

Significant capital commitments

	31 Dec 2021 S\$'000
Additional significant capital expenditure/commitments entered into during the 2H 2021 that are not provided for in the financial statements:	
Property, plant and equipment	<u>8,265</u>

¹ 30% unitholder of SingSpring Trust

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11. SIGNIFICANT RELATED PARTY TRANSACTIONS

31 Dec 2021
S\$'000

Significant transactions between the Group and its related parties took place at terms agreed between the parties during the 2H 2021:

Sale of goods and service	58,923
Purchase of goods and services	(130,285)
Interest expense	<u>(17,203)</u>

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12. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

The Group and Trust's derivative financial instruments as at December 31, 2021 and December 31, 2020, are measured at fair value under Level 2 of the fair value hierarchy. The following table gives information about how the fair value of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ financial liabilities	Fair value as at				Valuation technique(s) and key input(s)
	31 Dec 2021		31 Dec 2020		
	Assets	Liabilities	Assets	Liabilities	
	S\$'000	S\$'000	S\$'000	S\$'000	
Group					
Interest rate swaps	22,462	(9,551)	-	(190,595)	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.
Foreign currency forward	3,983	(2,341)	143	(11,919)	
Commodity swap	344	-	113	(47)	
	Fair value as at				
Financial assets/ financial liabilities	31 Dec 2021		31 Dec 2020		
	Assets	Liabilities	Assets	Liabilities	
	S\$'000	S\$'000	S\$'000	S\$'000	
Trust					
Interest rate Swaps	-	(204)	-	(1,939)	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.
Foreign currency forward	1,866	(787)	-	(7,533)	

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months and full year ended 31 December 2021

13. SEGMENT ANALYSIS

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

- Energy: tolling arrangement for the power plant in Singapore;
- Distribution & Network: production and retailing of town gas and retailing of natural gas in Singapore, operator of subsea electricity interconnector in Australia, supplying and distributing water treatment chemicals, industrial and specialty chemicals and storage of petroleum products;
- Water & Waste: concessions in relation to the desalination plant, water treatment plant and waste-to-energy plants in Singapore;
- Corporate: investment holding, asset management and business development.

Information regarding the Trust's reportable segments for six month and full year ended 31 December 2021 are shown below:

By Business Segment

	Energy		Distribution & Network			Waste & Water	KIT and Hold Co	Total	Total	
	KMC	City Energy	Basslink (Discontinued)	lxom	Philippine Coastal			Exclude Basslink (Discontinued)	From Continuing Operation	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
2H 2021										
Revenue	65,612	166,137	11,914	559,691	-	45,556	-	848,910	(11,914)	836,996
Profit/(loss) before tax	(15,946)	16,225	(142,773)	29,503	1,136	8,471	(13,104)	(116,488)	142,773	26,285
Funds from Operations ("FFO") ⁽¹⁾	20,480	10,805	29,677	46,955	4,935	38,351	(26,330)	124,873	(29,677)	95,196
Other segment items										
Depreciation and amortisation	(40,116)	(1,615)	(6,480)	(34,246)	-	(3,715)	-	(86,172)	6,480	(79,692)
Fair value gain/(loss) on derivative financial instruments	-	(68)	(165,914)	-	-	-	-	(165,982)	165,914	(68)
Impairment loss on trade and other receivables (net)	-	281	-	-	-	-	-	281	-	281
Share of results of joint venture	-	-	-	-	1,136	-	-	1,136	-	1,136
Finance costs ⁽²⁾	(27,138)	(2,584)	(40,713)	(12,463)	-	(909)	(2,063)	(85,870)	40,713	(45,157)
A reconciliation of Funds from Operations to loss before tax is provided as follows:										
Funds from Operations										95,196
Reduction in concession / lease receivables										(30,121)
Non-cash finance cost										(410)
Other non-cash items										5,653
Depreciation and amortisation										(79,692)
Maintenance capital expenditure										25,204
Finance cost attributable to non-controlling interest										(22,105)
FFO from joint venture										(4,935)
FFO attributable to non-controlling interests										23,808
Distribution to perps holders										13,687
Profit before tax										26,285
Segment and consolidated total assets	1,480,924	599,921	-	1,302,078	206,279	403,526	508,055	-	-	4,500,783
Segment liabilities	1,191,521	357,138	-	825,711	-	58,275	303,089	-	-	2,735,734
Unallocated liabilities:										
Current tax liabilities										23,715
Deferred tax liabilities										1,274
Consolidated total liabilities										2,760,723
Other segment items										
Other segment items										
- additions to non-current assets	7,238	4,419	(2,450)	22,732	-	21	-	-	-	31,960

⁽¹⁾ 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.

⁽²⁾ Excludes interest payable on notes issued by subsidiaries to KIT.

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13. SEGMENT ANALYSIS (CONT'D)

By Business Segment (Cont'd)

	Energy		Distribution & Network		Waste & Water	KIT and Hold Co	Total		Total
	KMC	City Energy	Basslink (Discontinued)	Ixom				Exclude Basslink (Discontinued)	From Continuing Operations
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2H 2020									
Revenue	63,351	144,749	10,151	493,898	48,415	-	760,564	(10,151)	750,413
(Loss)/Profit before tax	(13,115)	19,903	(94,063)	12,194	10,544	(10,960)	(75,497)	94,063	18,566
Funds from Operations ("FFO") ⁽¹⁾	24,526	18,036	(140)	49,536	39,870	(16,647)	115,181	140	115,321
Other segment items									
Depreciation and amortisation	(38,617)	(1,856)	(8,560)	(37,860)	(3,712)	-	(90,605)	8,560	(82,045)
Fair value gain/(loss) on derivative financial instruments	-	745	(8,470)	-	-	-	(7,725)	8,470	745
Impairment loss on trade and other receivables (net)	-	183	-	-	-	-	183	-	183
Finance costs ⁽²⁾	(26,085)	(2,650)	(23,187)	(12,512)	(1,041)	(1,470)	(66,945)	23,187	(43,758)

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

Funds from Operations									115,321
Reduction in concession / lease receivables									(29,137)
Non-cash finance cost									(4,374)
Other non-cash items									(4,588)
Depreciation and amortisation									(82,045)
Maintenance capital expenditure									10,894
Finance cost attributable to non-controlling interest									(22,105)
FFO attributable to non-controlling interests									27,416
Distribution to perps holders									7,184
Profit before tax									18,566
Segment and consolidated total assets	1,515,075	507,761	797,683	1,249,177	468,010	391,829	-	-	4,929,535
Segment liabilities	1,176,803	358,938	932,462	760,772	67,654	110,197	-	-	3,406,826
Unallocated liabilities:									
Current tax liabilities									17,595
Deferred tax liabilities									11,172
Consolidated total liabilities									3,435,593
Other segment items									
Other segment items									
- additions to non-current assets	302	440	8,537	9,494	197	-	-	-	18,970

⁽¹⁾ 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.

⁽²⁾ Excludes interest payable on notes issued by subsidiaries to KIT.

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13. SEGMENT ANALYSIS (CONT'D)

By Business Segment (Cont'd)

	Energy		Distribution & Network			Waste & Water	KIT and Hold Co	Total	Total	
	KMC	City Energy	Basslink (Discontinued)	Icom	Philippine Coastal				Exclude Basslink (Discontinued)	From Continuing Operations
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FY 2021										
Revenue	132,272	321,356	57,408	1,029,459	-	91,932	-	1,632,427	(57,408)	1,575,019
Profit/(loss) before tax	(28,202)	39,011	(161,857)	37,533	885	17,173	(26,643)	(122,100)	161,857	39,757
Funds from Operations ("FFO") ⁽¹⁾	43,848	30,528	45,316	85,678	8,697	77,263	(47,202)	244,128	(45,316)	198,812
Other segment items										
Depreciation and amortisation	(80,068)	(3,396)	(15,627)	(70,497)	-	(7,430)	-	(177,018)	15,627	(161,391)
Fair value gain/(loss) on derivative financial instruments	-	284	(170,175)	-	-	-	-	(169,891)	170,175	284
Impairment loss on trade and other receivables (net)	-	690	-	-	-	-	-	690	-	690
Share of results of joint venture	-	-	-	-	885	-	-	885	-	885
Finance costs ⁽²⁾	(54,017)	(5,176)	(63,679)	(24,208)	-	(1,870)	(4,050)	(153,000)	63,679	(89,321)

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

Funds from Operations										198,812
Reduction in concession / lease receivables										(60,447)
Non-cash finance cost										(3,423)
Other non-cash items										11,468
Depreciation and amortisation										(161,391)
Maintenance capital expenditure										35,663
Finance cost attributable to non-controlling interest										(43,850)
FFO from joint venture										(8,697)
FFO attributable to non-controlling interests										50,091
Distribution to perps holders										21,531
Profit before tax										39,757
Segment and consolidated total assets	1,480,924	599,921	-	1,302,078	206,279	403,526	508,055			4,500,783
Segment liabilities	1,191,521	357,138	-	825,711	-	58,275	303,089			2,735,734
Unallocated liabilities:										
Current tax liabilities										23,715
Deferred tax liabilities										1,274
Consolidated total liabilities										2,760,723
Other segment items										
Other segment items										
- additions to non-current assets	10,275	4,812	-	30,165	-	52	-			45,304

⁽¹⁾ 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.

⁽²⁾ Excludes interest payable on notes issued by subsidiaries to KIT.

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13. SEGMENT ANALYSIS (CONT'D)

By Business Segment (Cont'd)

	Energy		Distribution & Network		Waste & Water	KIT and Hold Co	Total	Total	
	KMC	City Energy	Basslink (Discontinued)	Ixom				Exclude Basslink (Discontinued)	From Continuing Operation
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FY 2020									
Revenue	128,761	293,319	52,720	981,221	95,880	-	1,551,901	(52,720)	1,499,181
(Loss)/Profit before tax	(29,112)	49,600	(89,747)	33,964	20,339	(16,413)	(31,369)	89,747	58,378
Funds from Operations ("FFO") ⁽¹⁾	46,133	47,047	10,989	88,962	79,056	(29,592)	242,595	(10,989)	231,606
Other segment items									
Depreciation and amortisation	(77,128)	(3,744)	(16,536)	(73,312)	(7,425)	-	(178,145)	16,536	(161,609)
Fair value gain/(loss) on derivative financial instruments	-	487	(9,007)				(8,520)	9,007	487
Impairment loss on trade and other receivables (net)	-	321	-				321	-	321
Finance costs ⁽²⁾	(58,184)	(5,278)	(44,924)	(24,549)	(2,176)	(2,926)	(138,037)	44,924	(93,113)

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

Funds from Operations									231,606
Reduction in concession / lease receivables									(58,283)
Non-cash finance cost									(8,771)
Other non-cash items									15,600
Depreciation and amortisation									(161,609)
Maintenance capital expenditure									16,744
Finance cost attributable to non-controlling interest									(43,970)
FFO attributable to non-controlling interests									52,772
Distribution to perps holders									14,289
Profit before tax									58,378
Segment and consolidated total assets	1,515,075	507,761	797,683	1,249,177	468,010	391,829			4,929,535
Segment liabilities	1,176,803	358,938	932,462	760,772	67,654	110,197			3,406,826
Unallocated liabilities:									
Current tax liabilities									17,595
Deferred tax liabilities									11,172
Consolidated total liabilities									3,435,593
Other segment items									
Other segment items									
- additions to non-current assets	703	2,191	11,863	20,613	201	-			35,571

⁽¹⁾ 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.

⁽²⁾ Excludes interest payable on notes issued by subsidiaries to KIT.

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13. SEGMENT ANALYSIS (CONT'D)

By Geographical Area

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

Continuing Operations	Revenue		Revenue		Non-current assets ⁽¹⁾	
	2H 2021 S\$'000	2H 2020 S\$'000	31 Dec 2021 S\$'000	31 Dec 2020 S\$'000	31 Dec 2021 S\$'000	31 Dec 2020 S\$'000
Singapore	277,306	256,516	545,561	517,960	1,787,868	1,652,002
Australia	383,981	303,179	702,494	601,456	477,249	662,919
New Zealand	132,074	110,965	239,529	203,586	117,382	126,182
Others	43,635	79,753	87,435	176,179	235,775	31,739
	<u>836,996</u>	<u>750,413</u>	<u>1,575,019</u>	<u>1,499,181</u>	<u>2,618,274</u>	<u>2,472,842</u>
Discontinued Operation						
Australia	11,914	10,151	57,408	52,720		853,025
	<u>11,914</u>	<u>10,151</u>	<u>57,408</u>	<u>52,720</u>		<u>853,025</u>

⁽¹⁾ Comprise property, plant and equipment, intangibles and investment in joint venture

Please refer to Other Information Paragraph 3 on page 31 to 32 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.

14. 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

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For the full year ended 31 December 2021

1. AUDIT

The condensed consolidated statement of financial position of Keppel Infrastructure Trust and its subsidiaries as at 31 December 2021 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 six months and full year period then ended and certain explanatory notes have not been audited nor reviewed by the auditors.

2. AUDITORS' REPORT

Not applicable.

3. REVIEW OF GROUP PERFORMANCE

3.1 Income Statement

3.1.1 Revenue

2H 2021 and FY2021 group revenue of S\$837.0 million and S\$1,575.0 million was 11.5% and 5.1% higher than corresponding period last year, largely driven by higher contribution from City Energy and Ixom.

At City Energy, revenue of S\$166.1 million in 2H 2021 were higher than corresponding period last year due to higher tariff, bringing FY2021 revenue to S\$321.4 million. City Energy achieved 100% plant availability during the period.

FY2021 Ixom's revenue was S\$48.2 million higher than FY 2020 due mainly to strong demand in water treatment chemicals, industrial and speciality chemicals and stronger AUD/SGD translation, partly offset by absence of revenue from the Ixom's Latin America and China Life Science businesses which were divested in 4Q 2020.

At KMC, revenue of S\$65.6 million and S\$132.3 million for 2H 2021 and FY 2021 was comparable to the corresponding period last year. KMC achieved 99.6% plant availability for the period.

The Concessions³ contributed lower revenue of S\$45.5 million and S\$91.2 million in 2H 2021 and FY2021 as compared to last year due to lower finance lease income. All four plants fulfilled their contractual obligations during the period.

3.1.2 Other income

Other income comprises of insurance proceeds and interest income received from fixed deposits.

3.1.3 Other (losses) / gain - net

Other (losses) / gain for FY 2021 were lower than corresponding period last year due to impairment loss on Ixom's assets of S\$21.7 million (please refer to Note 5 for more details).

3.1.4 Expenses

Fuel and electricity costs were 44.0% and 33.9% higher than last year due to higher fuel prices.

Higher gas transportation and freight costs, raw materials, consumables used and changes in inventories in 2H 2021 and FY2021 as compared to last year were driven mainly by strong demand in water treatment chemicals, industrial and speciality chemicals net of absence of expenses incurred by the Ixom's Latin America and China Life Science businesses which were divested in 4Q 2020.

2H 2021 and FY2021 staff costs was higher than last year due to stronger AUD/SGD translation and higher headcounts from acquisition of ABP. This was partly offset by absence of staff costs from Ixom's Latin America and China Life Science businesses which were divested in 4Q 2020.

2H 2021 and FY2021 other operating expenses of S\$57.9 million and S\$108.6 million were S\$3.3 million and S\$10.4 million higher than corresponding period last year due to the higher business development expenses, higher property tax, higher rental expenses net of lower professional fees.

³ Concessions comprise Senoko WTE, Tuas WTE, SingSpring Desalination and Ulu Pandan NEWater plants

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For the full year ended 31 December 2021

3. REVIEW OF GROUP PERFORMANCE (CONT'D)

3.1.4 Expenses (cont'd)

Finance costs was slightly higher in 2H 2021 as compared to corresponding period last year partly due to the interest incurred from the Series 003 Notes which was issued on 1 December 2021. Lower finance costs in FY 2021 were due mainly to lower KMC's interest expense following the refinancing.

Trustee-manager's fees in 2H 2021 and FY2021 was comparable as compared to corresponding period last year.

3.1.5 Profit attributable to Unitholders of the Trust

The Group recorded a higher loss attributable to Unitholders of the Trust in 2H 2021 and FY2021 than corresponding period in FY2020 by S\$46.2 million and S\$94.4 million respectively due mainly to derecognition of Basslink net of higher contribution from Ixom.

3.2 Financial Position

3.2.1 Balance Sheet – Group

Total assets as at 31 December 2021 of S\$4,500.8 million, was S\$428.7 million lower than total assets of S\$4,929.5 million as at 31 December 2020, mainly due to derecognition of Basslink following the voluntary administration, partly offset by acquisition of 100% and 50% interest in ABP and Philippine Coastal respectively and increase in cash and bank deposits following the issuance of \$300 million perpetual securities in June 2021 and S\$200 million medium term note (please refer to paragraph 3.3 for more details).

Total liabilities as at 31 December 2021 of S\$2,760.7 million was S\$674.9 million lower than S\$3,435.6 million as at 31 December 2020. The Group reported net current assets of S\$799.4 million as at 31 December 2021 due to derecognition of Basslink following the voluntary administration net of classification of S\$100.0 million borrowings, comprises of KIT borrowings which will be refinanced upon maturity, as current liability.

Total Unitholders' funds stood at S\$1,111.7 million as at 31 December 2021, lower than S\$1,141.6 million as at 31 December 2020 mainly due to distributions paid and loss arising from derecognition of Basslink attributable to Unitholders of the Trust (please refer to paragraph 3.3 for more details), partially offset by hedging reserve movements for the full year ended 31 December 2021.

3.2.2 Balance Sheet – Trust

Total assets as at 31 December 2021 of S\$2,207.7 was lower compared to S\$2,438.6 million as at 31 December 2020 due to waiver of loan due from a related company (which is the holding company for the Basslink group of companies) offset by of loan to subsidiary for acquisition of 50% interest in Philippine Coastal and increase in cash and bank deposits following the issuance of S\$300 million perpetual securities and S\$200 million medium term notes in June 2021 and December 2021 respectively.

Borrowings of S\$100.0 million which mature on Feb 2022 was reclassified from non-current liabilities to current liabilities.

Net assets as at 31 December 2021 of S\$1,902.1 million was lower compared to S\$2,325.4 million as at 31 December 2020 due to loss arising from waiver of loan due from a related company and distribution paid, partly offset by perpetual securities and medium term notes issued.

3.3 Statement of Cash Flow

The Group's cash and bank deposits net of restricted cash were S\$809.8 million and S\$555.9 million as at 31 December 2021 and 31 December 2020, respectively.

Net cash generated from operating activities in 2H 2021 was S\$157.1 million, S\$54.2 million lower than the corresponding period in FY2020 largely due to derecognition of Basslink and timing difference in working capital. This brings the net cash generated from operating activities in FY2021 to S\$248.3 million.

Net cash used in investing activities of S\$275.0 million in FY2021 relates mainly to capital expenditure and acquisition of 100% in ABP and SCR Solutions and 50% interests Philippine Coastal respectively. Net cash used in investing activities of S\$36.1 million in FY2020 relates mainly to the acquisition of Medora and capital expenditure.

Net cash from financing activities of S\$283.7 million in FY2021 mainly pertains to issuance of perpetual securities and medium term notes, partially offset by the repayment of certain facilities of the Group and payment of

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For the full year ended 31 December 2021

distributions to unitholders. Net cash used in financing activities of S\$206.3 million in FY2020 mainly relates to payment of distributions to unitholders and perpetual securities holders as well as repayment of borrowings.

4. VARIANCE FROM FORECAST STATEMENT

No forecast statement for financial year 2021 has been disclosed.

5. PROSPECTS

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

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.

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 essential oils. 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 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 oil product demand in the Philippines.

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

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

COVID-19 Pandemic

Ixom, Philippine Coastal and KIT's Singapore located assets and business have all been classified as essential services by the governments of Australia/New Zealand, Philippines, and Singapore respectively.

COVID-19 is not expected to materially impact the operations and financial position of KIT. Nevertheless, the extent of the impact of COVID-19 will depend on the duration and severity of the pandemic. KIT continues to monitor the operational and financial impact of COVID-19 to KIT's portfolio of assets.

City Energy

On 1 December 2021, City Gas was rebranded as City Energy. City Energy intends to transform its piped gas business to provide innovative green energy solutions that meet the needs of a growing city and changing planet, now and into the future.

While City Energy continues to focus on ensuring town gas supply is maintained to support essential requirements in Singapore in the current pandemic, it is also looking at providing electric vehicle charging solutions through its sub-brand, City Energy Go.

For the town gas business, City Energy has no exposure to fuel price risk over time due to the tariff adjustment mechanism. In the short run, City Energy's financial performance can fluctuate as a result of a time lag in the adjustment to the gas tariffs in response to changes in the underlying fuel cost. In 2021, City Energy delivered lower free cash flow to equity of S\$30.5 million mainly due to this timing difference.

Ixom

Ixom has delivered stable and resilient free cash flow to equity of S\$85.7 million for 2021 and is expected to deliver its projected cash distribution targets for 2022.

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

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For the full year ended 31 December 2021

5. PROSPECTS (CONT'D)

Ixom (cont'd)

Ixom is also well positioned to capture long-term growth opportunities by strengthening its market leading position and optimising operations, cost and productivity. As part of its efforts to expand its life sciences business into Asian markets, Ixom has completed the acquisition of 100% of interest in ABP, a leading supplier of essential oils in Australia and New Zealand, with a growing presence in Asia. On 30 November 2021, Ixom has also completed the acquisition of SCR Solutions, a leading manufacturer and distributor of emissions reduction solution (AdBlue), in New Zealand. SCR Solutions is a value accretive bolt on acquisition that will further strengthen Ixom's New Zealand business.

Philippine Coastal

Philippine Coastal, which started contribution to KIT on 29 January 2021, has delivered free cash flow to equity of S\$8 million for 2021. Business integration remains on track post acquisition.

Philippine Coastal has completed a conversion to increase its storage capacity of approximately 6 million barrels. Fuel storage demand is expected to increase as the Philippines economy recovers gradually from the pandemic and when the demand for international and domestic air travel improves.

Basslink

As disclosed under Note 6 "Discontinued operation", Basslink has been placed into voluntary administration on 12 November 2021, with the directors of the respective Basslink companies appointing Ernst & Young as voluntary administrators. Following this, receivers and managers were also appointed and took over the control of Basslink's operation. As a result, Basslink has been deconsolidated from the Group's financial statements.

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.

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.

On 7 July 2021, KIT entered into a conditional sale and purchase agreement with Hyflux Ltd, through its Judicial Manager, to acquire the remaining 30% stake in SingSpring Desalination Plant for \$12 million. To further enhance the operational stability of the SingSpring Desalination Plant, NewSpring O&M Pte. Ltd, a subsidiary of Keppel Infrastructure Holdings Pte. Ltd (KI), the Sponsor of KIT, will take over the provision of operation and maintenance services to the SingSpring Desalination Plant upon completion of the acquisition. The acquisition is pending regulatory approval and is expected to be completed in 1H 2022.

KIT will continue to monitor the operational performance at SingSpring Desalination Plant to ensure that SingSpring's obligations under the Water Purchase Agreement are satisfactorily discharged.

KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

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For the full year ended 31 December 2021

6. DISTRIBUTIONS

6a. Current financial period reported on

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

Amount	:	S\$95.8 million
Distribution period	:	1 July 2021 to 31 December 2021
Distribution rate	:	1.92 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.

6b. Corresponding Period of the Immediately Preceding Financial Year

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

Amount	:	S\$92.8 million
Distribution period	:	1 July 2020 to 31 December 2020
Distribution rate	:	1.86 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 February 2022

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 7 February 2022 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 7 February 2022 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 7 February 2022 will be entitled to the Distribution.

KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

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For the full year ended 31 December 2021

7. BREAKDOWN OF TOTAL ANNUAL DISTRIBUTION

	31 Dec 2021 S\$'000	31 Dec 2020 S\$'000
Total Distribution paid/payable		
- 1 October 2019 to 31 December 2019	-	46,448
- 1 January 2020 to 31 March 2020	-	46,408
- 1 April 2020 to 30 June 2020	-	46,411
- 1 July 2020 to 31 December 2020	92,822	-
- 1 January 2021 to 30 June 2021 ⁽¹⁾	92,838	-
	<u>185,660</u>	<u>139,267</u>

⁽¹⁾ For the half year ended 30 June 2021, the Trustee-Manager of the Trust declared a distribution per unit of 1.86 Singapore cents totaling S\$92.8 million to the unitholders of the Trust, paid on 13 August 2021.

KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

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For the full year ended 31 December 2021

8. 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 20 April 2021. 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)	
	FY2021 S\$'000	FY2020 S\$'000	FY2021 S\$'000	FY2020 S\$'000
1. Temasek Holdings (Private) Limited and its Associates				
General Transactions				
(a) Sales of Goods and Services	-	-	1,764	1,526
(b) Purchases	-	-	239,047	144,060
(c) Rental expense	-	-	-	562
(d) Reimbursement of expenses	-	-	16,907	-
Treasury Transactions	-	-	1,752	-
Total	-	-	259,470	146,148
2. Keppel Corporation Group				
General Transactions				
(a) Sales of Goods and Services	-	300 ⁽¹⁾	511	822
(b) Purchases	-	-	133,908	40,351
(c) Management Fee Expense	-	-	15,792	12,744
(d) Reimbursement of expenses	-	-	1,013	1,906
Treasury Transactions	-	-	389,146	448,337
Total	-	300 ⁽¹⁾	540,370	504,160

⁽¹⁾ The transaction relates to a partnership agreement with the related party as a non-exclusive referral agent for business and residential customers. 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.

KEPPEL INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES

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

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

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

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

On behalf of the Board of Directors

Daniel Ee

DANIEL CUTHBERT EE HOCK HUAT
Chairman

Christina Tan

CHRISTINA TAN HUA MUI
Director

Singapore
26 January 2022

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.