

Keppel Infrastructure Trust

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MEDIA RELEASE

KEPPEL INFRASTRUCTURE TRUST UNAUDITED RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2014

19 January 2015

The Directors of Keppel Infrastructure Fund Management Pte Ltd, as Trustee-Manager of Keppel Infrastructure Trust, advise the following results of Keppel Infrastructure Trust for the full year ended 31 December 2014.

These figures have not been audited.

FY 2014 RESULTS HIGHLIGHTS

1. Group revenue for FY 2014 was \$65.5 million. Operation and maintenance income was \$49.3 million, 1.4% lower compared to FY 2013.
2. Profit after tax for FY 2014 was \$12.7 million, resulting in earnings per unit (EPU) of 2.02 cents for the year, which was 10.2% lower compared to FY 2013.
3. Cash generated from operations was \$56.4 million for FY 2014, 7.8% higher compared to FY 2013.
4. Net asset value per unit as at 31 December 2014 was \$0.94 compared to \$1.00 as at 31 December 2013, mainly due to the distribution payment of 7.82 cents per unit during the year.
5. Distribution per unit (DPU) for 2H 2014 will be maintained at 4.69 cents. Together with the distribution of 3.13 cents per unit for 1H 2014, total distribution for FY 2014 is 7.82 cents per unit, translating to a distribution yield of 7.3% based on the market closing price of \$1.065 on 31 December 2014.

Total distribution payable for FY 2014 is \$49.2 million, similar to the distribution paid for FY 2013.

6. On 18 November 2014, KIFM, in its capacity as trustee-manager of KIT, had entered into two separate conditional transactions (the "Proposed Transactions"). The first transaction is the acquisition of a 51% stake in Keppel Merlimau Cogen Pte Ltd which owns a 1,300 MW combined cycle gas turbine generation facility on Jurong Island, Singapore. The purchase consideration is around \$510 million which will be financed by an equity fund raising and/or debt. The second transaction combines KIT and CitySpring Infrastructure Trust ("CIT") at their respective market capitalisations of \$658 million and \$753 million, based on their respective volume weighted average price for

the 180-day period ended on 13 November 2014. Each KIT unitholder will receive 2.106 CIT units for every KIT unit held. KIFM will be the trustee-manager of the combined trust.

KIT's total assets will increase from over \$600 million currently, to over \$2 billion upon completion of the KMC Acquisition and to over \$4 billion after completion of the combination with CIT, making the combined trust the largest Singapore infrastructure-focused business trust listed on the SGX-ST.

The Proposed Transactions are subject to various approvals, including unitholders' approval.

7. Mr Khor Un-Hun, CEO of Keppel Infrastructure Fund Management Pte Ltd, the Trustee-Manager of Keppel Infrastructure Trust, said, "Keppel Infrastructure Trust continues to uphold stable, predictable and reliable distributions to our unitholders.

"In 2014, we expanded our investment mandate to cover a wider range of infrastructure assets, and agreed to provide the National Environment Agency with additional incineration capacity at the Senoko Waste-to-Energy Plant, which is expected to improve its operating cash flow.

"In addition, the proposed combination of Keppel Infrastructure Trust and CitySpring Infrastructure Trust and acquisition of a 51% stake in Keppel Merlimau Cogen Pte Ltd will create the largest Singapore infrastructure-focused business trust listed on the SGX. Besides offering unitholders exposure to an attractive portfolio of diversified core infrastructure assets that generate regular, predictable and long term distributions, the larger scale and liquidity of the combined trust will enhance access to capital markets and enable it to pursue meaningful growth opportunities."

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This media release is also available at www.kepcorp.com and www.kepinfratrust.com.

**KEPPEL INFRASTRUCTURE TRUST
FULL YEAR 2014 FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

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INTRODUCTION

Keppel Infrastructure Trust ("KIT" or "Trust"), formerly known as K-Green Trust, is a business trust constituted on 23 July 2009 under the laws of Singapore, and managed by Keppel Infrastructure Fund Management Pte. Ltd. ("KIFM") as Trustee-Manager of KIT.

KIT was listed as K-Green Trust on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 29 June 2010 with an initial portfolio comprising the Senoko Plant, Tuas DBOO Plant and Ulu Pandan Plant, and an investment focus on "green" infrastructure assets, which reflected the business focus of its then sponsor, Keppel Integrated Engineering (KIE). On 2 May 2013, KIE was reorganised under Keppel Infrastructure (KI), which assumed the role of the sponsor to KIT.

In line with the wider business scope of KI and to enable KIT to pursue a wider range of opportunities, unitholders on 15 April 2014 approved expanding KIT's investment mandate to include utilities infrastructure assets, primary and alternative energy assets and other infrastructure assets.

On 26 September 2014, KIT entered into an agreement with NEA to provide additional incineration capacity at the Senoko Waste-To-Energy plant. The upgrade is currently planned to take place between 3Q 2015 and 3Q 2016 and will progressively increase the contracted incineration capacity of the plant by up to 10% from 2,100 tonnes per day. This is expected to increase the operating cash flows from the plant.

On 18 November 2014, KIFM, in its capacity as trustee-manager of KIT, had entered into two separate conditional transactions (the "Proposed Transactions"). The first transaction is the acquisition of a 51% stake in Keppel Merlimau Cogen Pte Ltd which owns the Keppel Merlimau Cogen Plant ("KMC Plant"), a 1,300 MW combined cycle gas turbine generation facility on Jurong Island, Singapore. The purchase consideration is estimated to be \$510 million which will be financed by an equity fund raising and/or debt. The second transaction combines KIT and CitySpring Infrastructure Trust ("CIT") at their respective market capitalisations of \$658 million and \$753 million, based on their respective volume weighted average price for the 180-day period ended on 13 November 2014. Each KIT unit holder will receive 2.106 CIT Units for every KIT unit held. The swap ratio is fixed and is not subject to any adjustment.

KIT's total assets will increase from over \$600 million currently, to over \$2 billion upon completion of the KMC Acquisition and to over \$4 billion after completion of the combination with CIT, making the combined trust the largest Singapore infrastructure-focused business trust listed on the SGX-ST.

The Proposed Transactions are subject to various approvals, including unitholders' approval.

Please refer to the announcement dated 18 November 2014 for further details.

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

1 UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

The Directors of **Keppel Infrastructure Fund Management Pte. Ltd.**, as **Trustee-Manager of Keppel Infrastructure Trust**, advise the following unaudited results of the Group for the year ended 31 December 2014.

1 (a) STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the year ended 31 December

| | 2014 | 2013 | +/- |
|--|-----------------|----------|-------|
| | \$'000 | \$'000 | % |
| Finance income | 16,199 | 17,143 | -5.5 |
| Operation and maintenance income | 49,252 | 49,970 | -1.4 |
| Revenue | 65,451 | 67,113 | -2.5 |
| Operation and maintenance costs | (36,674) | (35,703) | +2.7 |
| Electricity costs | (5,551) | (6,829) | -18.7 |
| Depreciation | (289) | (350) | -17.4 |
| Trustee-Manager's fees | (4,769) | (4,698) | +1.5 |
| Trust expenses | (1,853) | (1,414) | +31.0 |
| Other operating expenses | (4,044) | (4,279) | -5.5 |
| Other income | 832 | 869 | -4.3 |
| Operating profit | 13,103 | 14,709 | -10.9 |
| Interest income | 100 | 77 | +29.9 |
| Interest expense | (8) | - | N.M. |
| Profit before income tax | 13,195 | 14,786 | -10.8 |
| Income tax expense | (486) | (603) | -19.4 |
| Profit for the year, representing total comprehensive income for the year | 12,709 | 14,183 | -10.4 |

1 (b)(i) STATEMENTS OF FINANCIAL POSITION as at 31 December

| | GROUP | | TRUST | |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 31 Dec 14 \$'000 | 31 Dec 13 \$'000 | 31 Dec 14 \$'000 | 31 Dec 13 \$'000 |
| Non-Current Assets | | | | |
| Plant and equipment | 1,587 | 1,876 | - | - |
| Subsidiaries | - | - | 253,792 | 289,836 |
| Service concession receivables | 471,047 | 509,805 | - | - |
| Notes receivable | - | - | 290,142 | 290,142 |
| | <u>472,634</u> | <u>511,681</u> | <u>543,934</u> | <u>579,978</u> |
| Current Assets | | | | |
| Inventories | 11,411 | 13,491 | - | - |
| Service concession receivables | 54,956 | 54,956 | - | - |
| Trade and other receivables | 22,281 | 19,258 | 3,727 | 92 |
| Cash, bank and deposit balances | 49,744 | 43,143 | 37,971 | 37,130 |
| | <u>138,392</u> | <u>130,848</u> | <u>41,698</u> | <u>37,222</u> |
| Current Liabilities | | | | |
| Trade and other payables | 15,940 | 14,217 | 3,361 | 2,435 |
| Loan from a related party | 3,479 | - | 3,479 | - |
| Income tax payable | 511 | 666 | 1 | 1 |
| | <u>19,930</u> | <u>14,883</u> | <u>6,841</u> | <u>2,436</u> |
| Net Current Assets | <u>118,462</u> | <u>115,965</u> | <u>34,857</u> | <u>34,786</u> |
| Non-Current Liability | | | | |
| Deferred tax liability | - | 10 | - | - |
| | <u>-</u> | <u>10</u> | <u>-</u> | <u>-</u> |
| Net Assets | <u>591,096</u> | <u>627,636</u> | <u>578,791</u> | <u>614,764</u> |
| Represented by: | | | | |
| Unitholders' Funds | | | | |
| Units in issue | 719,307 | 719,307 | 719,307 | 719,307 |
| Revenue reserves | (128,211) | (91,671) | (140,516) | (104,543) |
| | <u>591,096</u> | <u>627,636</u> | <u>578,791</u> | <u>614,764</u> |

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

During the year, an unsecured corporate loan of \$3.5 million was drawn down from Kephinance Investment Pte Ltd, a wholly owned subsidiary of Keppel Corporation Limited.

As at 31 December 2014, the unsecured corporate loan of \$3.5 million (31 December 2013: Nil) remains outstanding and is repayable by 13 November 2015.

1 (c) **CONSOLIDATED STATEMENT OF CASH FLOWS**
for the year ended 31 December

| | 2014 | 2013 |
|--|-----------------|----------|
| | \$'000 | \$'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before income tax | 13,195 | 14,786 |
| <u>Adjustments for :</u> | | |
| Depreciation | 289 | 350 |
| Interest income | (100) | (77) |
| Interest expense | 8 | - |
| Operating cash flows before movements in working capital | 13,392 | 15,059 |
| Decrease in inventories | 2,080 | 1,868 |
| Decrease in service concession receivables | 38,758 | 37,811 |
| Decrease in trade and other receivables | 456 | 109 |
| Increase (Decrease) in trade and other payables | 1,716 | (2,523) |
| Cash generated from operations | 56,402 | 52,324 |
| Income tax paid | (651) | (858) |
| Interest received | 99 | 77 |
| Net cash from operating activities | 55,850 | 51,543 |
| CASH FLOWS FROM INVESTING ACTIVITY | | |
| Construction of assets | - | (1,946) |
| Net cash used in investing activity | - | (1,946) |
| CASH FLOWS FROM FINANCING ACTIVITY | | |
| Distribution paid | (49,249) | (49,249) |
| Net cash used in financing activity | (45,770) | (49,249) |
| Net increase in cash and cash equivalents | 6,601 | 348 |
| Cash and cash equivalents at beginning of year | 43,143 | 42,795 |
| Cash and cash equivalents at end of year | 49,744 | 43,143 |

Reconciliation of cash generated from operations to distribution for the year ended 31 December 2014:

| | 2014 |
|---|-----------------|
| | \$'000 |
| Cash generated from operations | 56,402 |
| Interest received | 99 |
| Tax paid and amount set aside for working capital and capital expenditure | (7,252) |
| Distribution for the financial year | 49,249 |
| Distribution of 3.13 cents per unit paid in 1H 2014 | (19,712) |
| Distribution payable in 2H 2014 | 29,537 |
| Based on total issued units ('000) | 629,781 |
| Distribution per unit (cents) | 4.69 |

**1 (d)(i) STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS
for the year ended 31 December**

| GROUP | Attributable to equity holders of the Trust | | |
|---|--|--|--|
| | Units in issue \$'000 | Revenue reserves \$'000 | Total unitholders' funds \$'000 |
| As at 1 January 2014 | 719,307 | (91,671) | 627,636 |
| Total comprehensive income for the year | - | 12,709 | 12,709 |
| Distribution paid | - | (49,249) | (49,249) |
| As at 31 December 2014 | 719,307 | (128,211) | 591,096 |
| As at 1 January 2013 | 719,307 | (56,605) | 662,702 |
| Total comprehensive income for the year | - | 14,183 | 14,183 |
| Distribution paid | - | (49,249) | (49,249) |
| As at 31 December 2013 | 719,307 | (91,671) | 627,636 |
| TRUST | | | |
| | Units in issue \$'000 | Revenue reserves \$'000 | Total unitholders' funds \$'000 |
| As at 1 January 2014 | 719,307 | (104,543) | 614,764 |
| Total comprehensive income for the year | - | 13,276 | 13,276 |
| Distribution paid | - | (49,249) | (49,249) |
| As at 31 December 2014 | 719,307 | (140,516) | 578,791 |
| As at 1 January 2013 | 719,307 | (66,619) | 652,688 |
| Total comprehensive income for the year | - | 11,325 | 11,325 |
| Distribution paid | - | (49,249) | (49,249) |
| As at 31 December 2013 | 719,307 | (104,543) | 614,764 |

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

| | GROUP and TRUST Units |
|---|----------------------------------|
| Issued units as at 1 January and 31 December 2014 | 629,781,279 |

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

The Group and Trust did not hold any treasury units as at 31 December 2014 and 31 December 2013.

The total number of issued units as at 31 December 2014 and 31 December 2013 is 629,781,279 units.

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

Not applicable.

2 AUDIT

The figures have not been audited or reviewed by the auditors.

3 AUDITORS' REPORT

Not applicable

4 ACCOUNTING POLICIES

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation in the financial statements for the current financial year are consistent with those of the audited financial statements as at 31 December 2013.

5 CHANGES IN THE ACCOUNTING POLICIES

The Group has adopted all the new and revised FRSs and INT FRSs that are relevant to its operations and effective for annual periods beginning on or after 1 January 2014. The adoption of these new and revised FRSs and INT FRSs did not result in changes to the Group's and Trust's accounting policies.

6 EARNINGS PER UNIT ("EPU")

| | 2014 | 2013 | +/- % |
|--|--------------------|-------------|----------|
| Earnings per unit ⁽¹⁾ (based on the weighted average number of units as at the end of the year) | 2.02 cents | 2.25 cents | -10.2 |
| Weighted average number of units as at the end of the year | 629,781,279 | 629,781,279 | - |

(1) Diluted EPU is the same as basic EPU as there is no dilutive instrument in issue during the year.

7 DISTRIBUTION PER UNIT (“DPU”)

| | 2014 | 2013 | +/- % |
|-------------------------------|--------------------|-------------|----------|
| Distribution per unit (cents) | 7.82 | 7.82 | - |
| - based on total issued units | 629,781,279 | 629,781,279 | - |

Distributions by KIT will be paid from its residual cash flows. Residual cash flows comprise cash flows from distributions received by KIT from Senoko Trust, Tuas DBOO Trust and Ulu Pandan Trust (“Sub-Trusts”), principal and interest payments received by KIT from the Sub-Trusts pursuant to the Notes and other cash received by KIT from the Sub-Trusts and any other assets, after such cash flows have been applied to:

- (i) Pay or provide for the operating expenses and taxes of KIT, including Trustee-Manager’s fees
- (ii) Pay or provide for repayment of principal amounts under any debt or financing arrangement of KIT; and
- (iii) Pay or provide for interest or any other financing expense on any debt or financing or hedging arrangement of KIT.

8 NET ASSET VALUE (“NAV”) PER UNIT

| | GROUP | | | TRUST | | |
|--|--------------|------|----------|--------------|------|----------|
| | 2014 | 2013 | +/- % | 2014 | 2013 | +/- % |
| NAV per unit based on issued units at the end of the year (\$) | 0.94 | 1.00 | -6.0 | 0.92 | 0.98 | -6.1 |
| Adjusted NAV per unit (\$) - based on total issued units of 629,781,279 (after distribution payable to unitholders) | 0.89 | 0.95 | -6.3 | 0.87 | 0.93 | -6.5 |

9 REVIEW OF PERFORMANCE

Profit and Loss Analysis

Group revenue for 2014 was \$65.5 million. Finance income, representing the accretion on the service concession receivables in respect of the fixed capital cost and recovery components, decreased by 5.5% to \$16.2 million in 2014, in line with lower service concession receivables. Revenue from operation and maintenance (O&M) was \$49.3 million for 2014, which was 1.4% lower than 2013. This was mainly due to lower production of NEWater and lower power tariff arising from changes in fuel price, partially offset by higher output from the waste-to-energy plants and higher O&M tariffs due to changes in consumer price index (CPI).

O&M costs of \$36.7 million for 2014 was \$1.0 million higher than 2013 as a result of higher output from the waste-to-energy plants and higher O&M tariffs due to changes in CPI, partially offset by lower production of NEWater. Electricity cost of \$5.6 million for 2014 was 18.7% lower than prior year due to lower production of NEWater, lower electricity prices and savings from the solar photovoltaic (PV) system which generates electricity for internal consumption.

Trustee-Manager's fee for 2014 was \$4.8 million comprising a fixed management fee and a performance fee of 4.5% per annum of all cash inflow received by KIT from the Sub-Trusts. Trust expenses were higher compared to previous year as higher project evaluation and due diligence expenses were incurred in connection with the Proposed Transactions. Profit before and after income tax was \$13.2 million and \$12.7 million respectively for 2014.

Balance Sheet Analysis

Group unitholders' funds decreased from \$627.6 million at 31 December 2013 to \$591.1 million at 31 December 2014. The decrease was mainly attributable to the distribution of \$49.2 million paid to unitholders, partially offset by increase in total comprehensive income of \$12.7 million for the year.

Total assets of the Group decreased by \$31.5 million to \$611.0 million as at 31 December 2014. Group total liabilities increased by \$5.0 million to \$19.9 million as compared to the previous year-end due to higher O&M fees payable to O&M operators, higher professional fees payable as a result of the Proposed Transactions and \$3.5 million loan payable. The loan was drawn down to fund the capacity expansion project at the Senoko waste-to-energy plant.

At the trust level, notes receivable of \$290.1 million represents qualifying project debt securities ("QPDS") issued to KIT by the Sub-Trusts to fund the acquisition of the businesses in FY2010. The QPDS are eliminated on consolidation.

Cash Flow Analysis

Cash generated from operations of \$56.4 million for 2014 was derived from the Group's pre-tax profit of \$13.2 million, after adjusting for non-cash items and changes in working capital of \$43.2 million. Decrease in inventories by \$2.1 million was due to spare parts utilised by the O&M operator for maintenance and repair of the waste-to-energy plants. Taking into account income taxes paid, net cash flow from operating activities was \$55.9 million for 2014 as compared to \$51.5 million in prior year. The net increase in cash and cash equivalents was \$6.6 million for 2014, after making 2 semi-annual distribution payments totaling \$49.2 million during the year.

KIT, being a business trust, is allowed to pay distributions to unitholders out of its residual cash flows, which is largely derived from the operating cash flow generated from operations of the Sub-Trusts. For 2H 2014, the Group will be distributing 4.69 cents per unit to its unitholders. Together with the 3.13 cents paid earlier in 2014, the full year distribution will be maintained at 7.82 cents, the same rate as the previous year.

10 VARIANCE FROM FORECAST STATEMENT

No forecast statement for financial year 2014 has been previously disclosed.

11 PROSPECTS

The underlying performance of the three assets in KIT's portfolio is expected to remain stable. All three assets have long-term concession agreements with Singapore statutory bodies (namely NEA and PUB). Senoko Trust and Tuas DBOO Trust derive most of their income from capacity payments, which offer a stable source of income with little correlation to economic or demographic fluctuations. Ulu Pandan Trust's income is derived in approximate equal parts from availability payments and from NEWater output payments (both include power revenue). Production of NEWater is subject to demand from PUB.

Ulu Pandan Trust's cash earnings could fluctuate depending on changes in variable power revenue received from PUB and changes in electricity costs. The Trustee-Manager will continue to take measures, where appropriate, to mitigate the price volatility of electricity by fixing the electricity price. In addition, the 1MWp solar PV installation on the rooftops of Ulu Pandan NEWater Plant, which was completed in 1Q 2013, will also reduce the intake of grid electricity.

On 26 September 2014, KIT entered into an agreement with NEA to provide additional incineration capacity at the Senoko Waste-To-Energy plant. The upgrade is currently planned to take place between 3Q 2015 and 3Q 2016 and will progressively increase the contracted incineration capacity of the plant by up to 10% from 2,100 tonnes per day. This is expected to increase the operating cash flows from the plant.

As mentioned earlier, on 18 November 2014, KIFM, in its capacity as Trustee-Manager of KIT, entered into conditional agreements in connection with the Proposed Transactions.

The Trustee-Manager will continue to evaluate asset enhancement opportunities in its assets and will continue to work with the Sponsor to identify and evaluate suitable acquisitions under the expanded investment mandate which covers a wider range of infrastructure assets.

12 DISTRIBUTIONS

12a. Current Financial Period Reported On

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

Amount: \$29.5 million

Distribution Period: 1 July 2014 to 31 December 2014

Distribution Rate: 4.69 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.

12b. Corresponding Period of the Immediately Preceding Financial Year

Any distribution declared for the corresponding period of the immediately preceding financial year? Yes

Amount: \$29.5 million

Distribution Period: 1 July 2013 to 31 December 2013

Distribution Rate: 4.69 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.

12c. Date Payable

13 February 2015

12d. Books Closure Date

Notice is hereby given that, the Unit Transfer Books and Register of Unitholders of KIT will be closed at 5.00 p.m. on 27 January 2015 for purposes of determining each Unitholder's entitlement to the Distribution. Duly completed transfers in respect of units in the capital of KIT received by the Registrar, Boardroom Corporate & Advisory Services Pte. Ltd, 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623, up to 5.00 p.m. on 27 January 2015 will be registered to determine unitholders'

entitlement to the distribution. Unitholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with Units at 5.00 pm on 27 January 2015 will be entitled to the distribution.

12e. Total Annual Distribution

| | 2014 | | 2013 | + / - |
|-----------------------|---------------|---|---------------|-------|
| | \$'000 | | \$'000 | % |
| 1 January to 30 June | 19,712 | | 19,712 | - |
| 1 July to 31 December | <u>29,537</u> | # | <u>29,537</u> | - |
| | <u>49,249</u> | | <u>49,249</u> | - |

Payable in 2015

13 SEGMENT ANALYSIS

| 2014 | Waste Management | Water and Wastewater Treatment | Total |
|--------------------------|-----------------------------|---|---------------|
| | \$'000 | \$'000 | \$'000 |
| Revenue | <u>51,648</u> | <u>13,803</u> | <u>65,451</u> |
| Results | | | |
| Operating profit | 17,370 | 2,355 | 19,725 |
| Interest income | 57 | 10 | 67 |
| Interest expense | (8) | - | (8) |
| Profit before tax | <u>17,419</u> | <u>2,365</u> | 19,784 |
| Taxation | (486) | - | (486) |
| Segment profit | <u>16,933</u> | <u>2,365</u> | 19,298 |
| Trustee-Manager's fees | | | (4,769) |
| Trust expenses | | | (1,853) |
| Interest income | | | <u>33</u> |
| | | | 12,709 |
| Other information | | | |
| Depreciation | 158 | 131 | 289 |

| 2013 | Waste Management | Water and Wastewater Treatment | Total |
|---------------------------------|-----------------------------|---|---------------|
| | \$'000 | \$'000 | \$'000 |
| Revenue | 51,564 | 15,549 | 67,113 |
| Results | | | |
| Operating profit | 18,110 | 2,711 | 20,821 |
| Interest income | 43 | 6 | 49 |
| Profit before tax | 18,153 | 2,717 | 20,870 |
| Taxation | (603) | - | (603) |
| Segment profit | 17,550 | 2,717 | 20,267 |
| Trustee-Manager's fees | | | (4,698) |
| Trust expenses | | | (1,414) |
| Interest income | | | 28 |
| | | | 14,183 |
| Other information | | | |
| Additions to non-current assets | - | 568 | 568 |
| Depreciation | 237 | 113 | 350 |

Note:

- (a) The Group has two reportable operating segments: Waste Management and Water and Wastewater Treatment. Waste Management represents the businesses relating to Senoko Plant and Tuas DBOO Plant. Water and Wastewater Treatment represents the business relating to Ulu Pandan Plant. No geographical segment information has been prepared as all the assets are located within Singapore.
- (b) Revenue reported above represents revenue generated from a single external customer. There were no inter-segment sales in the year. Segment profit represents the profit earned by each segment before allocation of Trustee-Manager's fees and trust expenses.

Review of Segment results

The Waste Management segment was the major contributor to the Group, compared to the Water and Wastewater Treatment segment, accounting for close to 79% (2013: 77%) of Group Revenue and 87% (2013: 87%) of Segment Profit. Interest expense arising from QPDS for each segment was eliminated at group level.

14 BREAKDOWN OF REVENUE

| | 2014 | 2013 | +/- |
|--|---------------|---------------|-------|
| | \$'000 | \$'000 | % |
| <u>First half</u> | | | |
| Revenue reported for first half year | 33,214 | 33,767 | -1.6 |
| Profit after tax reported for first half year | 6,843 | 7,059 | -3.1 |
| <u>Second half</u> | | | |
| Revenue reported for second half year | 32,237 | 33,346 | -3.3 |
| Profit after tax reported for second half year | 5,866 | 7,124 | -17.7 |

15 INTERESTED PERSON TRANSACTIONS

The Group has obtained a general mandate from unitholders for interested person transactions in the Annual General Meeting held on 15 April 2014. During the financial year, the following interested person transactions were entered into by the Group:

| Name of Interested Person | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under unitholders' mandate pursuant to Rule 920) | | Aggregate value of all interested person transactions conducted under a unitholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000) | |
|---------------------------------|--|---------------------------------------|--|---------------------------------------|
| | 1 Jan 14 to 31 Dec 14 \$'000 | 1 Jan 13 to 31 Dec 13 \$'000 | 1 Jan 14 to 31 Dec 14 \$'000 | 1 Jan 13 to 31 Dec 13 \$'000 |
| Keppel Corporation Group | | | | |
| - General Transactions | - | - | 64,089 | - |
| - Treasury Transactions | - | - | 49,112 | 42,356 |
| Total | - | - | 113,201 | 42,356 |

16 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.

BY ORDER OF THE BOARD
Keppel Infrastructure Fund Management Pte. Ltd.
(Company Registration Number: 200803959H)
As Trustee-Manager of Keppel Infrastructure Trust

NG WAI HONG / WINNIE MAK
 Company Secretaries
 19 January 2015