

**Financial Statement And Distribution Announcement for the quarter ended 30 September 2007**

**TABLE OF CONTENTS**

| <b>Item No.</b> | <b>Description</b>  | <b>Page No.</b> |
|-----------------|---|-----------------|
|                 | Introduction  | 1               |
| 1(a)            | Consolidated Income Statement                               | 2               |
| 1(b)(i)         | Balance Sheets  | 3               |
| 1(b)(ii)        | Aggregate amount of group's borrowings and debt securities  | 4               |
| 1(c)            | Consolidated Cash Flow Statement                            | 5-7             |
| 1(d)(i)         | Statement of movements in unitholders' fund                 | 8               |
| 1(d)(ii)        | Details of any changes in the units                         | 9               |
| 2               | Review Statement  | 9               |
| 3, 4 & 5        | Changes in Accounting Policies                              | 9               |
| 6               | Earnings per unit ('EPU') and distribution per unit ('DPU') | 10              |
| 7               | Net asset value ("NAV") per unit                            | 10              |
| 8               | Review of the Performance                                   | 10              |
| 9               | Review of actual against Prorated Projection in Prospectus  | 11-12           |
| 10              | Outlook & Prospects   | 13              |
| 11 & 12         | Distribution  | 13-14           |
| 13              | Confirmation by the Board                                   | 15              |
| Appendix 1      | Auditor's Review Report                                     |                 |

**CITYSPRING INFRASTRUCTURE TRUST**  
**(Reg. No. 2007001)**

**Financial Statement And Distribution Announcement for the quarter ended 30 September 2007**

**INTRODUCTION**

CitySpring Infrastructure Trust ("CitySpring") was constituted under a trust deed dated 5 January 2007. CitySpring Infrastructure Management Pte Ltd ("Trustee Manager") was appointed the Trustee Manager. CitySpring was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 12 February 2007.

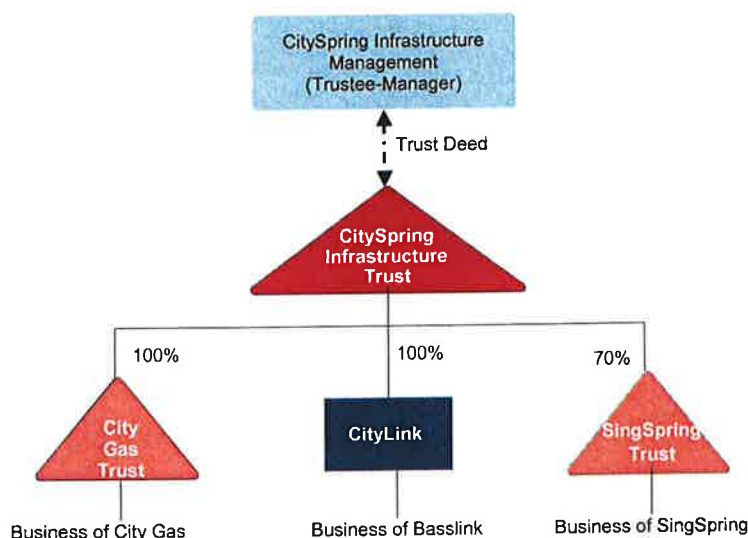
CitySpring's objective is to invest in infrastructure assets and to provide Unitholders with long-term regular and predictable distributions as well as the potential for long-term capital growth.

The initial assets of CitySpring are 100% owned City Gas Trust, the sole producer and retailer of town gas and the sole user of the low-pressured piped town gas network in Singapore and 70% owned SingSpring Trust, the sole supplier of desalinated water to the Public Utilities Board, Singapore's national water agency.

On 31 July 2007, the Trustee Manager announced that it had entered into an agreement to acquire 100% of Basslink from National Grid International Ltd for an enterprise value of A\$1,175<sup>1</sup> million (approximately S\$1.5 billion).

Basslink is a 370 km high voltage electricity interconnector between the electricity grids of the States of Tasmania and Victoria in Australia. 290 km of the link is laid under the Bass Strait, making Basslink the world's longest undersea electricity transmission cable

The enlarged CitySpring Group is shown in the chart below.



As CitySpring's acquisition of Basslink was completed on 31 August 2007, the actual results for the quarter ended 30 September 2007 includes the results of the initial assets of City Gas Trust and SingSpring Trust for the quarter ended 30 September 2007 and the results of Basslink for the month of September 2007.

The projection figures as disclosed in the Prospectus include only the projected results of the initial assets which are City Gas Trust and SingSpring Trust.

The actual results in paragraph 6 and 9 are those of the entities of the CitySpring Group before the acquisition of Basslink Group. These actual results are compared against the pro-rated projections as disclosed in the Prospectus.

The acquisition of the assets and business undertakings of the initial portfolio were only completed on 12 February 2007 which was the official listing date. There were no operating activities for the period prior to 12 February 2007. Consequently no comparative income statement, balance sheet, cash flow statement, movement in unit holder's funds and NAV have been presented in paragraphs 1(a), 1(b)(i), 1(c) and 1(d)(i) and 7 respectively.

<sup>1</sup> After working capital adjustment to take into account higher level of cash in the business of Basslink, the total consideration paid to National Grid International Ltd was A\$1,177 million

**CITYSPRING INFRASTRUCTURE TRUST**  
**(Reg. No. 2007001)**

**Financial Statement And Distribution Announcement for the quarter ended 30 September 2007**

**1(a) Consolidated Income Statement**

|  | Group<br>Actual<br>01/07/2007 to<br>30/09/2007 | Group<br>Actual<br>05/01/2007 to<br>30/09/2007 |
|--|--|--|
| Note                                     | S\$'000  | S\$'000  |
| <b>Revenue</b>                           | <b>75,376</b>                                  | <b>173,557</b>                                 |
| <b>Other income</b>                      | <b>4,825</b>                                   | <b>16,014</b>                                  |
| <b>Expenses</b>                          |  |  |
| Fuel and electricity costs               | (24,663)                                       | (55,629)                                       |
| Transportation costs                     | (17,295)                                       | (43,697)                                       |
| Unit issue expenses                      | -  | (4,786)  |
| Depreciation and amortisation            | (8,046)  | (15,670)                                       |
| Staff costs                              | (4,047)  | (10,020)                                       |
| Operating and maintenance costs          | (3,117)  | (7,527)  |
| Network operations and maintenance costs | (204)  | (204)  |
| Finance costs                            | (10,168)                                       | (14,446)                                       |
| Energy costs                             | (2,003)  | (5,159)  |
| Management fee                           | (1,389)  | (66,476)                                       |
| Other operating expenses                 | (7,411)  | (15,688)                                       |
| <b>Total expenses</b>                    | <b>(78,343)</b>                                | <b>(239,302)</b>                               |
| <b>Profit/(loss) before income tax</b>   | <b>1,858</b>                                   | <b>(49,731)</b>                                |
| Income tax credit                        | 17   | 507  |
| <b>Net profit/(loss) after tax</b>       | <b>1,875</b>                                   | <b>(49,224)</b>                                |
| <b>Attributable to:</b>                  |  |  |
| Unitholders of the Trust                 | 1,676  | (52,288)                                       |
| Minority interest                        | 199  | 3,064  |
|  | <b>1,875</b>                                   | <b>(49,224)</b>                                |

**Footnote:**

- (a) For the quarter ended 30 September 2007, other income of S\$4.8 million comprises mainly interest income of S\$1.7 million, other cash income of S\$1.4 million, realised gain of S\$0.6 million on derivative financial instrument and S\$1.0 million non-cash fair value gain on derivative financial instruments.

For the period 5 January 2007 to 30 September 2007, the other income of S\$16.0 million comprises mainly non-cash negative goodwill on acquisition of S\$8.7 million, other cash income of S\$2.6 million, interest income of S\$1.9 million, realised gain of S\$1.3 million on derivative financial instrument, and non-cash fair value gain of S\$1.4 million on derivative financial instruments.

**CITYSPRING INFRASTRUCTURE TRUST**  
**(Reg. No. 2007001)**

**Financial Statement And Distribution Announcement for the quarter ended 30 September 2007**

**1(b)(i) Balance Sheets as at 30 September 2007**

|   |                                       | <b>Actual 30/09/2007</b> |                |
|---|---------------------------------------|--------------------------|----------------|
|   |                                       | <b>Group</b>             | <b>Trust</b>   |
| <b>Note</b>   |                                       | <b>S\$'000</b>           | <b>S\$'000</b> |
| <b>ASSETS</b>   |                                       |                          |                |
| <b>Non-current assets</b>   |                                       |                          |                |
|   | Intangibles                           | 485,284                  | -              |
|   | Property, plant and equipment         | 1,382,657                | -              |
|   | Finance lease receivable              | 188,802                  | -              |
|   | Investment in subsidiaries            | -                        | 155,135        |
|   | Other assets                          | 256                      | -              |
|   | Long-term receivables                 | -                        | 230,570        |
|   | <b>Total non-current assets</b>       | <b>2,056,999</b>         | <b>385,705</b> |
| <b>Current assets</b>   |                                       |                          |                |
|   | Cash and cash equivalents             | 122,276                  | 4,885          |
|   | Trade and other receivables           | 49,080                   | 5,237          |
|   | Inventories                           | 12,417                   | -              |
|   | Derivative financial instruments      | 148,839                  | -              |
|   | Finance lease receivable              | 6,549                    | -              |
|   | <b>Total current assets</b>           | <b>339,161</b>           | <b>10,122</b>  |
|   | <b>Total assets</b>                   | <b>2,396,160</b>         | <b>395,827</b> |
| <b>LIABILITIES</b>  |                                       |                          |                |
| <b>Current liabilities</b>  |                                       |                          |                |
|   | Trade and other payables              | 91,033                   | 6,229          |
|   | Derivative financial instruments      | 12,608                   | -              |
|   | Interest bearing loans and borrowings | 372,420                  | -              |
|   | Current tax liabilities               | 12,800                   | -              |
|   | <b>Total current liabilities</b>      | <b>488,861</b>           | <b>6,229</b>   |
| <b>Non-current liabilities</b>  |                                       |                          |                |
|   | Interest bearing loans and borrowings | 1,384,513                | -              |
|   | Notes payable to minority interest    | 15,000                   | -              |
|   | Derivative financial instruments      | 1,391                    | -              |
|   | Other non-current liabilities         | 70,286                   | -              |
|   | Deferred tax liabilities              | 25,226                   | -              |
|   | <b>Total non-current liabilities</b>  | <b>1,496,416</b>         | <b>-</b>       |
|   | <b>Total liabilities</b>              | <b>1,985,277</b>         | <b>6,229</b>   |
|   | <b>Net assets</b>                     | <b>410,883</b>           | <b>389,598</b> |
| <b>UNITS ISSUED AND RESERVES ATTRIBUTABLE TO UNITHOLDERS OF THE TRUST</b> |                                       |                          |                |
|   | Units in issue                        | 460,466                  | 460,466        |
|   | Unit issue costs                      | (9,309)                  | (9,309)        |
|   | Hedging reserve                       | (2,666)                  | -              |
|   | Translation reserve                   | 8,217                    | -              |
|   | Accumulated losses                    | (63,147)                 | (61,559)       |
|   |                                       | 393,561                  | 389,598        |
|   | Minority interest                     | 17,322                   | -              |
|   | <b>Total Unitholders' funds</b>       | <b>410,883</b>           | <b>389,598</b> |

**Footnote:**

- (a) This relates mainly to equity bridge loan for the financing of the acquisition of Basslink and will be repaid once the proposed equity fund raising which will be subject to Unitholders' approval is completed.

**CITYSPRING INFRASTRUCTURE TRUST**  
**(Reg. No. 2007001)**

**Financial Statement And Distribution Announcement for the quarter ended 30 September 2007**

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**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

**Secured bank loans**

Amount repayable within one year

Amount repayable after one year

| <b>Actual</b>     |
|-------------------|
| <b>30/09/2007</b> |
| <b>S\$'000</b>    |
| 372,420           |
| 1,384,513         |
| 1,756,933         |

**Details of any collateral at CitySpring**

The bank borrowings are secured over the assets and business undertakings of City Gas Trust, SingSpring Trust and Basslink Group. The loan granted to SingSpring Trust is secured by a charge over the units in the SingSpring Trust held by CitySpring Infrastructure Management Pte, Ltd. (as Trustee-Manager of CitySpring Infrastructure Trust) ("Trustee-Manager") and Hyflux Ltd and a charge over the shares held by Trustee-Manager in the SingSpring Trust. The bridging loan granted to CityLink Investment Pte Ltd ("CityLink") is secured by a charge over the shares held by Trustee-Manager in CityLink.

**CITYSPRING INFRASTRUCTURE TRUST**  
(Reg. No. 2007001)

**Financial Statement And Distribution Announcement for the quarter ended 30 September 2007**

**1(c) Consolidated Cash Flow Statement for the period ended 30 September 2007**

|   | Notes  |  |
|---|--|--|
|   | Group  | Group  |
|   | Actual<br>01/07/2007 to<br>30/09/2007<br>S\$'000 | Actual<br>05/01/2007 to<br>30/09/2007<br>S\$'000 |
| <b>Cash flows from operating activities</b>                                 |  |  |
| Net profit/(loss)   | 1,875  | (49,224)   |
| Adjustments for:  |  |  |
| Income tax credit   | (17)   | (507)  |
| Depreciation and amortisation   | 8,046  | 15,670   |
| Finance costs   | 10,168   | 14,446   |
| Interest income   | (1,718)  | (1,929)  |
| Excess of fair value of identifiable net assets over purchase consideration | -  | (8,686)  |
| Expenses paid from proceeds raised  | -  | 5,286  |
| Fair value gain on derivative financial instruments                         | (1,041)  | (1,418)  |
| Allowance for inventory obsolescence  | 37   | 96   |
| Amortisation of derivative financial instruments                            | 263  | 699  |
| Property, plant and equipment written off                                   | -  | 174  |
| Gain on disposal of property, plant and equipment                           | (34)   | (34)   |
| Performance and base fee paid in units                                      | -  | 59,966   |
| Operating cash flow before working capital changes                          | 17,579   | 34,539   |
| Changes in operating assets and liabilities                                 |  |  |
| Trade and other receivables   | 277  | 1,671  |
| Inventories   | 405  | (28)   |
| Trade and other payables  | 8,466  | 17,193   |
| Income tax paid   | (10,000)   | (10,000)   |
| <b>Net cash generated from operating activities</b>                         | <b>16,727</b>                                    | <b>43,375</b>                                    |
| <b>Cash flows from investing activities</b>                                 |  |  |
| Interest received   | 679  | 842  |
| Purchase of property, plant and equipment                                   | (68)   | (136)  |
| Proceeds from sale of property, plant and equipment                         | 212  | 212  |
| Acquisition of subsidiaries, net of cash acquired                           | (a) (1,400,872)                                  | (2,059,725)                                      |
| <b>Net cash used in investing activities</b>                                | <b>(1,400,049)</b>                               | <b>(2,058,807)</b>                               |
| <b>Cash flows from financing activities</b>                                 |  |  |
| Increase in restricted cash   | (b) (27,382)                                     | (37,088)   |
| Interest paid   | (3,277)  | (7,011)  |
| Proceeds from notes and units issued by subsidiary to minority interest     | -  | 30,162   |
| Net proceeds raised from issue of units                                     | -  | 385,905  |
| Proceeds from borrowings  | 1,553,965  | 1,835,133  |
| Payment of debt financing expenses  | (8,900)  | (8,900)  |
| Repayment of borrowings   | (76,915)   | (78,148)   |
| Distribution paid to unitholders of the group                               | (7,349)  | (10,859)   |
| Distribution paid to minority interest                                      | (264)  | (357)  |
| <b>Net cash provided by financing activities</b>                            | <b>1,429,878</b>                                 | <b>2,108,837</b>                                 |
| <b>Net increase in cash and cash equivalents</b>                            | <b>46,556</b>                                    | <b>93,405</b>                                    |
| Effect of foreign exchange rate changes on translation                      | (8,217)  | (8,217)  |
| <b>Cash and cash equivalents at beginning of the period</b>                 | <b>46,849</b>                                    | -  |
| <b>Cash and cash equivalents at end of the period</b>                       | <b>(b), (c) 85,188</b>                           | <b>85,188</b>                                    |

**Footnote:**

- (a) During the period ended 31 March 2007, CitySpring acquired the business of production of town gas, and retail of town gas and natural gas; and the business of collection, purification, and distribution of water (including desalination of water) through the acquisition of City Gas Trust and SingSpring Trust for a total purchase consideration of S\$697,927,000. During the quarter ended 30 September 2007, CitySpring acquired Basslink for a total consideration of S\$1,523,736,000. The aggregate effects of the acquisition of subsidiaries and businesses are set out on page 6.

**CITYSPRING INFRASTRUCTURE TRUST**  
**(Reg. No. 2007001)**

**Financial Statement And Distribution Announcement for the quarter ended 30 September 2007**

| <u>Acquisition of City Gas Trust and SingSpring Trust</u>                   | <u>Fair value at City Gas Trust and SingSpring Trust Level</u><br>S\$'000 | <u>Carrying amounts in City Gas Pte Ltd and SingSpring Pte Ltd</u><br>S\$'000 |
|---|---|---|
| <b>ASSETS</b>   |   |   |
| Cash and cash equivalents   | 39,074  | 39,074  |
| Trade and other receivables   | 31,276  | 31,276  |
| Inventories   | 12,486  | 13,248  |
| Derivative financial instruments  | 6,447   | 6,447   |
| Finance lease receivable (current)  | 7,279   | 1,514   |
| Intangibles   | 133,800   | -   |
| Property, plant and equipment   | 90,752  | 108,086   |
| Finance lease receivable (non-current)                                      | 192,131   | 198,333   |
| Other assets  | 217   | 125   |
| <b>Total assets</b>   | <b>513,462</b>  | <b>398,103</b>  |
| <b>LIABILITIES</b>  |   |   |
| Trade and other payables  | 33,444  | 33,444  |
| Current tax liabilities   | 7,829   | 7,829   |
| Derivative financial instruments  | 8,818   | 8,818   |
| Deferred tax liabilities  | 43,759  | 17,471  |
| <b>Total liabilities</b>  | <b>93,850</b>   | <b>67,562</b>   |
| Net identifiable assets acquired  | 419,612   | 330,541   |
| Excess of fair value of identifiable net assets over purchase consideration | (8,686)   |   |
| Goodwill  | 287,001   |   |
| Total cash consideration  | 697,927   |   |
| Less: Cash and cash equivalents in subsidiaries acquired                    | (39,074)  |   |
| Net cash outflow from acquisition of subsidiaries per cashflow              | <b>658,853</b>  |   |
| <br>  |   |   |
| <u>Acquisition of Basslink Group</u>  | <u>Fair value at Basslink Group Level</u><br>S\$'000                      | <u>Carrying Amount at Basslink Group Level</u><br>S\$'000                     |
| <b>ASSETS</b>   |   |   |
| Cash and cash equivalents   | 102,881   | 102,881   |
| Trade and other receivables   | 15,644  | 15,644  |
| Derivative financial instruments  | 137,089   | 137,089   |
| Intangibles   | 69,583  | -   |
| Property, plant and equipment   | 1,271,855   | 975,377   |
| <b>Total assets</b>   | <b>1,597,052</b>  | <b>1,230,991</b>  |
| <b>LIABILITIES</b>  |   |   |
| Trade and other payables  | 56,040  | 56,040  |
| Long term loan  | 17,335  | 17,335  |
| Deferred taxation   | -   | 19,467  |
| <b>Total liabilities</b>  | <b>73,375</b>   | <b>92,842</b>   |
| Net identifiable assets acquired  | 1,523,677   | 1,138,149   |
| Goodwill  | 59  |   |
| Total purchase consideration  | 1,523,736   |   |
| Less: Cash and cash equivalents in subsidiaries acquired                    | (102,881)   |   |
| Less: Cash consideration deferred   | (2,196)   |   |
| Less: Transaction costs payable   | (17,787)  |   |
| Net cash outflow from acquisition of subsidiaries per cashflow              | <b>1,400,872</b>  |   |

**CITYSPRING INFRASTRUCTURE TRUST**  
**(Reg. No. 2007001)**

**Financial Statement And Distribution Announcement for the quarter ended 30 September 2007**

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|  | <b>S\$'000</b>  |
|--|-----------------|
| (b) Cash and short term deposits as at 30 September 2007 | 122,276         |
| Less: Restricted cash                                    | <u>(37,088)</u> |
| Cash and cash equivalents                                | <u>85,188</u>   |

Restricted cash represents the amount of cash and cash equivalents pledged to the bank as security for the bank loans extended to the SingSpring Trust and the Basslink Group.

- (c) Cash and cash equivalents include an amount S\$12.8 million set aside for payment of tax liabilities of City Gas Pte Ltd and SingSpring Pte Ltd.



**CITYSPRING INFRASTRUCTURE TRUST**  
(Reg. No. 2007001)

**Financial Statement And Distribution Announcement for the quarter ended 30 September 2007**

**1(d)(i) Statement of movements in unitholders' funds for the period from 5 January 2007 to 30 September 2007**

|                                     |                | ← Attributable to Unitholders of the Trust → |                 |                     |                  |                |                   |                          |
|-------------------------------------|----------------|--|-----------------|---------------------|------------------|----------------|-------------------|--------------------------|
| Notes                               | Units in Issue | Issue Costs                                  | Hedging Reserve | Translation reserve | Accumulated Loss | Total          | Minority interest | Total Unitholders' funds |
|                                     | S\$'000        | S\$'000                                      | S\$'000         |                     | S\$'000          | S\$'000        | S\$'000           | S\$'000                  |
| <b>Group</b>                        |                |  |                 |                     |                  |                |                   |                          |
| On date of constitution (a)         | *              | -  | -               | -                   | -                | *              | -                 | *                        |
| Units issued (b)                    | 400,500        | -  | -               | -                   | -                | 400,500        | -                 | 400,500                  |
| Unit issue costs                    | -              | (9,309)                                      | -               | -                   | -                | (9,309)        | -                 | (9,309)                  |
| Acquisition of entities             | -              | -  | -               | -                   | -                | -              | 15,162            | 15,162                   |
| Net change in hedging reserve       | -              | -  | 1,008           | -                   | -                | 1,008          | 628               | 1,636                    |
| Net loss for the financial period   | -              | -  | -               | -                   | (56,078)         | (56,078)       | 3,744             | (52,334)                 |
| <b>Balance as at 31/3/07</b>        | <b>400,500</b> | <b>(9,309)</b>                               | <b>1,008</b>    | <b>-</b>            | <b>(56,078)</b>  | <b>336,121</b> | <b>19,534</b>     | <b>355,655</b>           |
| Units issued (c)                    | 59,966         | -  | -               | -                   | -                | 59,966         | -                 | 59,966                   |
| Net change in hedging reserve       | -              | -  | (2,289)         | -                   | -                | (2,289)        | (984)             | (3,273)                  |
| Net profit for the financial period | -              | -  | -               | -                   | 2,114            | 2,114          | (879)             | 1,235                    |
| Distribution paid                   | -              | -  | -               | -                   | (3,510)          | (3,510)        | (93)              | (3,603)                  |
| <b>Balance as at 30/06/2007</b>     | <b>460,466</b> | <b>(9,309)</b>                               | <b>(1,281)</b>  | <b>-</b>            | <b>(57,474)</b>  | <b>392,402</b> | <b>17,578</b>     | <b>409,980</b>           |
| Net change in hedging reserve       | -              | -  | (1,385)         | -                   | -                | (1,385)        | (191)             | (1,576)                  |
| Net profit for the financial period | -              | -  | -               | -                   | 1,676            | 1,676          | 199               | 1,875                    |
| Currency translation reserve        | -              | -  | -               | 8,217               | -                | 8,217          | -                 | 8,217                    |
| Distribution paid                   | -              | -  | -               | -                   | (7,349)          | (7,349)        | (264)             | (7,613)                  |
| <b>Balance as at 30/09/2007</b>     | <b>460,466</b> | <b>(9,309)</b>                               | <b>(2,666)</b>  | <b>8,217</b>        | <b>(63,147)</b>  | <b>393,561</b> | <b>17,322</b>     | <b>410,883</b>           |
| <b>Trust</b>                        |                |  |                 |                     |                  |                |                   |                          |
| On date of constitution (a)         | *              | -  | -               | -                   | -                | *              | -                 | *                        |
| Units issued (b)                    | 400,500        | -  | -               | -                   | -                | 400,500        | -                 | 400,500                  |
| Unit issue costs                    | -              | (9,309)                                      | -               | -                   | -                | (9,309)        | -                 | (9,309)                  |
| Net loss for the financial period   | -              | -  | -               | -                   | (66,845)         | (66,845)       | -                 | (66,845)                 |
| <b>Balance as at 31/3/07</b>        | <b>400,500</b> | <b>(9,309)</b>                               | <b>-</b>        | <b>-</b>            | <b>(66,845)</b>  | <b>324,346</b> | <b>-</b>          | <b>324,346</b>           |
| Units issued (c)                    | 59,966         | -  | -               | -                   | -                | 59,966         | -                 | 59,966                   |
| Net profit for the financial period | -              | -  | -               | -                   | 7,534            | 7,534          | -                 | 7,534                    |
| Distribution paid                   | -              | -  | -               | -                   | (3,510)          | (3,510)        | -                 | (3,510)                  |
| <b>Balance as at 30/06/2007</b>     | <b>460,466</b> | <b>(9,309)</b>                               | <b>-</b>        | <b>-</b>            | <b>(62,821)</b>  | <b>388,336</b> | <b>-</b>          | <b>388,336</b>           |
| Net profit for the financial period | -              | -  | -               | -                   | 8,611            | 8,611          | -                 | 8,611                    |
| Distribution paid                   | -              | -  | -               | -                   | (7,349)          | (7,349)        | -                 | (7,349)                  |
| <b>Balance as at 30/09/2007</b>     | <b>460,466</b> | <b>(9,309)</b>                               | <b>-</b>        | <b>-</b>            | <b>(61,559)</b>  | <b>389,598</b> | <b>-</b>          | <b>389,598</b>           |

\* - <S\$1,000

**Footnotes:**

- (a) Two units were issued on date of constitution but were only paid on Listing Date on 12 February 2007.
- (b) 449,999,998 units were issued on 12 February 2007 upon listing on the SGX-ST.
- (c) 39,965,504 units were issued at S\$1.5005 per unit on 4 April 2007 for payment of the full amount of the performance fee and 50% of the base fee for the period ended 31 March 2007.

**CITYSPRING INFRASTRUCTURE TRUST  
(Reg. No. 2007001)**

**Financial Statement And Distribution Announcement for the quarter ended 30 September 2007**

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**1(d)(ii) Details of any changes in the units**

On date of constitution  
Units issued during the period  
Balance as at 31/3/07  
Units issued during the period  
Balance as at 30/6/07 and 30/9/07

| <b>Actual</b>             |
|---------------------------|
| <b>05/1/07 to 30/9/07</b> |
| <b>Units</b>              |
| 2                         |
| 449,999,998               |
| 450,000,000               |
| 39,965,504                |
| 489,965,504               |

**2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice**

The financial information as set out in paragraphs 1, 5, 6(i), 6(ii) and 7 of this announcement have been extracted from the interim financial report that have been reviewed in accordance with SSRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

The Auditor's review report dated 13 November 2007 on the interim financial report of CitySpring Infrastructure Trust and its subsidiaries for the period ended 30 September 2007 is enclosed in Appendix 1.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

Not applicable.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standards, what has changed, as well as the reasons for, and the effect of, the change**

Not applicable.

**CITYSPRING INFRASTRUCTURE TRUST**  
**(Reg. No. 2007001)**

**Financial Statement And Distribution Announcement for the quarter ended 30 September 2007**

**6. Earnings per unit ('EPU') and distribution per unit ('DPU') for the financial period**

|   | <b>Actual<br/>01/07/2007<br/>to<br/>30/09/2007</b> | <b>Projection<br/>1/07/2007<br/>to<br/>30/09/2007<br/>Note (a)</b> | <b>Actual<br/>05/01/2007<br/>to<br/>30/09/2007</b> | <b>Projection<br/>12/02/2007<br/>to<br/>30/09/2007<br/>Note (a)</b> |
|---|--|--|--|---|
| (i) Weighted average number of units  | 489,965,504  | 450,000,000  | 481,141,951  | 450,000,000   |
| (ii) Earnings/(Loss) per unit for the period based on the weighted average number of units in issue (cents) |  |  |  |   |
| Basic and diluted:  |  |  |  |   |
| - CitySpring Group  | 0.34   | N/A  | (10.73)  | N/A   |
| - Initial Assets  | 0.76   | 0.27   | (10.44)  | (0.12)  |
| (iii) Number of units issued at end of period   | 489,965,504  | 450,000,000  | 489,965,504  | 450,000,000   |
| (iv) Distribution per unit for the period (cents)   | 1.50   | 1.50   | 3.78   | 3.78  |

**Footnote:**

- (a) Except for the unit issue expenses and negative goodwill on acquisition, the projection figures are derived by prorating the projection disclosed in the Prospectus.

**7. Net asset value ("NAV") per unit based on units issued at the end of the period**

|                                | <b>Notes</b> | <b>Group<br/>Actual<br/>30/09/07</b> | <b>Trust<br/>Actual<br/>30/09/07</b> |
|--------------------------------|--------------|--------------------------------------|--------------------------------------|
| Net asset value per unit (S\$) | (a)          | 0.80                                 | 0.80                                 |

**Footnotes:**

- (a) The number of units used for computation of actual NAV per unit is 489,965,504 which is the number of units in issue as at 30 September 2007.

**8. Review of the performance**

Please refer to paragraph 9 for a review of the actual performance against the projection as shown in the Prospectus.

**CITYSPRING INFRASTRUCTURE TRUST**  
(Reg. No. 2007001)

**Financial Statement And Distribution Announcement for the quarter ended 30 September 2007**

**9. Review of actual performance against the prorated projection disclosed in the Prospectus for the period ended 30 September 2007**

**Consolidated Income Statement of Group Companies excluding Basslink Group**

|  | Notes | Group                       |   |                         |                             |   |                         |
|--|-------|-----------------------------|---|-------------------------|-----------------------------|---|-------------------------|
|  |       | Actual                      | Projection                              | Increase/<br>(Decrease) | Actual                      | Projection                              | Increase/<br>(Decrease) |
|  |       | 01/07/2007 to<br>30/09/2007 | 01/07/2007 to<br>30/09/2007<br>Note (a) | %                       | 05/01/2007 to<br>30/09/2007 | 12/02/2007 to<br>30/09/2007<br>Note (a) | %                       |
|  |       | S\$'000                     | S\$'000                                 |                         | S\$'000                     | S\$'000                                 |                         |
| Revenue  | (b)   | 66,593                      | 65,501                                  | 1.7                     | 164,774                     | 164,945                                 | (0.1)                   |
| Other income                                       | (c)   | 2,260                       | 383                                     | N/M                     | 13,449                      | 5,870                                   | 129.1                   |
| <b>Expenses</b>                                    |       |                             |   |                         |                             |   |                         |
| Fuel and electricity costs                         |       | (24,633)                    | (22,114)                                | 11.4                    | (55,599)                    | (55,519)                                | 0.1                     |
| Transportation costs                               |       | (17,295)                    | (17,258)                                | 0.2                     | (43,697)                    | (43,589)                                | 0.2                     |
| Unit issue expenses                                | (d)   | -                           | -                                       | -                       | (4,786)                     | (6,323)                                 | (24.3)                  |
| Depreciation and amortisation                      |       | (4,934)                     | (5,003)                                 | (1.4)                   | (12,558)                    | (12,635)                                | (0.6)                   |
| Staff costs  |       | (3,847)                     | (3,919)                                 | (1.8)                   | (9,820)                     | (9,915)                                 | (1.0)                   |
| Operating and maintenance costs                    |       | (3,117)                     | (3,328)                                 | (6.3)                   | (7,527)                     | (8,538)                                 | (11.8)                  |
| Finance costs                                      |       | (2,744)                     | (3,257)                                 | (15.7)                  | (7,022)                     | (8,228)                                 | (14.7)                  |
| Energy costs                                       |       | (2,003)                     | (3,226)                                 | (37.9)                  | (5,159)                     | (8,147)                                 | (36.7)                  |
| Other operating expenses                           |       | (4,973)                     | (6,217)                                 | (20.0)                  | (13,250)                    | (16,433)                                | (19.4)                  |
| Total expenses                                     |       | (63,546)                    | (64,322)                                | (1.2)                   | (159,418)                   | (169,327)                               | (5.9)                   |
| <b>Profit before management fee and income tax</b> |       | <b>5,307</b>                | <b>1,562</b>                            | <b>239.7</b>            | <b>18,805</b>               | <b>1,488</b>                            | <b>1,163.8</b>          |
| Management fee                                     | (e)   | (1,389)                     | (875)                                   | 58.7                    | (66,476)                    | (2,210)                                 | 2,908.0                 |
| <b>Profit/(loss) before income tax</b>             |       | <b>3,918</b>                | <b>687</b>                              | <b>470.1</b>            | <b>(47,671)</b>             | <b>(722)</b>                            | <b>6,507.2</b>          |
| Income tax expense                                 |       | 17                          | -                                       | N/M                     | 507                         | -                                       | N/M                     |
| <b>Net profit/(loss) after tax</b>                 |       | <b>3,935</b>                | <b>687</b>                              | <b>472.6</b>            | <b>(47,164)</b>             | <b>(722)</b>                            | <b>6,436.9</b>          |
| <b>Attributable to:</b>                            |       |                             |   |                         |                             |   |                         |
| Unitholders of the Trust                           |       | 3,736                       | 1,228                                   | 204.2                   | (50,228)                    | (551)                                   | 9,019.9                 |
| Minority interest                                  |       | 199                         | (541)                                   | (136.8)                 | 3,064                       | (171)                                   | N/M                     |
|  |       | <b>3,935</b>                | <b>687</b>                              | <b>473</b>              | <b>(47,164)</b>             | <b>(722)</b>                            | <b>6,437.0</b>          |

**Footnotes:**

N/M - Not Meaningful

- (a) Except for the unit issue expenses and negative goodwill on acquisition, the projection figures are derived by prorating the projection disclosed in the Prospectus.
- (b) Revenue consists primarily of sales of town gas and natural gas, as well as finance lease income, service income and maintenance income from PUB.
- (c) Other income comprise negative goodwill on acquisition, fair value gain/(loss) on derivative financial instruments, gain on settlement of commodity swaps and other income.
- (d) Unit issue expenses consist of professional and other fees and miscellaneous expenses incurred in relation to the initial public offering.
- (e) Management fee consists of both base fee and performance fee paid to the Trustee-Manager.

**CITYSPRING INFRASTRUCTURE TRUST**  
**(Reg. No. 2007001)**

**Financial Statement And Distribution Announcement for the quarter ended 30 September 2007**

For the quarter ended 30 September 2007, the Group's net profit after tax at S\$3.9 million is S\$3.2 million higher than the projection.

City Gas Trust recorded higher revenue for the quarter ended 30 September 2007 as compared to projections. However high cost of natural gas due to higher fuel oil prices has resulted in lower net profit after tax despite better cost management.

SingSpring Trust continues to operate at average dispatch volume of 24% of its plant capacity.

The other income of S\$2.3 million for the quarter comprises mainly other cash income of S\$1.4 million and realised gain of S\$0.6 million on derivative financial instrument.

Cash earnings<sup>2</sup> for the quarter ended 30 September 2007 is higher than projection.

For the period from 5 January 2007 to 30 September 2007, The Groups profit before management fee and income tax was S\$18.8 million compared to projected profit of S\$1.5 million.

Other income of S\$13.5 million was S\$7.6 million higher than projection. This is due mainly to higher negative goodwill on acquisition of S\$3.8 million, other cash income of S\$1.6 million, realised gain on derivative financial instrument of S\$1.3 million and non-cash fair value gain on derivative financial instruments of S\$1.1 million.

**Basslink Group of Companies - Results for the month of September 2007**

|  | <b>Actual</b>                       |
|--|-------------------------------------|
|  | <b>01/09/2007 to<br/>30/09/2007</b> |
|  | <b>S\$'000</b>                      |
| <b>Revenue</b>                           | <b>8,783</b>                        |
| <b>Other income</b>                      | <b>2,566</b>                        |
| <b>Expenses</b>                          |                                     |
| Fuel and electricity costs               | (30)                                |
| Depreciation and amortisation            | (3,112)                             |
| Staff costs                              | (200)                               |
| Network operations and maintenance costs | (204)                               |
| Finance costs                            | (7,424)                             |
| Other operating expenses                 | (2,437)                             |
| Total expenses                           | (13,407)                            |
| <b>Loss before income tax</b>            | <b>(2,058)</b>                      |
| Income tax expense                       | -                                   |
| <b>Net loss after tax</b>                | <b>(2,058)</b>                      |

Basslink achieved 99.72% availability and a +25% CRSM<sup>3</sup> payment of S\$1.7 million for the month of September 2007. Year-to-date availability as at 30 September 2007 was 99.6%. Revenue for September 2007 was S\$8.8 million.

Finance costs amounted to S\$7.4 million of which S\$1.0 million relates to the non-cash capital indexation of the capital index bonds issued for the acquisition of Basslink.

Net loss after tax was S\$2.0 million.

Cash earnings<sup>2</sup> recorded for September 2007 was S\$3.2 million.

<sup>2</sup> Cash earnings is defined as the aggregate of profit/(loss) before income tax adjusted for non-cash income and expenses and lease receivable repayment, after deduction of capital expenditure and before principal repayment of debt incurred for the period of review.

<sup>3</sup> Commercial Risk Sharing Mechanism relates to the sharing of market risk payment under the Basslink Service Agreement with Hydro Tasmania.

**CITYSPRING INFRASTRUCTURE TRUST**  
**(Reg. No. 2007001)**

**Financial Statement And Distribution Announcement for the quarter ended 30 September 2007**

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**10. Commentary on the significant trends of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

**Forward looking prospects**

The Trustee Manager had on 31 August 2007 announced the completion of the acquisition of 100% of Basslink.

Basslink is a high-quality asset and is expected to provide long term, regular predictable revenues. The Trustee Manager had on 20 September 2007 announced that it expects the acquisition to raise the distribution per unit to 7 cents on an annualised basis for the period from the completion of equity fund raising until 31 March 2009<sup>4</sup>

Both City Gas Trust and SingSpring Trust are expected to continue to maintain their market leading position in the retail of town gas and the supply of desalinated water respectively. Both Trusts are facing a rising fuel cost operating environment. City Gas Trust continues to engage the Energy Market Authority of Singapore in discussions on tariff adjustments to cover the increase in fuel costs. City Gas Trustee has announced on 1 August and on 1 November 2007 increases in its tariff of 4.8% and 2.4% respectively. SingSpring Trust had entered into a series of fuel hedges to reduce the volatility of its energy cost exposures.

The Trustee Manager will continue to seek quality projects such as Basslink which meet its investment mandate of being yield accretive and to provide Unitholders with long-term, regular and predictable distributions as well as the potential for long-term capital growth.

**11. Distributions**  
**(a) Current financial period**

|   |   |   |
|---|---|---|
| Any distributions declared for the current financial period | : | Yes   |
| Amount  | : | S\$7,839,448  |
| Distribution period   | : | From 1/07/2007 to 30/09/2007  |
| Distribution type   | : | Cash, Tax-Exempt Income   |
| Distribution rate   | : | 1.60 Singapore cents per unit   |
| Par value   | : | Not applicable  |
| Tax rate  | : | Distributions received by either Singapore tax resident Unitholders or non-Singapore tax resident Unitholders are exempt from Singapore income tax and also not subject to Singapore withholding tax. The Unitholders are not entitled to tax credits of any taxes paid by the Trustee-Manager of CitySpring. |

As announced previously, we have completed the acquisition of Basslink on 31 August 2007 and intend to issue new units pursuant to an equity fund raising ("EFR") to repay certain debt raised to finance the acquisition. However, we will not be including any cashflows from Basslink in our distribution to the Unitholders for the quarter ended 30 September 2007 as the acquisition has not been ratified by Unitholders in general meeting and new units pursuant to the EFR have not been issued.

Subject to Unitholders ratifying the Acquisition and the completion of the EFR, we will be including the Basslink cashflow in our distributions to Unitholders.

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<sup>4</sup> Based on a range of assumptions, including exchange rate, to be outlined in more detail in a circular to Unitholders to convene the extraordinary general meeting to seek Unitholder's approval to ratify the acquisition and the related equity fund raising.

**CITYSPRING INFRASTRUCTURE TRUST  
(Reg. No. 2007001)**

**Financial Statement And Distribution Announcement for the quarter ended 30 September 2007**

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**(b) Corresponding Period of the Immediately Preceding Financial Period**

Any distributions declared for the  
previous corresponding period : Not applicable

**(c) Date Payable** : 14 December 2007

**(d) Books closure date** : The Transfer Books and Register of CitySpring Infrastructure Trust will be closed from 5.00 p.m. on 28 November 2007 for the purposes of determining each unitholder's entitlement to the Distribution. Unitholders whose Securities Accounts with The Central Depository (Pte) Limited ("CDP") are credited with units at 5.00 p.m. on 28 November 2007 will be entitled to the Distribution to be paid on 14 December 2007.

**12. If no distribution has been declared/recommended, a statement to that effect**

Not applicable.

**CITYSPRING INFRASTRUCTURE TRUST  
(Reg. No. 2007001)**

**Financial Statement And Distribution Announcement for the quarter ended 30 September 2007**

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**13. Confirmation by the Board**

The Board of CitySpring Infrastructure Management Pte. Ltd. (as Trustee-manager of CitySpring Infrastructure Trust) has confirmed that, to the best of their knowledge, nothing has come to their attention which may render the unaudited interim financial results of the Group for the period ended 30 September 2007 to be false or misleading in any material aspect.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

**Morgan Stanley Dean Witter Asia (Singapore) Pte, Morgan Stanley & Co. International Limited and DBS Bank Ltd. were the joint advisers, joint bookrunners, joint lead managers and underwriters for the initial public offering of CitySpring Infrastructure Trust.**

BY ORDER OF THE BOARD  
CITYSPRING INFRASTRUCTURE MANAGEMENT PTE. LTD.  
(COMPANY REGISTRATION NO. 200614377M)  
AS TRUSTEE-MANAGER OF CITYSPRING INFRASTRUCTURE TRUST

Susanna Cher  
Company Secretary  
Singapore  
13 November 2007



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
CITYSPRING INFRASTRUCTURE TRUST AND ITS SUBSIDIARIES  
REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

*Introduction*

We have reviewed the accompanying condensed balance sheets of CitySpring Infrastructure Trust ("the Trust") and its subsidiaries (the "Group") as of 30 September 2007 and the related consolidated condensed statements of income of the Group, changes in unitholders' funds of the Trust and of the Group and cash flows of the Group for the period from 1 July 2007 to 30 September 2007, and a summary of significant accounting policies and other explanatory notes. The Trustee-Manager is responsible for the preparation and presentation of this condensed interim financial information in accordance with Singapore Financial Reporting Standard 34, Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

*Scope of review*

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with Singapore Financial Reporting Standards 34, Interim Financial Reporting.



PricewaterhouseCoopers  
Certified Public Accountants  
Singapore  
13 November 2007