KIT | KEPPEL INFRASTRUCTURE TRUST

BUILDING PLATFORMS FOR GROWTH

Annual Report 2020

BUILDING PLATFORMS FOR GROWTH

Our portfolio of strategic businesses and assets in Distribution & Network, Energy and Waste & Water provides essential products and services to communities, as well as sustainable and growing returns to Unitholders.

VISION

To be the preferred business trust, serving as the trusted partner to our stakeholders.

MISSION

We create value for our investors by growing a well-diversified portfolio of infrastructure businesses and assets that generate long-term, regular and sustainable distributions.

KEY FIGURES FOR 2020

ROBUST GROUP EBITDA PERFORMANCE

$376.0m[1]

Group EBITDA was 17.4% higher year-on-year driven by strong operational performance and growth across KIT's highly defensive portfolio of businesses and assets.

RESILIENT FREE CASH FLOW TO EQUITY (FCFE)[2]

$225.7m

FCFE was 19.6% higher year-on-year, supporting sustainable distributions to Unitholders and a payout ratio of 82%, which will allow KIT to reinvest capital into growth initiatives to deliver long-term returns.

STABLE DISTRIBUTION PER UNIT (DPU)

3.72 cts

Stable DPU supported by KIT's portfolio of essential businesses and assets that continued to operate throughout the COVID-19 pandemic in 2020. This translated to a yield of 6.8%[3].

LOW GEARING

32.1%

Healthy debt headroom to continue pursuing strategic acquisition opportunities that will diversify and grow KIT's portfolio.

WASTE RECYCLED

6,867 tonnes

Amount of scrap metal collected and recycled at KIT's waste-to-energy plants, reducing waste disposed in landfills and generating green power.

ENERGY FROM RENEWABLE SOURCES

4.5%

Proactive use of green energy as part of total energy consumption.

SUPPORTING CAREER DEVELOPMENT

15.6 training hrs

We continually develop and nurture our employees to support their career progression and personal development.

BENEFITING OUR COMMUNITIES

790 community hrs

Together with Keppel Capital, we are committed to uplift local communities.

1 Excludes one-off acquisition related cost incurred for Ixom's acquisition of Medora ($0.8 million), Ixom's divestment of its Latin America and China Life Science businesses ($16.8 million) and Basslink's arbitration provision ($76.2 million). Group EBITDA was $282.2 million without the adjustments.
2 FCFE is equivalent to distributable cash flow. FCFE is net of trust expenses, distribution paid/payable to perpetual securities holders, Trustee-Manager fees and financing costs.
3 Based on the Unit closing price of $0.545 as at 31 December 2020.

FINANCIAL HIGHLIGHTS

FINANCIAL SUMMARY
for the financial year ended 31 December

	2020 $'000	2019 $'000	Change %
Group earnings before interest, tax, depreciation and amortisation (EBITDA)[1]	**375,993**	320,202	17.4
Funds from operations[2]	**242,595**	204,616	18.6
Free cash flow to equity[3]	**225,674**	188,704	19.6
Total distribution declared	**185,641**	176,049	5.4
Distribution per Unit (cents) declared	**3.72**	3.72	–
Distribution yield[4] (%)	**6.8**	6.9	(1.4)

BALANCE SHEET
for the financial year ended 31 December

	2020 $'000	2019 $'000	Change %
Total assets	**4,929,535**	5,003,275	(1.5)
Total liabilities	**3,435,593**	3,289,106	4.5
Unitholders' funds	**1,141,582**	1,324,406	(13.8)
Market capitalisation[4]	**2,719,789**	2,696,971	0.8
Number of Units in issue ('000)	**4,990,438**	4,994,391	(0.1)
Net asset value per Unit (cents)	**22.9**	26.5	(13.6)
Adjusted net asset value per Unit[5] (cents)	**28.8**	32.2	(10.6)

1 2020 Group EBITDA excludes one-off acquisition related cost incurred for Ixom's acquisition of Medora ($0.8 million), Ixom's divestment of its Latin America and China Life Science businesses ($16.8 million) and Basslink's arbitration provision ($76.2 million). Group EBITDA was $282.2 million without the adjustments.
2 Funds from operations is defined as profit after tax adjusted for reduction in concession/lease receivables, transaction costs, non-cash interest and current cash tax, maintenance capex, non-cash adjustments and non-controlling interests adjustments.
3 Free cash flow to equity (FCFE) is equivalent to distributable cash flow. FCFE is net of trust expenses, distribution paid/payable to perpetual securities holders, Trustee-Manager fees and financing costs.
4 Based on Unit closing price of $0.545 and $0.540 on the last trading days of 2020 and 2019 respectively.
5 Based on net asset value before hedging and translation reserves.

CORPORATE PROFILE AND STRATEGIC DIRECTION

Keppel Infrastructure Trust (KIT) is a diversified business trust listed on the Singapore Exchange with approximately $5 billion in assets under management. Its goal is to deliver sustainable and growing returns to Unitholders, through a combination of recurring distributions and capital growth over the long term.

KIT's well-diversified portfolio of defensive and resilient businesses and assets provides essential products and services to a wide array of customers including government agencies, multinational corporations, commercial and industrial enterprises, as well as retail consumers. Its businesses and assets are categorised into three segments: Distribution & Network, Energy and Waste & Water.

Businesses and assets in the Distribution & Network segment provide essential products and services in the areas of town gas production, telecoms and electricity transmission, manufacturing and distribution of critical and essential chemicals, as well as storage of petroleum products. These businesses and assets are well-positioned to deliver resilient cash flows with potential for growth supported by favourable market dynamics and long-term demand.

The Energy and Waste & Water segments comprise assets that are integral to the provision of power, waste treatment and water purification. The contract terms for these assets are backed by recurring fixed capacity or availability payments, providing KIT with stable cash flows.

The Trustee-Manager for KIT is Keppel Infrastructure Fund Management Pte. Ltd., a wholly-owned subsidiary of Keppel Capital Holdings Pte. Ltd., a premier asset manager with a diversified portfolio in real estate, infrastructure, data centres and alternative assets in key global markets. KIT is sponsored by Keppel Infrastructure Holdings Pte. Ltd., which invests in, owns and operates competitive energy and environmental infrastructure solutions and services.

KEPPEL INFRASTRUCTURE TRUST AIMS TO DELIVER SUSTAINABLE RETURNS TO ITS UNITHOLDERS, THROUGH A COMBINATION OF RECURRING DISTRIBUTIONS AND CAPITAL GROWTH OVER THE LONG TERM.

The Trustee-Manager will harness the synergies of its three-pronged growth strategy to achieve its goal of long-term value creation.

VALUE CREATION

- Generate and grow cash flows from KIT's well-diversified portfolio of strategic businesses and assets
- Drive organic growth from existing going concern businesses that are supported by long-term favourable demand trends
- Drive strong operational performance and efficiencies, as well as fulfill all contractual requirements

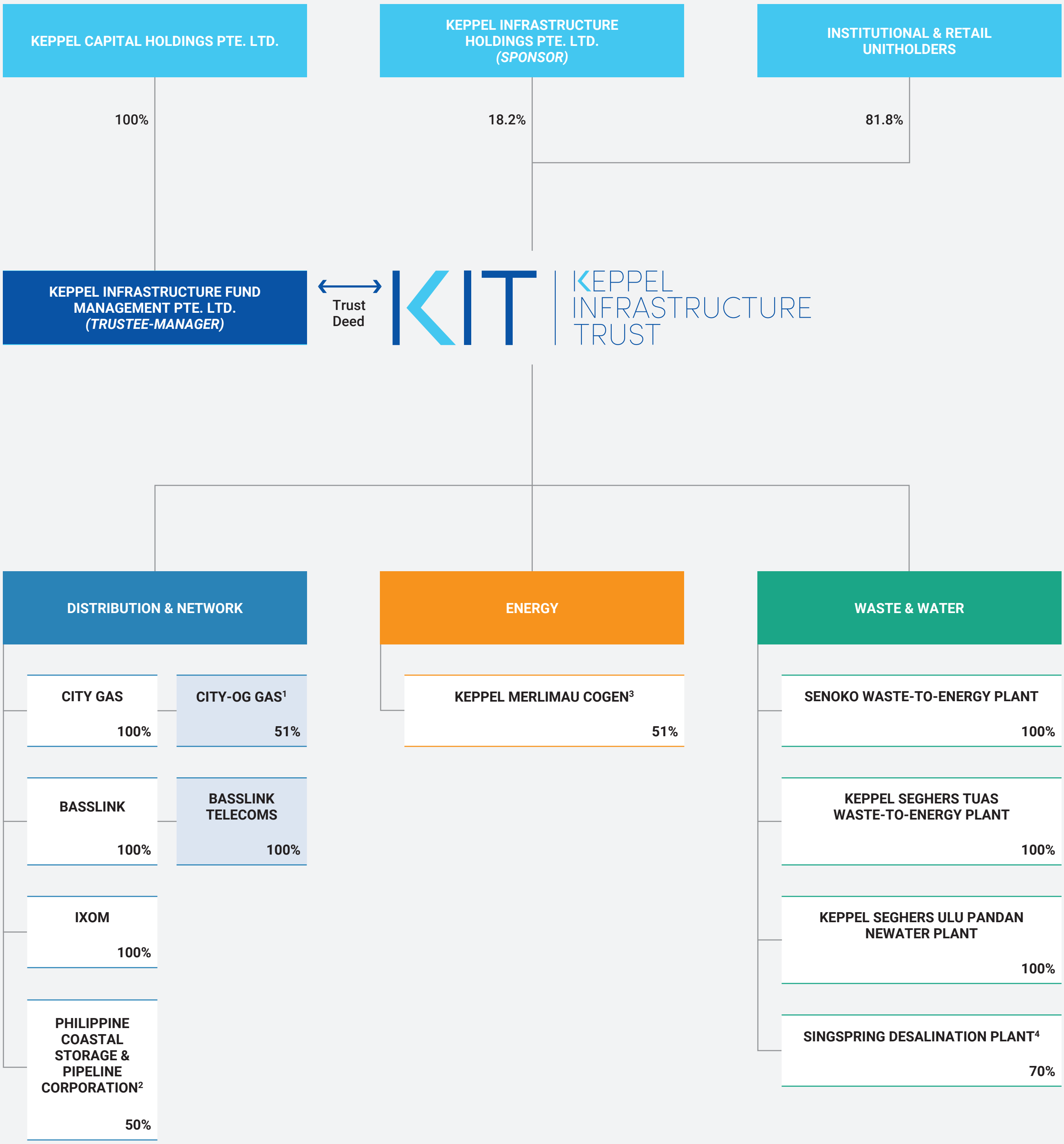
OPERATIONAL EXCELLENCE

- Achieve operational excellence and asset optimisation to extract further value
- Maintain an optimal capital structure to support growth initiatives and maximise returns for Unitholders
- Implement sustainable practices, where feasible, to support a sustainable future for KIT and its stakeholders

FOCUSED ACQUISITION

- Seek leading businesses and assets with the following investment characteristics:
  - Generate defensive cash flows and revenues that are inflation-linked and/or GDP-linked with potential for growth
  - Possess high barriers to entry
  - Are key providers of essential products and services
- Potential bolt-on acquisitions at City Gas, Ixom and Philippine Coastal
- Undertake co-investment and incubation opportunities with Keppel Capital, the Sponsor and/or like-minded investment partners
- Partner with experienced operators on greenfield investments with limited construction exposure

TRUST STRUCTURE



1 Osaka Gas Singapore Pte. Ltd. holds the remaining 49% equity interest in City-OG Gas Energy Services Pte. Ltd.
2 On 8 December 2020, KIT announced the proposed acquisition of 80% of the entire share capital of Philippine Tank Storage International (Holdings) Inc., which owns Philippine Coastal Storage & Pipeline Corporation (Philippine Coastal). Metro Pacific Investments Corporation (MPIC) will own the remaining 20%. The acquisition was completed on 29 January 2021. Immediately following the completion of the acquisition, KIT and MPIC entered into a share sale agreement to sell 30% of KIT's interest in Philippine Coastal to MPIC, resulting in each of KIT and MPIC indirectly holding an approximately equal percentage of interest in Philippine Coastal, with KIT indirectly holding one voting share more than MPIC.
3 Keppel Energy Pte. Ltd. holds the remaining 49% equity interest in Keppel Merlimau Cogen.
4 Hyflux Ltd. holds the remaining 30% equity interest in SingSpring Desalination Plant.

OUR PRESENCE

KEPPEL INFRASTRUCTURE TRUST HAS A GROWING PORTFOLIO OF STRATEGIC BUSINESSES AND ASSETS IN HIGHLY DEFENSIVE INDUSTRIES.

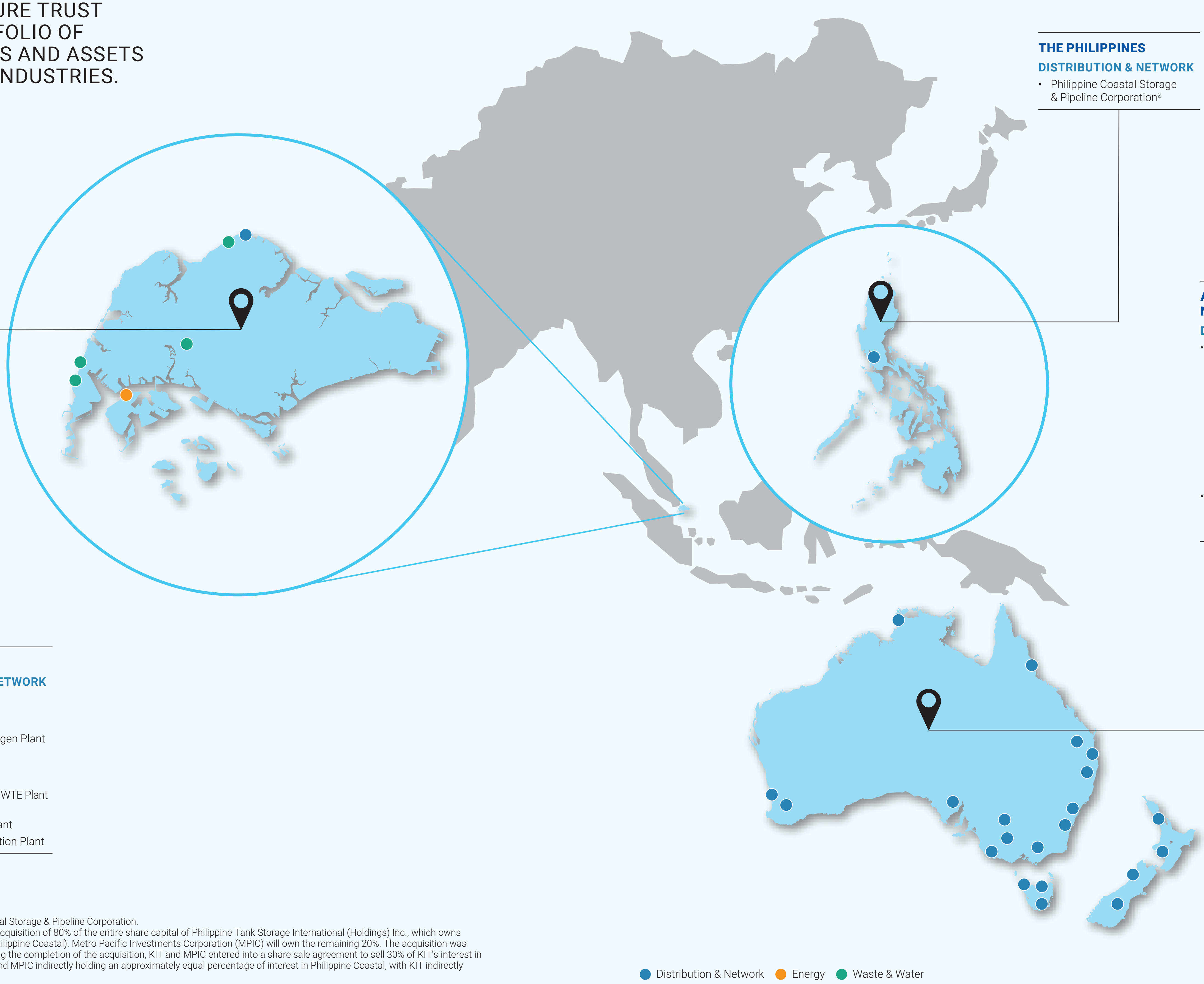
APPROXIMATELY

$5.1b[1,2]

Assets under management as at 29 January 2021

9

Businesses and assets



THE PHILIPPINES

DISTRIBUTION & NETWORK

- Philippine Coastal Storage & Pipeline Corporation[2]

AUSTRALIA & NEW ZEALAND

DISTRIBUTION & NETWORK

- Ixom
  - New South Wales
  - New Territories
  - Queensland
  - South Australia
  - Victoria
  - Western Australia
  - North Island
  - South Island
- Basslink
  - Tasmania
  - Victoria

SINGAPORE

DISTRIBUTION & NETWORK

- City Gas

ENERGY

- Keppel Merlimau Cogen Plant

WASTE & WATER

- Senoko WTE Plant
- Keppel Seghers Tuas WTE Plant
- Keppel Seghers Ulu Pandan NEWater Plant
- SingSpring Desalination Plant

1 Assets under management includes Philippine Coastal Storage & Pipeline Corporation.
2 On 8 December 2020, KIT announced the proposed acquisition of 80% of the entire share capital of Philippine Tank Storage International (Holdings) Inc., which owns Philippine Coastal Storage & Pipeline Corporation (Philippine Coastal). Metro Pacific Investments Corporation (MPIC) will own the remaining 20%. The acquisition was completed on 29 January 2021. Immediately following the completion of the acquisition, KIT and MPIC entered into a share sale agreement to sell 30% of KIT's interest in Philippine Coastal to MPIC, resulting in each of KIT and MPIC indirectly holding an approximately equal percentage of interest in Philippine Coastal, with KIT indirectly holding one voting share more than MPIC.

BUILDING PLATFORMS FOR GROWTH

The strategic additions of Ixom and Philippine Coastal over the past two years have strengthened and diversified KIT's portfolio, creating new growth pillars that will drive long-term value creation.

DEAR UNITHOLDERS,

On behalf of the Board and management of the Trustee-Manager, Keppel Infrastructure Fund Management Pte. Ltd. (KIFM), I am pleased to present Keppel Infrastructure Trust's (KIT) Annual Report for the financial year ended 31 December 2020 (FY 2020).

2020 YEAR IN REVIEW

2020 was an unprecedented year as economies and societies globally grappled with the COVID-19 pandemic. Countries and corporations, big and small, had to react and adapt to the volatility as the crisis unfolded throughout the year.

The first half of 2020 was characterised by various levels of lockdowns that were implemented around the world to stem the spread of COVID-19. Our top priority at the onset of the pandemic was to ensure the safety and well-being of our people, as well as maintain continued operations across KIT's businesses and assets. We swiftly implemented business continuity plans across our operations and established stringent measures, working closely with government authorities, business partners, customers and suppliers to safeguard our operations and supply chains.

All our businesses and assets are classified as essential services, and we continued to operate throughout various levels of lockdowns during the year with no operational disruptions, validating the resilient nature of our portfolio.

The dedication, tenacity and commitment of all our operations teams were exemplary, as they stepped up efforts to ensure continued supply and availability of power, clean water, town gas, waste incineration and essential chemicals to support the populations and economies in Singapore and overseas, including Australia and New Zealand.

Our collective efforts resulted in a strong financial performance for KIT in FY 2020. KIT achieved Group EBITDA of $376.0 million[1] and free cash flow to equity (FCFE)[2] of $225.7 million[3] in FY 2020, a year-on-year (YoY) growth of 17.4% and 19.6% respectively.

DANIEL EE Chairman

NOTWITHSTANDING THE DISRUPTIONS BROUGHT ABOUT BY THE PANDEMIC, ALL OF KIT'S BUSINESSES AND ASSETS CONTINUED TO ACHIEVE OPERATIONAL EXCELLENCE AND DELIVERED GROWTH.

Distribution per Unit (DPU) for FY 2020 was 3.72 cents, translating to a distribution yield of 6.8%[4] and total Unitholder return of 7.8%[5].

Steady improvement in our FCFE has translated to a more sustainable DPU payout ratio for KIT, which will allow us to reinvest capital for strategic growth initiatives and acquisitions that will support long-term growth and total returns for our Unitholders.

In December 2020, we announced the proposed acquisition of Philippine Tank Storage International (Holdings) Inc., which owns Philippine Coastal Storage & Pipeline Corporation (Philippine Coastal)[6], the largest petroleum products storage facility in the Philippines. The acquisition was completed on 29 January 2021, increasing KIT's exposure to evergreen businesses with long-term growth potential.

1 Excludes one-off acquisition related cost incurred for Ixom's acquisition of Medora ($0.8 million), Ixom's divestment of its Latin America and China Life Science businesses ($16.8 million) and Basslink's arbitration provision ($76.2 million). Group EBITDA was $282.2 million without the adjustments.
2 Free cash flow to equity (FCFE) is equivalent to distributable cash flow. FCFE is net of trust expenses, distribution paid/payable to perpetual securities holders, Trustee-Manager fees and financing costs.
3 Excludes Basslink as KIT does not depend on Basslink's cash flows for distribution.
4 Based on the Unit closing price of $0.545 as at 31 December 2020.
5 Total Unitholder return takes into consideration the share price performance from 31 December 2019 to 31 December 2020 and DPU declared for FY 2020.
6 On 8 December 2020, KIT announced the proposed acquisition of 80% of the entire share capital of Philippine Tank Storage International (Holdings) Inc., which owns Philippine Coastal. Metro Pacific Investments Corporation (MPIC) will own the remaining 20%. The acquisition was completed on 29 January 2021. Immediately following the completion of the acquisition, KIT and MPIC entered into a share sale agreement to sell 30% of KIT's interest in Philippine Coastal to MPIC, resulting in each of KIT and MPIC indirectly holding an approximately equal percentage of interest in Philippine Coastal, with KIT indirectly holding one voting share more than MPIC.

At KIT, maintaining robust health & safety standards is a key tenet of our success and a core competency that supports the long-term sustainability of the Trust.

Located in the Subic Bay Freeport Zone, Philippine Coastal benefits directly from the strong demand for imported petroleum products underpinned by the positive macroeconomic outlook and growth fundamentals in the Philippines. As a provider of essential services to creditworthy customers, the business is inherently defensive, given its strategic location and leading market position. We are confident that the strategic addition of Philippine Coastal will strengthen the Trust's ability to provide long-term sustainable distributions to our Unitholders and support KIT's growth prospects.

STRONG PORTFOLIO PERFORMANCE

Notwithstanding the disruptions brought about by the pandemic, all of KIT's businesses and assets continued to achieve operational excellence and delivered growth.

In the Distribution & Network segment, Ixom delivered a strong performance in 2020 despite the challenging operating environment and lower caustic soda prices during the year. Ixom achieved YoY growth of 81% in operational cash flows in 2020. The performance is testament to Ixom's well-diversified business model and customer base, and the essential nature of its business in supplying vital chemicals to industries across Australia, New Zealand and globally.

Going forward, we aim to harness the core strengths of Ixom's defensive and resilient business in the areas of manufactured chemicals, supply chain management and water treatment solutions, as well as leverage its large customer base and deep knowledge of local markets to pursue growth opportunities.

City Gas achieved 100% availability and expanded its customer base to 866,000. Town gas demand from Commercial & Industrial customers was lower during the year due mainly to the Circuit Breaker in Singapore and various government measures to control the pandemic, but this was offset by higher usage from residential customers, resulting in a stable performance for the year.

The strategic addition of Philippine Coastal will diversify, grow and strengthen the resilience of KIT's distributions to Unitholders. Philippine Coastal is an essential service provider and accounts for approximately 36% of total import terminal capacity in the country.

In Australia, Basslink achieved 99.2% availability and generated positive operational cash flows that were used for operational requirements and to service its debt and interest payments. The Commercial Risk Sharing Mechanism (CRSM) was neutral. With the conclusion of the arbitration proceedings in December 2020, we are currently working towards a long-term refinancing plan that will match the long operational lifespan of the Basslink interconnector. Meanwhile, Basslink continues to operate efficiently and reliably.

In the Energy and Waste & Water segments, Keppel Merlimau Cogen (KMC), Senoko Waste-to-Energy (WTE), Keppel Seghers Tuas WTE, Keppel Seghers Ulu Pandan NEWater and SingSpring Desalination plants continued to operate throughout the pandemic, playing a critical and essential role in ensuring the economic and social sustainability of Singapore. KMC achieved 98% contracted availability in 2020, while all our waste and water assets delivered stable performances and met all their availability targets.

BUILDING A SUSTAINABLE FUTURE

At KIT, maintaining robust health and safety standards is a key tenet of our success and a core competency that supports the long-term sustainability of the Trust. There were no fatal incidents in 2020. Our Accident Frequency and Severity Rates, as well as Total Reportable Incident Rate were also lower than our set targets.

During the year, various operations teams across our businesses and assets were recognised for their health and safety innovations and initiatives by various government bodies in Singapore and New Zealand.

In June 2020, KMC secured a seven-year $700 million sustainability-linked loan. The loan is linked to the carbon emissions intensity targets for KMC. These targets include benchmarking of KMC's carbon emissions intensity against national indices, as well as demonstrating continuous improvement in KMC's carbon emissions intensity, which will drive best-in-class performance at KMC.

We are also pleased to include as part of this Annual Report, KIT's 2020 Sustainability Report, which is prepared in accordance with the standards of the Global Reporting Initiative. The report highlights our Environmental, Social and Governance (ESG) initiatives, programmes and policies throughout the year.

The $700 million sustainability-linked loan for Keppel Merlimau Cogen is linked to its carbon emission intensity targets, including benchmarking against national indices and demonstrating continuous improvement in KMC's carbon emissions intensity.

Starting from 2020, we have expanded our reporting of carbon emissions to include business travel activities under Scope 3 emissions. We have also aligned our approach with the Sustainable Development Goals as a supporting framework to guide our sustainability strategy. At the same time, we adhered to the Business for Societal Impact (B4SI) Framework (formerly known as LBG) and obtained assurance for our community outreach efforts.

The Board of Directors has reviewed and approved the material ESG issues for KIT and considers them an essential part of the Trust's strategy and operations. The Board continues to oversee the management and monitoring of these ESG issues.

ACKNOWLEDGEMENTS

The Board and management would like to express our heartfelt appreciation to Mr Koh Ban Heng, who retired as Chairman on 1 February 2021. KIT, under the stewardship of Ban Heng, saw significant transformation, expanding its portfolio of strategic infrastructure businesses and assets to deliver sustainable and growing returns to Unitholders.

We are pleased to welcome Ms Susan Chong who has recently joined us as an independent non-executive Director. Susan brings a wealth of entrepreneurial and leadership experience, which will broaden and strengthen the Board's competencies.

We would also like to thank our Unitholders, customers, business partners and government agencies for your generous support during the year. To all our staff and subcontractors, as well as my fellow Directors, my sincere appreciation and gratitude for your dedication, steadfast contributions and hard work despite the demanding circumstances.

Though 2020 was a challenging year, it tested and clearly demonstrated the highly defensive and resilient qualities of KIT and the essential nature of our businesses and assets. The strategic additions of Ixom and Philippine Coastal over the past two years have strengthened and diversified KIT's portfolio, creating new growth pillars that will drive long-term value creation for the Trust and our Unitholders.

As we look ahead, we are highly encouraged by the prospects of KIT. We have stayed strong and resilient and are well positioned to execute on growth opportunities that will support our strategic goal of delivering long-term total returns for our Unitholders.

Yours sincerely,

DANIEL EE
Chairman
5 March 2021

BOARD OF DIRECTORS

DANIEL CUTHBERT EE HOCK HUAT

AGE 68

Non-Executive Chairman and Independent Director

C A N

Date of first appointment as a director:
18 May 2015

Length of service as a director (as at 31 December 2020):
5 years 7 months

Board Committee(s) served on:
Conflicts Resolution Committee (Chairman);
Audit and Risk Committee (Member);
Nominating and Remuneration Committee (Member)

Academic & Professional Qualification(s):
Bachelor of Science (Systems Engineering) (First Class Honours), University of Bath, UK;
Master of Science (Industrial Engineering), National University of Singapore

Present Directorships (as at 1 January 2021):
Listed entities
Keppel Infrastructure Fund Management Pte. Ltd. (the Trustee-Manager of Keppel Infrastructure Trust);
Olive Tree Estates Limited;
Ascendas Funds Management (S) Limited (the Manager of Ascendas REIT)

Other principal directorships
Singapore Mediation Centre

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):
Singapore Institute of Directors

Others:
Nil

THIO SHEN YI

AGE 54

Independent Director

N C S

Date of first appointment as a director:
11 February 2010

Length of service as a director (as at 31 December 2020):
10 years 11 months

Board Committee(s) served on:
Nominating and Remuneration Committee (Chairman);
Conflicts Resolution Committee (Member);
Board Safety Committee (Member)

Academic & Professional Qualification(s):
Master of Arts, University of Cambridge; Barrister at Law (Middle Temple), England; Senior Counsel;
Master of the Bench of The Honourable Society of The Middle Temple, England;
Fellow of the Singapore Institute of Arbitrators;
Fellow of the Singapore Academy of Law

Present Directorships (as at 1 January 2021):
Listed entities
Keppel Infrastructure Fund Management Pte. Ltd. (the Trustee-Manager of Keppel Infrastructure Trust)

Other principal directorships
TSMP Law Corporation (Joint Managing Partner);
OUE Realty Pte Ltd;
St John's Cambridge (Singapore);
Law Society Pro Bono Services Limited

Major Appointments (other than directorships):
Immediate Past President, Law Society of Singapore; Chair, International Relations Committee, Law Society of Singapore;
Panel of Arbitrators of the Singapore International Arbitration Centre;
Chairman, Corporate Social Responsibility Sub-Committee, Singapore Academy of Law;
Member, Professional Conduct Council

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):
The Community Justice Centre;
CWG International Limited

Others:
Nil

MARK ANDREW YEO KAH CHONG

AGE 58

Independent Director

A N

Date of first appointment as a director:
1 August 2015

Length of service as a director (as at 31 December 2020):
5 years 5 months

Board Committee(s) served on:
Audit and Risk Committee (Chairman);
Nominating and Remuneration Committee (Member)

Academic & Professional Qualification(s):
Master of Arts, Oxford University;
Master of Laws, National University of Singapore;
Advanced Management Programme, INSEAD

Present Directorships (as at 1 January 2021):
Listed entities
Keppel Infrastructure Fund Management Pte. Ltd. (the Trustee-Manager of Keppel Infrastructure Trust)

Other principal directorships
Changi Airports International Pte Ltd (Chairman)

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):
Nil

Others:
Nil

Board Committees

A Audit and Risk Committee N Nominating and Remuneration Committee C Conflicts Resolution Committee S Board Safety Committee

KUNNASAGARAN CHINNIAH

AGE 63

Independent Director

S A

Date of first appointment as a director:
1 August 2015

Length of service as a director (as at 31 December 2020):
5 years 5 months

Board Committee(s) served on:
Board Safety Committee (Chairman);
Audit and Risk Committee (Member)

Academic & Professional Qualification(s):
Bachelor of Engineering (Electrical), National University of Singapore;
Master of Business Administration, University of California (Berkeley);
Chartered Financial Analyst®

Present Directorships (as at 1 January 2021):
Listed entities
Keppel Infrastructure Fund Management Pte. Ltd. (the Trustee-Manager of Keppel Infrastructure Trust);
Ascendas Funds Management (S) Limited (the Manager of Ascendas REIT);
Edelweiss Financial Services Limited (listed in India);
Nirlon Limited (listed in India)

Other principal directorships
Changi Airports International Pte Ltd;
Edelweiss Tokio Life Insurance Company Limited;
Hindu Endowments Board;
Greenko Energy Holdings;
Azalea Asset Management Pte Ltd;
Azalea Investment Management Pte Ltd.

Major Appointments (other than directorships):
Consultant, Pavilion Capital International Pte Ltd;
Advisor, Archipelago Capital Partners Pte Ltd;
Investment Committee Member, Keppel Asia Infra Fund (GP) Pte. Ltd.

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):
Edelweiss Agri Value Chain Limited;
Edelweiss Commodities Services Limited;
Edelweiss Finvest Private Ltd

Others:
Nil

SUSAN CHONG SUK SHIEN

AGE 51

Independent Director

S

Date of first appointment as a director:
5 March 2021

Length of service as a director (as at 31 December 2020):
Newly appointed on 5 March 2021

Board Committee(s) served on:
Board Safety Committee (Member)

Academic & Professional Qualification(s):
Harvard Business School Owner/President Management Programme;
Executive Master of Business Administration, National University of Singapore

Present Directorships (as at 1 January 2021):
Listed entities
Nil

Other principal directorships
Singapore Gardens By The Bay;
Singapore Institute of Management (SIM) Group Limited;
Singapore Business Federation Foundation;
Greenpac (S) Pte Ltd;
Greenphyto Pte Ltd;

Major Appointments (other than directorships):
Chief Executive Officer, Greenpac (S) Pte Ltd;
Chief Executive Officer, Greenphyto Pte Ltd;
Board Member, Board Finance Committee Member and Re-Imagining Hawker Centres Board Working Committee Member, Ministry of the Environment & Water Resources, National Environment Agency;
Board Member (Lifelong Learning Endowment Fund Advisory Council) and Audit & Risk Committee Member, Ministry of Education, SkillsFuture Singapore Agency;
Council Member, A*STAR, Science and Engineering Advisory Council

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):
Nil

Others:
Nil

CHRISTINA TAN HUA MUI

AGE 55

Non-Executive Director

N

Date of first appointment as a director:
15 September 2016

Length of service as a director (as at 31 December 2020):
4 years 4 months

Board Committee(s) served on:
Nominating and Remuneration Committee (Member)

Academic & Professional Qualification(s):
Bachelor of Accountancy (Honours), National University of Singapore;
CFA® Charterholder

Present Directorships (as at 1 January 2021):
Listed entities
Keppel Infrastructure Fund Management Pte. Ltd. (the Trustee-Manager of Keppel Infrastructure Trust);
Keppel DC REIT Management Pte. Ltd. (the manager of Keppel DC REIT);
Keppel REIT Management Limited (the manager of Keppel REIT)

Other principal directorships
Keppel Capital Holdings Pte. Ltd.;
Alpha Investment Partners Limited;
Keppel Capital Alternative Asset Pte. Ltd.

Major Appointments (other than directorships):
Chief Executive Officer, Keppel Capital Holdings Pte. Ltd.

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):
Various subsidiaries and associated companies of Alpha Investment Partners Limited and funds managed by Alpha Investment Partners Limited

Others:
Nil

THE TRUSTEE-MANAGER

MATTHEW POLLARD AGE 53

Chief Executive Officer

Mr Matthew Pollard was appointed Chief Executive Officer (CEO) of the Trustee-Manager with effect from 1 July 2018.

As CEO of the Trustee-Manager, he is responsible for working with the Board to determine the strategy for Keppel Infrastructure Trust (KIT). He works with other members of the Trustee-Manager's management team to execute the stated strategy of the Trustee-Manager.

Mr Pollard joined Keppel Capital Pte Ltd (Keppel Capital) as Managing Director, Infrastructure, in November 2017.

Prior to joining Keppel Capital, Mr Pollard spent more than 28 years of his career in investment banking, direct investment and entrepreneurship, 25 of which have been in Asia. He has been involved in the energy, power, renewable and infrastructure sectors his entire career.

Mr Pollard was founder and managing director of Capital Partners Group, Singapore, from 2014 to 2017. He was head of infrastructure (Asia) at Arcapita Bank, from 2008 to 2013. In addition, he was the chairman of China-based Honiton Energy Group from 2009 to 2015. Prior to joining Arcapita Bank, Mr Pollard held senior positions in the energy and utilities teams of Citigroup, Dresdner Kleinwort, Enron Corp and Power Pacific Co.

Mr Pollard holds a Master in Business Administration from the University of Chicago and a Bachelor's Degree from Columbia University in New York.

ERIC NG AGE 45

Head, Finance

Mr Eric Ng was appointed Head of Finance of the Trustee-Manager with effect from 16 October 2018.

As Head of Finance, Mr Ng is responsible for the Trustee-Manager's and KIT's financial and reporting functions, including accounting, taxation, treasury and compliance.

Mr Ng has more than 20 years of experience in large infrastructure companies, handling roles in group reporting, corporate finance, financial control, corporate tax and treasury.

Prior to joining the Trustee-Manager, Mr Ng held various finance roles within the Singapore Power Group, with his last held role as head of the Group's treasury settlements division. Mr Ng started his career at KPMG Singapore as an auditor.

Mr Ng holds a Master in Business Administration from Alliance Manchester Business School, United Kingdom, and a Bachelor of Accountancy degree from Nanyang Technological University, Singapore. He is also a CFA® Charterholder with the Singapore Charter of CFA Institute and a Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants.

APURV CHOUDHARY AGE 44

Head, Investments

Mr Apurv Choudhary was appointed Head of Investments of the Trustee-Manager with effect from 1 March 2019.

As Head of Investments, Mr Choudhary is responsible for implementing the growth strategy for KIT through identifying, originating and executing investments, as well as working with the Asset Management team in the management of investments.

Prior to joining the Trustee-Manager, Mr Choudhary held senior investment banking and principal investment roles spanning a career of over 18 years entirely in the infrastructure sector in the Asia Pacific region. During this time, he originated and led a number of large acquisitions, fund raisings, recapitalisations and divestments.

Mr Choudhary started his career with J.P. Morgan in 2000 in the infrastructure investment banking team based in Hong Kong. Subsequently, from 2008 to 2019, he headed the power and infrastructure investment banking business for Nomura and Bank of America Merrill Lynch in Asia, and also held senior positions with Capital Partners Group and Eastspring Investments.

He holds a Post Graduate Diploma in Management from the Indian Institute of Management Bangalore and a Bachelor's (Honours) degree in Physics from Delhi University.

MARC LIU AGE 52

Head, Asset Management

Mr Marc Liu has been with the Trustee-Manager since May 2015.

As Head of Asset Management at the Trustee-Manager, Mr Liu develops and implements asset management plans to ensure safety, compliance, risk management and emergency response. He is responsible for operational performance and implements asset management plans for KIT's portfolio. Mr Liu also leads in the execution of asset enhancement and upgrading projects. Mr Liu manages a team of asset-related operational and technical functions, as well as the financial support function.

Prior to KIT's merger with CitySpring in 2015, Mr Liu was with City Gas as Senior Manager, Business Development in 2005, before moving to CitySpring to become Vice President, Investment in 2007 when it was listed. He has also served as General Manager of SingSpring Pte Ltd, the Trustee-Manager of SingSpring Trust since 2014.

His experience with critical infrastructure assets is instrumental in the Trustee-Manager, where he proactively manages and monitors capital structure and asset performance to create value, as well as anticipates issues and areas for growth within KIT's portfolio. He monitors the implementation of business plans and other initiatives, including those relating to operations, reporting and environmental, social, governance and safety matters, as well as leading corrective measures as required. This helps ensure KIT's assets maintain excellent operational performance, while remaining competitive and compliant.

Mr Liu received his Masters in Finance from San Diego State University, where he graduated with honours as Beta Gamma Sigma and earned his Bachelor of Economics degree from Shanghai University. He is a CFA® Charterholder.

BRYAN SIM AGE 35

Deputy Manager, Investor Relations

Mr Bryan Sim has been leading KIT's investor relations activities since October 2018 and is responsible for driving the Trust's strategic financial communications and engagement initiatives with the global investment community.

With over 12 years of investor relations experience, Mr Sim works closely with the management team to develop key financial communication plans and corporate materials to facilitate clear and timely dissemination of information.

Prior to his current role, Mr Sim spent 11 years at Venture Corporation, a global provider of technology products and solutions. There, he drove group-wide communications and investor relations programmes, educating the media and investment communities on the fast-moving technology and manufacturing sector, as well as seeing through key milestones such as the company's inaugural Sustainability Report.

Mr Sim holds a Bachelor's Degree in Mass Communications from RMIT University.

DISTRIBUTION & NETWORK

City Gas, Ixom, Philippine Coastal Storage & Pipeline Corporation, Basslink

Refer to pages 18 to 22

ENERGY

Keppel Merlimau Cogen Plant

Refer to page 23

WASTE & WATER

Senoko WTE Plant, Keppel Seghers Tuas WTE Plant, Keppel Seghers Ulu Pandan NEWater Plant, SingSpring Desalination Plant

Refer to pages 24 to 26

OPERATIONS REVIEW

Keppel Infrastructure Trust is committed to achieving operational excellence as it seeks to deliver stable and sustainable returns to Unitholders.

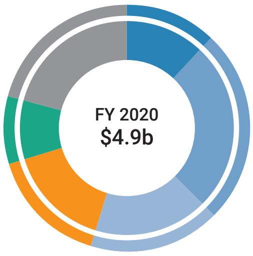
PORTFOLIO OVERVIEW

As the Trustee-Manager for Keppel Infrastructure Trust (KIT), Keppel Infrastructure Fund Management is committed to ensuring operational excellence in the day-to-day management of the Trust's portfolio of businesses and assets. The Trustee-Manager actively engages and works closely with the respective management teams to drive value creation and sustainable growth, as well as with the operations & maintenance personnel and contractors for technical, operational and engineering support.

In doing so, KIT is able to:

- provide long-term sustainable distributions and growth through proactive and strategic asset management;
- improve operational efficiencies and ensure quality control;
- leverage technology to improve operational performance;
- uphold high standards in health, safety and environmental matters; and
- strengthen risk management practices through robust business continuity plans and regulatory compliance.

On 29 January 2021, KIT completed the acquisition of Philippine Coastal Storage & Pipeline Corporation (Philippine Coastal)[1], the largest petroleum import storage facility in the Philippines. The strategic addition of Philippine Coastal improves the diversity of KIT's portfolio and increases its exposure to highly defensive, essential evergreen businesses that will strengthen the Trust's long-term growth profile.



TOTAL ASSETS (%)
as at 31 December 2020

Distribution & Network (54.8%)	
City Gas	12.2
Ixom	25.3
Basslink	17.3
Energy (15.7%)	
KMC	15.7
Waste & Water (8.8%)	
Concessions	8.8
Others (20.7%)	
Trust assets and non-controlling interests	20.7
Total	**100.0**

KEPPEL INFRASTRUCTURE TRUST'S PORTFOLIO COMPRISES:

Asset	KIT's Interest	Business	Customer	Contract Terms
DISTRIBUTION & NETWORK				
City Gas	100%/City Gas Trust owns 51% interest in City-OG Gas	Sole producer and retailer of town gas in Singapore	Over 866,000 residential, commercial and industrial customers	–
Ixom	100%	Supplier and distributor of key water treatment, industrial and specialty chemicals in Australia and New Zealand	Over 8,000 customers comprising municipalities and blue-chip companies	–
Philippine Coastal[1]	50%	The largest petroleum products storage facility in the Philippines, located in the tax-friendly Subic Bay Freeport Zone	Blue-chip customers	USD-denominated "take-or-pay" contracts with no direct exposure to petroleum price and volume risk
Basslink	100%/Basslink owns 100% interest in Basslink Telecoms	Owner and operator of the Basslink Interconnector between the States of Victoria and Tasmania	Hydro Tasmania (Owned by the Tasmania state government)	2031, with option for 15-year extension
ENERGY				
KMC	51%/Keppel Energy Pte. Ltd. owns 49% interest in KMC	1,300 MW combined cycle gas turbine power plant capacity tolling agreement	Keppel Electric	2030, with option for 10-year extension (underlying land lease till 2035, with option for 30-year extension)
WASTE & WATER				
Senoko WTE Plant	100%	2,310 tonnes/day waste incineration concession	NEA, Singapore's National Environment Agency	2024
Keppel Seghers Tuas WTE Plant	100%	800 tonnes/day waste incineration concession	NEA, Singapore's National Environment Agency	2034
Keppel Seghers Ulu Pandan NEWater Plant	100%	148,000m^3/day[2] NEWater concession	PUB, Singapore's National Water Agency	2027
SingSpring	70%/Hyflux Ltd owns 30% interest in SingSpring	136,380m^3/day seawater desalination concession	PUB, Singapore's National Water Agency	2025 (underlying land lease till 2033)

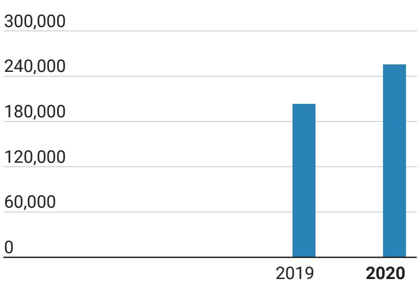
1 On 8 December 2020, KIT announced the proposed acquisition of 80% of the entire share capital of Philippine Tank Storage International (Holdings) Inc., which owns Philippine Coastal. Metro Pacific Investments Corporation (MPIC) will own the remaining 20%. The acquisition was completed on 29 January 2021. Immediately following the completion of the acquisition, KIT and MPIC entered into a share sale agreement to sell 30% of KIT's interest in Philippine Coastal to MPIC, resulting in each of KIT and MPIC indirectly holding an approximately equal percentage of interest in Philippine Coastal, with KIT indirectly holding one voting share more than MPIC.

2 Keppel Seghers Ulu Pandan NEWater Plant has an overall capacity of 162,800m^3/day, of which 14,800m^3/day is undertaken by Keppel Seghers Engineering Singapore.

DISTRIBUTION & NETWORK

- CITY GAS
- IXOM
- PHILIPPINE COASTAL
- BASSLINK

EBITDA ($'000)



	2019	2020
Distribution & Network	203,278	**255,200**[1]

[1] Excludes one-off acquisition related cost incurred for Ixom's acquisition of Medora ($0.8 million), Ixom's divestment of its Latin America and China Life Science businesses ($16.8 million) and Basslink's arbitration provision ($76.2 million).

CITY GAS

OVERVIEW

City Gas is the sole producer and retailer of town gas, and the sole user of the low-pressure piped town gas supply network in Singapore. Its production facility, Senoko Gasworks, is Singapore's only town gas production facility. City Gas also retails natural gas to commercial and industrial (C&I) customers in Singapore, through City-OG Gas Energy Services Pte. Ltd. (City-OG Gas), a joint venture between City Gas (51%) and Osaka Gas (49%). The City-OG Gas joint venture allows City Gas to combine Osaka Gas' technology and expertise in cogeneration systems and industrial furnaces with City Gas' own customer knowledge and network, to grow and expand the natural gas retail business in Singapore.

Through its facilities, City Gas provides safe, reliable and clean energy solutions including a variety of energy-efficient gas applications to its broad customer base in the residential and C&I.

Residential customers for town gas make up the majority of City Gas' customers. To encourage the adoption of low carbon emission gas appliances, City Gas markets co-branded products such as water heaters, clothes dryers, gas hobs and other home appliances to its residential customers.

OPERATING REVIEW

In 2020, City Gas achieved 100% gas production availability at its Senoko Gasworks facility, supplying a constant and reliable energy source for homes and businesses. To support a low carbon future, City Gas is collaborating with leading companies in the energy field with the support of National Research Foundation Singapore, to develop ways to utilise hydrogen and Liquefied Natural Gas (LNG) as a green energy source. In October 2020, City Gas signed a Memorandum of Understanding (MOU) with Keppel Data Centres Holding Pte Ltd (Keppel DC) and City-OG Gas to explore using hydrogen and LNG to power Keppel DC's Floating Data Centre Park in Singapore. Under the MOU, the three parties will jointly explore and evaluate LNG procurement strategies and the energy transition to hydrogen in the longer term.

Demand for town gas remained resilient during the year, despite the challenges brought about by the COVID-19 pandemic. City Gas' customer base grew 0.8% year-on-year to 866,000 as at end-December 2020.

In the public housing sector, City Gas installed gas supply infrastructure to approximately 7,000 newly constructed Housing Development Board flats across 52 Build-To-Order projects. In the private housing sector, City Gas installed gas supply infrastructure to approximately 3,800 private residential homes across 10 condominium developments, with close to 70% also installing gas water heaters.

As an essential services provider, the City Gas Gallery at Plaza Singapura continued to operate throughout the year. Though overall footfall and offline retail sales were affected by the Circuit Breaker and various government measures to contain the COVID-19 pandemic, this was partially offset by healthy e-commerce sales at City Gas' online store.

To drive sales and build brand awareness, sales campaigns were held at the City Gas Gallery and its online store. An integrated media campaign was also launched in December 2020 across print, online and radio platforms, to educate the public on the benefits of town gas and gas appliances as a lower-carbon alternative.

During the Circuit Breaker period, telecommuting was the default arrangement for many Singaporeans, and the public was encouraged to stay at home as much as possible. There were also dine-in restrictions at food and beverage (F&B) outlets. These led to an increase in gas consumption from the residential sector as more households cooked and dined at home, which offset the lower demand from C&I customers.

COVID-19 restrictions and measures implemented during the year impacted various businesses and industries in the C&I sector. Volume was affected by the significant drop in visitor arrivals, movement control measures and dine-in restrictions at F&B outlets. Sales volume saw a gradual improvement when Singapore entered Phase 2 of its pandemic control efforts in June 2020, followed by Phase 3 in end-December 2020. This was supported by the pick up in business activities, in particular from the electronics and food processing industries, as well as from the partial relaxation of dine-in restrictions at F&B establishments.

The gradual recovery of demand from the C&I sector is expected to continue in 2021, as COVID-19 vaccines are progressively rolled out. However, it is envisaged that certain customers, especially those in the tourism and hospitality industries will continue to face challenges.

To battle the COVID-19 pandemic, City Gas adhered strictly to regulatory guidelines and measures, including safe distancing measures and compulsory daily temperature taking. City Gas also introduced telecommuting and adopted split team arrangements at the workplace. All staff were given masks and disinfecting agents were installed at multiple points and common spaces. City Gas has adapted to the new normal by formulating and implementing effective workplace policies and strategies to ensure a safe and resilient workforce.

Looking ahead, City Gas will continue to leverage its core competencies and large customer base to pursue growth opportunities through the introduction of new applications and implementation of strategic initiatives. City Gas remains committed to uphold a strong safety culture in order to create a safe work environment for all its employees and contractors.

In 2020, there was one reportable workplace safety incident. More information is available in our Sustainability Report on page 56.

IXOM

OVERVIEW

Ixom HoldCo Pty Ltd (Ixom) is a leading industrial infrastructure business headquartered in Australia with operations spanning nine countries including New Zealand and the Pacific, Southeast Asia and the United States (US). Ixom delivers specialised source water, as well as water and wastewater treatment solutions critical for clean water supply. Ixom is also a supplier of essential chemical products, solutions and food ingredients.

Demand for town gas remained resilient in 2020, despite the challenges brought about by the COVID-19 pandemic.

OPERATING REVIEW
DISTRIBUTION & NETWORK

In Australia, Ixom is the sole manufacturer and provider of liquefied chlorine, as well as the leading provider of manufactured caustic soda. The group also operates one of the largest bulk and packaged chemical distribution businesses in Australia and New Zealand. The chemicals manufactured and distributed by Ixom are fundamental components used in a range of industries including the water treatment, dairy, agriculture, mining, energy and construction sectors.

Ixom's leading position in its core markets is supported by its strong value propositions and competitive advantages that consist of its privileged asset positions, scale of its business, expertise in the management of dangerous goods in highly regulated markets, as well as its competencies in shipping, storage and transportation of bulk liquids and gases.

Ixom is supported by approximately 1,000 employees and its business is underpinned by the extensive scale and strategic locale of its assets, facilities and distribution network, which are in close proximity to key ports and customers. The locations of its assets and facilities allow Ixom to benefit from lower transportation costs, while ensuring reliability and timely delivery of its products and services to its customers in a safe manner.

OPERATING REVIEW

In 2020, Ixom undertook strategic acquisitions, divestments, consolidation and restructuring to embed a more efficient and effective operational model.

Ixom managed the challenges posed by the COVID-19 pandemic by promptly responding to and managing customer and supply chain issues. In doing so, Ixom was able to successfully manage its customers' requirements by leveraging its extensive global supply chain and in-house logistics capabilities. Ixom also ensured the safety of its people, supporting flexible and safe working environments.

To support the sodium hypochlorite market in New Zealand, a new plant was commissioned at Mount Maunganui. The ability to ensure security of supply was a key driver behind the investment decision, which will add to Ixom's strategic manufacturing capabilities in New Zealand.

A new manufacturing site was also added, which allows Ixom's Life Science business to manufacture flavours in-house, thereby enhancing Ixom's value proposition to its customers. The addition of this in-house manufacturing site also provides greater resilience and offers Ixom more control over its Life Science supply chain across its global markets.

The team at Ixom effectively managed procurement and supply chains to meet the high demand for ethanol and glycerin, key ingredients in the production of hand sanitisers, which led to an increase in sales and new customers in 2020.

To manage the effects of the pandemic, Ixom introduced safe management practices at its workplaces, including mandatory temperature screening, usage of masks at all times, frequent disinfection of touch points and remote work arrangements wherever possible. These measures proved to be effective in ensuring business continuity in a safe and protected manner.

Despite the effects of the pandemic and the resultant lockdowns, there were no disruptions to production at the Laverton and Botany Chloralkali plants during the year. Ixom saw strong market demand for its key products–chlorine, caustic soda and sodium hypochlorite–which are used for hospital-grade cleaning, in disinfectant products, food and health sectors, as well as to purify drinking water.

Ixom's customer-centric offerings, mature supply chains and high-quality products allowed it to secure significant customers in both the chloralkali and traded products businesses, which benefitted the water and industrials sectors in the markets where Ixom operates. Ixom's Water Treatment business also partnered Yancoal to build and operate a fit-for-purpose water treatment plant to support Yancoal's Moolarben Coal Mine in central New South Wales.

The Life Sciences business continued to deliver market leading solutions in health and personal care, as well as F&B to a wide range of customers. The COVID-19 pandemic drove increased demand for ethanol and glycerin, which are key ingredients in the production of hand sanitisers. The team at Ixom effectively managed the procurement and supply chain for these highly sought after commodities and sold formulated hand sanitisers to meet the high demand for such products. This led to increased sales and new customers in 2020.

As part of its portfolio optimisation strategy, Ixom divested its China Life Sciences and Latin America businesses, as well as exited the plastics market with the closure of its Marplex manufacturing site. These initiatives will drive overall improvement in performance and sharpen the strategic focus on Ixom's core business where it has the intrinsic skills and expertise to create long-term value.

In the US, Ixom successfully completed its integration of Medora Environmental (Medora), a market leader in source water management, with its existing Watercare business. The addition of Medora broadens the portfolio of products for its US water business, providing Ixom the opportunity to grow its customer base and expand geographically with an enlarged product line.

Philippine Coastal's strategic location in the Subic Bay Freeport Zone makes it well placed to capture regional demand.

As an Australian Trusted Trader, Ixom's operations and businesses are ISO 9001:2015 certified. Ixom is committed to be a trusted supplier for its customers through excellence in quality and food safety. Its FSSC 22000 certification is recognised by the Global Food Safety Initiative and is based on existing ISO standards. Safety and Quality Management Systems are regularly audited by the relevant statutory authorities to ensure that permits and licenses are maintained and compliant with regulatory requirements.

Ixom's strong safety culture is underpinned by robust Health, Safety, Environment, Quality and Critical Risk Management Systems. In recognition of its robust safety efforts and culture, Ixom was awarded the prestigious 'Best Work Related Safety Initiative' at the 2020 New Zealand Workplace Health and Safety Awards. This is a testament to Ixom's commitment towards safety and operational excellence.

Through the COVID-19 pandemic, Ixom has proven that it is a highly resilient business with robust operational strength and execution capabilities.

In 2020, there were three reportable workplace safety incidents. More information is available in our Sustainability Report on page 56.

PHILIPPINE COASTAL

OVERVIEW

Philippine Coastal is the largest petroleum products import storage facility in the Philippines. Sited on a combined land size of approximately 150 hectares, the business has a current storage capacity of approximately six million barrels.

Strategically located in the Subic Bay Freeport Zone, Philippine Coastal is well placed to capture demand from Metro Manila, as well as Central and North Luzon, which account for more than half of oil product demand in the Philippines.

The Subic Bay Freeport Zone is a tax-friendly zone that is easily accessible by major oil refiners located in North and Southeast Asia via specialised vessels. The surrounding area has deep draft levels that are conducive to facilitate berthing of specialised vessels. The Subic Bay Freeport Zone is also naturally sheltered from typhoons, providing Philippine Coastal's clients with year-round access.

On 8 December 2020, KIT announced the proposed acquisition of 80% of the entire share capital of Philippine Tank Storage International (Holdings) Inc., which owns Philippine Coastal. Metro Pacific Investments Corporation (MPIC) will own the remaining 20%. The acquisition was completed on 29 January 2021. Immediately following the completion of the acquisition, KIT and MPIC entered into a share sale agreement to sell 30% of KIT's interest in Philippines Coastal to MPIC, resulting in each of KIT and MPIC indirectly holding an approximately equal percentage of interest in Philippine Coastal, with KIT indirectly holding one voting share more than MPIC.

OPERATING REVIEW
DISTRIBUTION & NETWORK

BASSLINK
OVERVIEW
Basslink owns and operates a 370-km high-voltage, direct-current (HVDC) monopole electricity interconnector between the electricity grids of the States of Victoria and Tasmania in Australia. The Basslink Interconnector was constructed to allow Tasmania to participate in the National Electricity Market (NEM) of Australia, as well as to import electricity from Victoria in times of high-power demand in Tasmania. Basslink generates inflation-linked long-term cash flows from a 25-year Basslink Services Agreement (BSA) with Hydro Tasmania (HT), an entity owned by the State of Tasmania (the State). The BSA commenced in 2006.

Basslink has a normal design life of 40 years, with a useful life of 65 years subject to appropriate maintenance and replacement of key components.

As part of the original construction of the Basslink Interconnector, a 12-core fibre optic telecommunications cable was incorporated into the electricity interconnector. Basslink Telecoms began operations offering broadband capacity between Hobart, Tasmania, and Melbourne, Victoria, in July 2009. Basslink Telecoms provides broadband capacity to telecoms carriers and service providers between Hobart and Melbourne.

As the only electricity interconnector between Tasmania and mainland Australia, Basslink facilitates the trade of electricity between Tasmania and Victoria.

Basslink's principal source of revenue is a facility fee paid monthly by HT in return for Basslink providing HT an exclusive access to capacity and interregional revenues. The facility fee is based on the interconnector's availability and is payable in full if the cumulative availability, based on a calendar year, is equal to or greater than 97%. If the cumulative availability is less than 97%, the facility fee is reduced, with greater deductions as the shortfalls increase and deviate from 97%.

At the same time, the BSA includes a Commercial Risk Sharing Mechanism (CRSM) to share the market risk associated with participating in the NEM of Australia between HT and Basslink. The CRSM payments are based on the differences between the high and low spreads of the Victoria electricity pool prices. The CRSM cap and floor is +12.5% (when payment is made from HT to Basslink) and -12.5% (when payment is made from Basslink to HT) of the unadjusted facility fee.

OPERATING REVIEW
In 2020, the Basslink Interconnector and Basslink Telecoms achieved an availability of 99.2% and 100% respectively. CRSM, which is influenced by electricity prices, was overall neutral for 2020 due to positive CRSM at the start of the year, offset by negative CRSM in the later months.

Over the last 14 years, Basslink has averaged a cumulative lifetime availability of 94.7%. When compared to other HVDC interconnectors, Basslink has exceeded the industry average of 93.5%.

Basslink is firmly committed to maintain the highest standards of operational performance to ensure a safe and injury-free workplace for its employees, as well as to protect the safety of the public and the environment. Basslink had no reportable incident rate with respect to health, safety and environmental issues during the year. Basslink has an operational environmental management plan to ensure that its operations are carried out with minimal impact on the environment. It is a requirement for all employees and contractors to be trained in accordance with the plan.

In December 2020, Basslink received the arbitration award to the disputes relating to the December 2015 interconnector outage. The arbitrator found in favour of the State and HT. The arbitrator awarded damages of A$38.5 million against Basslink. The arbitrator further decided that a force majeure event had not occurred and declared that Basslink's claim for unpaid fees of A$31 million against HT relating to the period of the outage was not recoverable. The disputes relating to the Asset Management Plan and the Marine Disaster Recovery Plan have been separately settled.

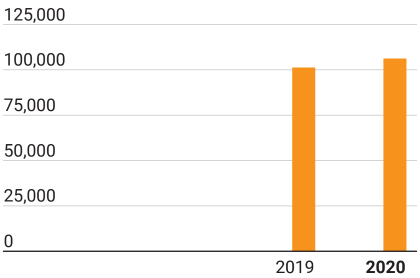
Since March 2020, Basslink Pty Ltd (BPL) has been following Government guidelines and requirements for managing its COVID-19 response. BPL has put in measures to minimise interaction between staff including where possible, working from home and limiting the number of working personnel at its sites and office. As part of these measures, specific COVID-19 management plans for each worksite have been enacted including mandatory health declarations by contractors and temperature testing of anyone accessing these sites. BPL staff were able to work from home, where possible, without any major impact to operations. To support the health and welfare of staff, a daily "virtual coffee break" was introduced company wide, as well as other team specific virtual gatherings. The COVID-19 pandemic had no impact on BPL's facility fees, which remained stable. In 2020, there were also no reportable workplace safety incidents.

OPERATING REVIEW

ENERGY

• KEPPEL MERLIMAU COGEN PLANT

EBITDA ($'000)



	2019	2020
KMC	101,078	**106,102**

KEPPEL MERLIMAU COGEN PLANT

OVERVIEW

Located on Jurong Island, the Keppel Merlimau Cogen Plant (KMC) is a 1,300 MW combined cycle gas turbine generation facility. Connected to Singapore's electricity transmission network, the plant is well-positioned to support the surrounding industries in their electricity, steam supply and demineralised water requirements.

KMC was the first independent power project to enter the Singapore electricity market when the New Energy Market of Singapore was implemented in January 2003. The plant was constructed in two phases. Phase I has a generation capacity of 500 MW and commenced commercial operation in April 2007. The plant completed an expansion of another two power trains of 400 MW each in March and July 2013 respectively.

KMC entered into a 15-year Capacity Tolling Agreement (CTA) with Keppel Electric after KIT completed its acquisition of a 51% stake in KMC on 30 June 2015, with an option to extend the agreement for a further 10 years. Under the terms of the CTA, KMC receives capacity payment from Keppel Electric for making available the full capacity of the plant. The capacity payment is paid monthly regardless of actual power production of the plant and does not vary with electricity demand. KMC has no tariff exposure to the Singapore wholesale electricity market and has no exposure to fluctuations in fuel oil prices.

The CTA ensures long-term and predictable cash flows for KMC, while allowing most of KMC's operating costs to be passed through.

OPERATING REVIEW

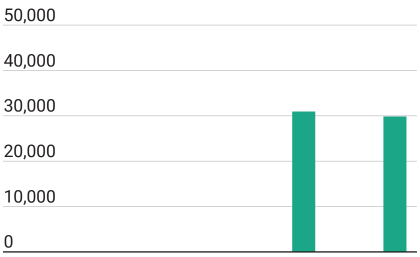
In 2020, the plant achieved a contractual availability of 98.0%, which excluded planned maintenance and outage allowance. This contractual availability was higher compared to 2019. There were no environmental, health and workplace safety reportable incidents in 2020.

In June 2020, KMC secured a $700 million sustainability-linked loan, one of the largest sustainability-linked loans in Singapore and the energy sector. This loan is linked to the carbon emissions intensity performance of KMC, which involves benchmarking KMC's carbon emissions intensity against national indices, as well as demonstrating continuous improvement in the plant's carbon emissions intensity. If these pre-set targets are met, the interest rate on the facility will be subsequently reduced on a tiered basis.

WASTE & WATER

- SENOKO WTE PLANT
- KEPPEL SEGHERS TUAS WTE PLANT
- KEPPEL SEGHERS ULU PANDAN NEWATER PLANT
- SINGSPRING DESALINATION PLANT

EBITDA ($'000)



	2019	2020
Waste & Water	30,879	**29,767**

SENOKO WTE PLANT AND KEPPEL SEGHERS TUAS WTE PLANT

OVERVIEW

The Senoko WTE and Keppel Seghers Tuas WTE plants have a combined capacity to treat approximately 40% of Singapore's incinerable waste. In diverting refuse away from landfills, incineration plants help mitigate greenhouse gas emissions as landfills release methane gas when organic waste decomposes. Modern incineration plants can also reduce the volume of waste by as much as 90%, thus significantly extending the lifespan of landfills. At the same time, by using waste as fuel, incineration plants produce green energy, and reduce reliance on fossil fuels.

The Senoko WTE Plant is the only waste incineration plant located outside of Tuas to serve the eastern, northern and central parts of Singapore. It was acquired by Senoko Trust, which is wholly-owned by KIT, on 31 August 2009.

The Keppel Seghers Tuas WTE Plant is Singapore's fifth waste incineration plant and the first to be built under the National Environment Agency of Singapore's (NEA) Public-Private Partnership initiative. The plant incorporates Keppel Seghers' proprietary technologies such as the air-cooled grate and flue gas treatment system and is the first waste incineration plant in Singapore to showcase proprietary WTE technology from a local company.

Both the Senoko WTE and Keppel Seghers Tuas WTE Plants have long-term Incineration Services Agreements (ISA) with NEA for 15 years (from September 2009), and 25 years (from November 2009) respectively. The majority of their income is from fixed capacity payments, which deliver stable cash flows to the Trust.

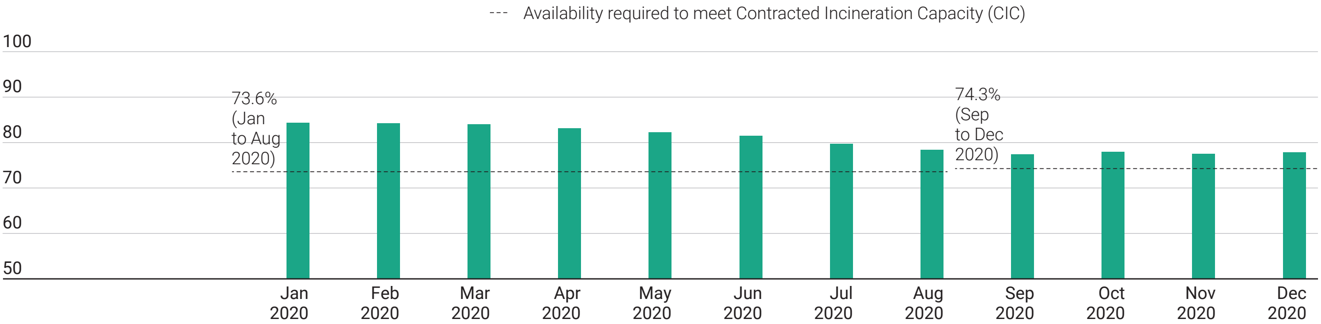
OPERATING REVIEW

In 2020, the Senoko WTE and Keppel Seghers Tuas WTE Plants met all the required Performance and Customer Service Standards under the ISAs. In addition to full Fixed Capacity Payments from NEA for meeting their Contracted Incineration Capacity (CICs), the plants also received variable payment for refuse incineration service and incentives payment for electricity exported.

During the review period, both plants met the requirements under their respective ISAs. The Senoko WTE Plant achieved a Time Availability Factor exceeding the 73.6% (for the 11th contract year ended 31 August 2020) and 74.3% (for the 12th contract year ending 31 August 2021) thresholds required to receive full fixed capacity payments from NEA.

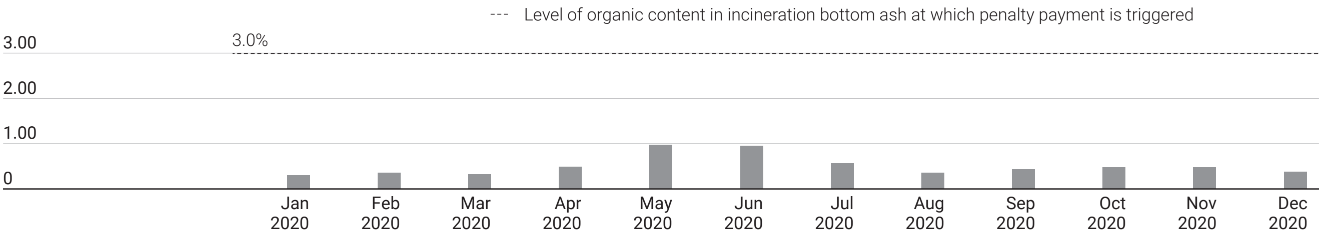
The Keppel Seghers Tuas WTE Plant achieved a Time Availability Factor above the 77.8% (for the 11th contract year ended 31 October 2020) and 78.7% (for the 12th contract year ending 31 October 2021) thresholds required to receive full Fixed Capacity Payments from NEA.

SENOKO WTE PLANT
TIME AVAILABILITY FACTOR (12-MONTH MOVING AVERAGE) (%)



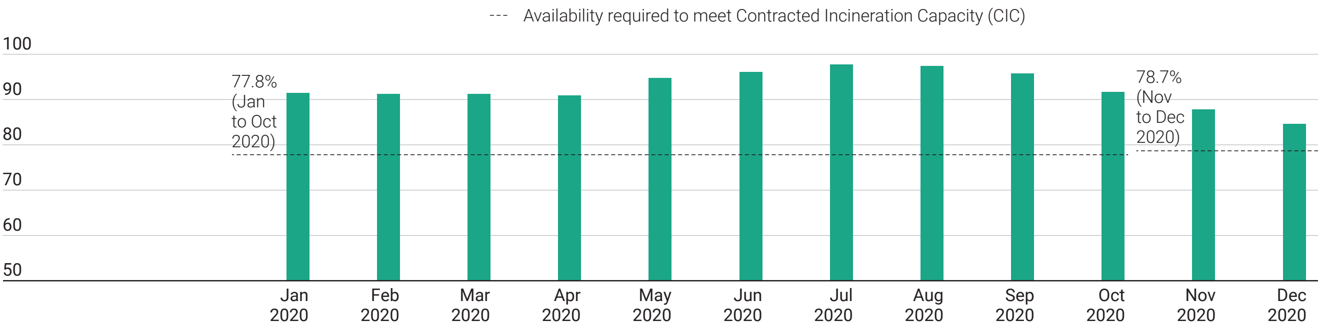
Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020
84.3	84.2	84.0	83.1	82.3	81.5	79.8	78.3	77.3	77.9	77.5	77.8

SENOKO WTE PLANT
AVERAGE TOTAL ORGANIC CONTENT OF BOTTOM ASH (%)



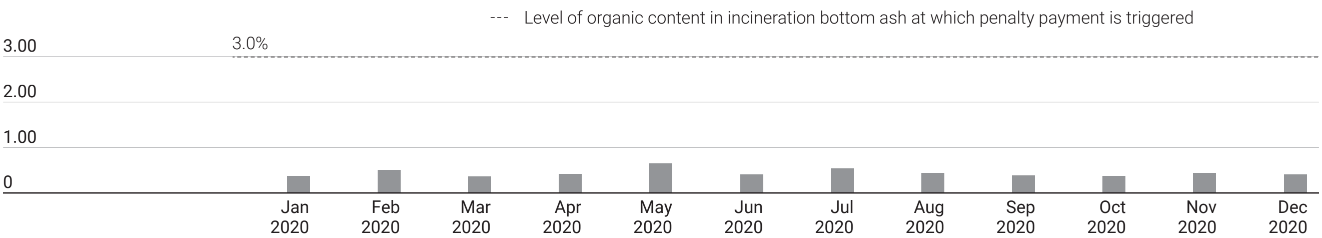
Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020
0.3	0.4	0.3	0.5	1.0	1.0	0.6	0.4	0.4	0.5	0.5	0.4

KEPPEL SEGHERS TUAS WTE PLANT
TIME AVAILABILITY FACTOR (12-MONTH MOVING AVERAGE) (%)



Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020
91.5	91.2	91.2	90.9	94.7	96.1	97.7	97.4	95.7	91.6	87.8	84.7

KEPPEL SEGHERS TUAS WTE PLANT
AVERAGE TOTAL ORGANIC CONTENT OF BOTTOM ASH (%)



Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020
0.4	0.5	0.4	0.4	0.7	0.4	0.5	0.4	0.4	0.4	0.4	0.4

OPERATING REVIEW
WASTE & WATER

The declining Time Availability Factor for both WTE plants during the year was due to the extended duration of repair works caused by the manpower shortage and implementation of safe distancing measures as a result of COVID-19.

The Senoko WTE and Keppel Seghers Tuas WTE plants also met other obligations under the ISA, namely Average Total Organic Content of bottom ash, Turnaround Time of refuse trucks and electricity generation.

Both plants achieved Tested Incineration Capacities (TICs) above their CICs. The new TICs for the Senoko WTE and Keppel Seghers Tuas WTE Plants were 3,109 tonnes and 1,017 tonnes per day respectively.

In 2020, there was one reportable workplace safety incident at the Keppel Seghers Tuas WTE Plant. More information is available in our Sustainability Report on page 56.

KEPPEL SEGHERS ULU PANDAN NEWATER PLANT

OVERVIEW

KIT, through Ulu Pandan Trust, owns the Keppel Seghers Ulu Pandan NEWater Plant, one of the largest NEWater plants in Singapore. The Keppel Seghers Ulu Pandan NEWater Plant entered into a 20-year NEWater Agreement (NWA) with PUB, Singapore's National Water Agency, in March 2007, and is responsible for meeting the water demands of Singapore's industrial and commercial sectors.

OPERATING REVIEW

The Keppel Seghers Ulu Pandan NEWater Plant received its full availability payment in 2020 as the warranted capacity was greater than or equal to 148,000 m^3 per day.

The plant also achieved 99.7% plant availability in 2020, while fulfilling other requirements under the NWA, namely the required storage level, quality specifications of NEWater and residual waste produced.

Ulu Pandan Trust's cash flows fluctuate with changes in power revenue received from PUB, which is tied to changes in HSFO fuel oil, which does not always move in tandem with electricity price. To mitigate the risk of cost matching, the Trustee-Manager had taken measures to fix the electricity price, ensuring stability in cash flows.

The plant features a solar photovoltaic system on its rooftops, which helps lower the carbon footprint of the plant and contributes to the national effort to reduce dependency on non-renewable sources of energy. In 2020, the plant generated close to 1.1 GWh of renewable energy, equivalent to the total energy consumption of approximately 250 four-room households annually.

There were no reportable workplace safety incidents in 2020.

SINGSPRING DESALINATION PLANT

OVERVIEW

SingSpring Trust, which is 70% owned by KIT, owns the SingSpring Desalination Plant (SingSpring), Singapore's first large-scale seawater desalination plant. The remaining 30% equity stake is owned by Hyflux Ltd.

With a supply capacity of 136,380 m^3 of potable desalinated water per day, SingSpring has been providing close to 7% of Singapore's water needs since it commenced commercial operations in December 2005.

SingSpring contributes to one of the "Four National Taps" in PUB's strategy to meet Singapore's water needs. The "Four National Taps" are local catchment water, imported water from Johor, NEWater and desalinated water. SingSpring continues to be an important facility for PUB to ensure sufficient water resources for Singapore, especially during periods of low rainfall.

Located in Tuas, SingSpring utilises cost and energy efficient reverse osmosis technology. At the time of its completion, it was the largest membrane-based seawater desalination plant in the world with one of the largest reverse osmosis trains.

The plant also adopts an advanced energy recovery system, which improves its energy-efficiency and cost-effectiveness. SingSpring undergoes periodic reviews and audits by both internal and external parties to ensure its Operations & Maintenance (O&M) practices are in line with industry standards.

SingSpring ensures that both the quality and quantity of desalinated water it produces meet all the requirements under the Water Purchase Agreement (WPA) with PUB. SingSpring is committed to make available 100% of the plant's water capacity to PUB for the 20-year period of the WPA, which commenced in December 2005.

OPERATING REVIEW

The SingSpring Plant achieved 99.2% availability in 2020.

In view of developments at Hyflux, KIT has increased its monitoring of operational performance at SingSpring to ensure that SingSpring's obligations under the WPA are satisfactorily discharged. There was no impact to operations at SingSpring in 2020.

SingSpring receives capacity payment from PUB for making available the full water capacity of the plant upon demand. The capacity payment is paid throughout the term of the 20-year WPA, regardless of whether the plant supplies any water to PUB and does not vary with the volume of water supplied. This ensures long-term and predictable cash flows for SingSpring.

SingSpring receives output payment from PUB for the variable costs in supplying water to PUB. The payment is pegged to the volume of water supplied.

SingSpring completed its annual Net Dependable Capacity Test in December 2020 and met all required benchmarks.

In 2020, there were no reportable workplace safety incidents.

COVID-19 CONTROL MEASURES

There were no operational disruptions at KMC, and the Senoko WTE, Keppel Seghers Tuas WTE, Keppel Seghers Ulu Pandan NEWater and SingSpring plants through the COVID-19 pandemic in 2020.

At the onset of the pandemic, the plant operators were able to formalise standard operating procedures and secure supply of personal protective equipment (PPE) for all employees. To ensure business continuity, all plants adhere to strict measures and policies. Some of these measures include daily temperature screening, frequent disinfection of multiple touch points and designated isolation areas for suspected COVID-19 cases. All plants remain committed to maintaining strong safety standards to safeguard the wellbeing of employees and contractors.

FINANCIAL REVIEW

KIT DELIVERED A HEALTHY PERFORMANCE IN FY 2020.

GROUP EBITDA

$376.0m[1]

Compared to $320.2 million in FY 2019

GROUP FREE CASH FLOW TO EQUITY[2]

$225.7m

Compared to $188.7 million in FY 2019

For FY 2020, the Group reported revenue of $1,551.9 million, 0.9% lower compared to FY 2019. This was due mainly to non-recoverable outstanding receivables at Basslink as a result of the arbitration outcome, and offset by full year revenue contribution from Ixom HoldCo Pty Ltd (Ixom)[3].

The Group achieved earnings before interest, tax, depreciation and amortisation (EBITDA) of $376.0 million[1], 17.4% higher compared to FY 2019. This improvement was driven by stronger performance from Ixom, higher availability at Keppel Merlimau Cogen Plant (KMC) and over-recovery of fuel and electricity prices at City Gas.

The Group recorded a loss attributable to Unitholders of the Trust of $34.5 million for FY 2020, compared to a profit attributable to Unitholders of the Trust of $38.6 million in FY 2019. This was due mainly to provisions for Basslink's arbitration, as well as the divestment of Ixom's Latin America and China Life Science businesses. Excluding one-off acquisition related costs incurred for Ixom's acquisition of Medora and divestment of its Latin America and China Life Science businesses, as well as Basslink's arbitration provisions, FY 2020 profit attributable to Unitholders would be $59.4 million.

Free cash flow to equity (FCFE)[2] for FY 2020 was $225.7 million, 19.6% higher compared to FY 2019. The stronger performance was driven by healthy contribution from Ixom, over recovery of fuel and electricity prices at City Gas, as well as lower outage hours, maintenance and operational expenses at KMC.

The Group recorded total assets and liabilities of $4,929.5 million and $3,435.6 million as at 31 December 2020, which were 1.5% lower and 4.5% higher respectively compared to the same period in 2019.

The Group reported net current liabilities of $41.5 million as at 31 December 2020, compared to $676.9 million for the same period in 2019. This was due to the reclassification of KMC's loan to non-current liabilities after KMC secured a sustainability-linked loan in June 2020.

1 Excludes one-off acquisition related cost incurred for Ixom's acquisition of Medora ($0.8 million), Ixom's divestment of its Latin America and China Life Science businesses ($16.8 million) and Basslink's arbitration provision ($76.2 million). Group EBITDA was $282.2 million without the adjustments.
2 Free cash flow to equity (FCFE) is equivalent to distributable cash flow. FCFE is net of trust expenses, distribution paid/payable to perpetual securities holders, Trustee-Manager fees and financing costs.
3 The acquisition of Ixom was completed on 19 February 2019.

FINANCIAL REVIEW

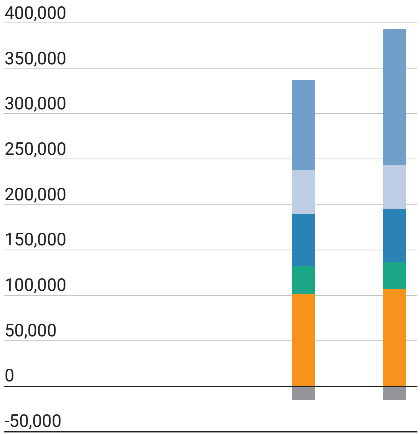
Total Unitholders' funds stood at $1,141.6 million as at 31 December 2020, 13.8% lower compared to the same period in 2019 due to distributions paid, hedging reserve movements and loss attributable to Unitholders of the Trust in FY 2020.

Net cash generated from operating activities in FY 2020 was $345.5 million, 3.1% lower compared to FY 2019, largely due to timing difference in working capital. Net cash used in investing activities of $36.1 million in FY 2020 relates mainly to Ixom's acquisition of Medora and capital expenditure, partially offset by the divestment of Ixom's Latin America and China Life Science businesses.

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

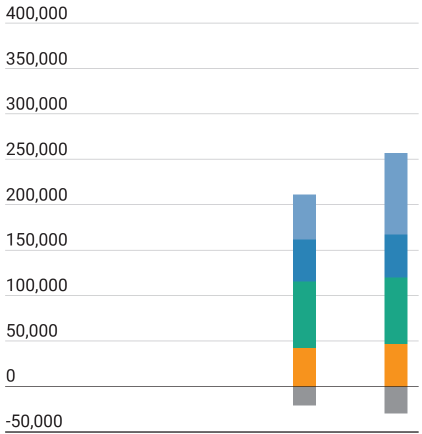
The Group declared full year DPU of 3.72 cents translating to a payout ratio of 82%, which allows for capital reinvestments into growth initiatives that will deliver long-term returns for Unitholders.

GROUP EBITDA ($'000)



	2019	2020
Distribution & Network		
City Gas	56,137	**58,252**
Ixom	98,602[1]	**149,219[2]**
Basslink	48,539	**47,729[3]**
Energy		
KMC	101,078	**106,102**
Waste & Water		
Concessions	30,879	**29,767**
Trust and Corporate Entities		
Others[4]	(15,033)	**(15,076)**
Total	320,202	**375,993**

FCFE ($'000)



	2019	2020
Distribution & Network		
City Gas	45,982	**47,047**
Ixom	49,281	**88,962**
Energy		
KMC[5]	41,699	**46,133**
Waste & Water		
Concessions	73,011	**73,124**
Trust and Corporate Entities		
Others[6]	(21,269)	**(29,592)**
Total	188,704	**225,674**

1 Excludes transaction costs in relation to acquisition of Ixom.
2 Excludes one-off acquisition related cost incurred for Ixom's acquisition of Medora ($0.8 million) and Ixom's divestment of its Latin America and China Life Science businesses ($16.8 million).
3 Excludes Basslink's arbitration provision ($76.2 million).
4 Comprises Trust expenses and Trustee-Manager fees.
5 Based on KIT's 51% stake in KMC.
6 Comprises Trust expenses and distribution paid/payable to perpetual securities holders, Trustee-Manager fees and financing costs.

DEBT REPAYMENT PROFILE (%)
as at 31 December 2020

< 1 yr	29.7
1–5 yrs	50.2
> 5 yrs	20.1
Total	**100.0**

DEBT BREAKDOWN BY CURRENCY (%)
as at 31 December 2020

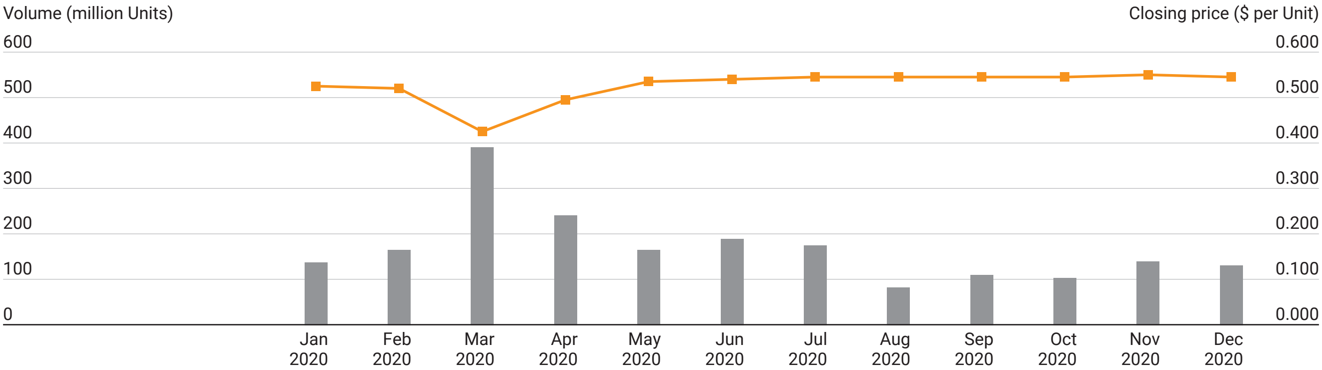
S$	46.5
A$	53.5
Total	**100.0**

UNIT PRICE PERFORMANCE

Approximately 2.0 billion Keppel Infrastructure Trust (KIT) Units were traded in FY 2020, with a daily average of 8.1 million Units.

KIT declared a total distribution per Unit of 3.72 cents in FY 2020, which translated to a distribution yield of 6.8% based on the closing price per Unit of $0.545 on 31 December 2020. Total Unitholder return in 2020 was 7.8%[1].

MONTHLY TRADING PERFORMANCE



	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020
Month-end closing Unit price ($)	0.525	0.520	0.425	0.495	0.535	0.540	0.545	0.545	0.545	0.545	0.550	0.545
Monthly trading volume (million Units)	137.7	165.9	391.0	241.4	165.4	189.8	175.7	83.6	110.2	104.3	140.0	131.8

UNIT PRICE PERFORMANCE ($ per Unit)

	2020	2019
Highest price	**0.560**	0.550
Lowest price	**0.360**	0.460
Average closing price	**0.526**	0.506
Closing price as at the last trading day of the year	**0.545**	0.540
Trading volume (million Units)	**2,037.0**	1,927.4

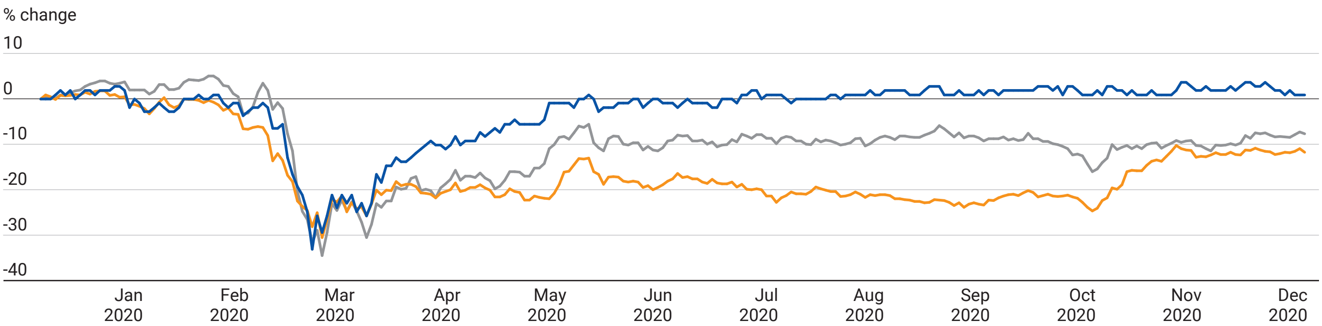
COMPARATIVE YIELDS[2] (%)

as at 31 December 2020

KIT	6.8
FTSE ST REIT Index	4.2
Straits Times Index (STI)	3.7
CPF Ordinary Account	2.5
10-year SG Govt bond	0.8
5-year SG Govt bond	0.5
Bank savings deposit rate	0.1

UNIT PRICE PERFORMANCE AGAINST INDICES (%)

for the period from 1 January 2020 to 31 December 2020



KIT	0.9
STI	-11.8
FTSE ST REIT Index	-7.7

1 Total Unitholder return takes into consideration share price performance from 31 December 2019 to 31 December 2020 and DPU declared for FY 2020.
2 Sources: Bloomberg, Monetary Authority of Singapore, Central Provident Fund and Singapore Government Securities.

INVESTOR RELATIONS

NOTWITHSTANDING THE PANDEMIC, THE TRUSTEE-MANAGER LEVERAGED TECHNOLOGY TO CONTINUE PROACTIVE INTERACTION AND ENGAGEMENT WITH THE INVESTMENT COMMUNITY.

KIT's virtual Annual General Meeting on 3 June 2020.

Unitholder Enquiries
For more information, please contact the IR team at:

Telephone:
+65 6803 1851

Email:
investor.relations@kepinfratrust.com

Website:
www.kepinfratrust.com

The Trustee-Manager recognises the importance of prompt, transparent and effective communication with KIT's Unitholders and the investment community.

The Investor Relations (IR) team works closely with the finance, asset management and investment teams to provide clear and timely information on KIT's strategy, corporate developments, as well as regular updates on its financial and operational performances.

Travel restrictions in 2020 did not hamper the Trustee-Manager's outreach efforts with key stakeholders. Leveraging technology, the management team continued to interact and communicate with the investment community through virtual platforms including webinars, online conferences and meetings, as well as conference calls. The Trustee-Manager also continued its engagement with the retail investment community through online dialogue sessions and virtual events.

In 2020, the IR team engaged over 280 global investors and analysts across Singapore, Australia, Hong Kong, Malaysia, Thailand and United Kingdom, as well as expanded its outreach to China, Korea and Taiwan.

At the onset of the COVID-19 pandemic and resultant volatility across financial markets, the team promptly reached out to analysts and investors to assuage concerns of any operational disruptions. As an essential service provider, KIT's businesses and assets continued to operate throughout the pandemic.

Pursuant to the amendments to Rule 705 of the Listing Manual of the SGX, the Trustee-Manager announced on 18 March 2020 the adoption of half-yearly announcements of its financial statements with effect from 2H 2020. In lieu of announcing the quarterly financial statements, the management continues to engage Unitholders, investors and other stakeholders, through interim business updates.

The Trustee-Manager also continued its partnerships with the Singapore Exchange and REIT Association of Singapore (REITAS). As part of its investor education programme, KIT participated in the annual REITs Symposium on 19 September 2020. The virtual event was jointly organised by ShareInvestor and REITAS, which attracted over 4,000 participants.

In partnership with REITAS, KIT also participated in a virtual dialogue session with over 150 retail investors on 1 October 2020. The session was chaired by the CEO of the Trustee-Manager, Mr Matthew Pollard, who shared on KIT's growth strategy, as well as the resilience and performance of its businesses and assets through the COVID-19 pandemic.

Through Keppel Capital, the Trustee-Manager supports the Investor Relations Professionals Association of Singapore, which promotes knowledge sharing and continuous improvement amongst IR professionals.

In compliance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and the Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation issued on the conduct of general meetings, KIT's Annual General Meeting (AGM) was held virtually on 3 June 2020. To facilitate participation, Unitholders were encouraged to submit their questions and proxy votes ahead of the AGM and register to view the live webcast of the proceedings. KIT's virtual AGM was attended by 84 Unitholders. All resolutions were polled in advance and an independent scrutineer was appointed to verify the votes, validate the voting procedures and oversee the process. CEO Mr Matthew Pollard also presented on KIT's operational and financial performance for FY 2019. Minutes of the AGM and responses to relevant and substantial questions from Unitholders were subsequently published on SGXNET and KIT's website.

On 8 December 2020, following the announcement of KIT's proposed acquisition of Philippine Coastal & Storage Pipeline Corporation (Philippine Coastal), the management team proactively engaged analysts and investors to provide an overview of the business and share the key merits of the acquisition that will support long-term distributions and capital growth for Unitholders.

The IR team avails itself to respond to queries from investors throughout the year. Key contact details are listed on its website and in the company's announcements. All IR activities are guided by the principles and guidelines set out in the IR policy, which is regularly reviewed and available on KIT's website. The policy articulates guiding principles that ensure the timely, transparent and accurate disclosures of material information.

KIT's website contains information on its businesses and assets, the Trustee-Manager, as well as investor materials such as financial information, distribution details, annual reports, presentations and circulars.

Investors can also sign up for email alerts through the website.

As at end-2020, KIT is amongst the constituent stocks in the MSCI Singapore Small Cap and FTSE ST Large & Mid Cap indices, which enhances KIT's liquidity and visibility amongst the investment community. KIT is currently covered by two equity research houses, namely Credit Suisse and DBS.

UNITHOLDING BY INVESTOR TYPE (%)
as at 1 February 2021

Sponsors and Related Parties	18.3
Institutional	28.3
Retail	53.4
Total	**100.0**

UNITHOLDING BY GEOGRAPHY[1] (%)
as at 1 February 2021

Singapore (SG)	30.9
North America	9.5
United Kingdom (UK)	3.0
Asia (ex-SG)	2.8
Europe (ex-UK)	1.5
Others[2]	52.3
Total	**100.0**

1 Excluding Sponsor and related parties.
2 Others comprise the rest of the world, as well as unidentified holdings and holdings below the analysis threshold.

INVESTOR RELATIONS CALENDAR

Q1
- Announced FY 2019 results and arranged teleconference briefing for analysts
- FY 2019 post-results investor meetings organised by Credit Suisse

Q2
- Announced 1Q 2020 results and arranged teleconference briefing for analysts
- 1Q 2020 post-results virtual investor meetings organised by Citi
- Participated in the Citi Pan-Asia Regional virtual Investor Conference 2020
- Participated in the SGX-NH Virtual Corporate Day for Korean Investors
- Participated in the SGX-CITIC Virtual Corporate Access Day for Chinese Investors
- Participated in the Yuanta Securities Virtual Corporate Event for Taiwan Investors
- Participated in the SGX-Credit Suisse Singapore Virtual Corporate Day

Q3
- Announced 2Q 2020 results and arranged teleconference briefing for analysts
- 2Q 2020 post-results virtual investor meetings organised by DBS
- Participated in the virtual SGX-Maybank Kim Eng Singapore Corporate Day
- Participated in the virtual Citi-REITAS-SGX C-Suite Singapore REITS and Sponsor Forum 2020
- Participated in the Virtual REITs Symposium 2020

Q4
- Announced 3Q 2020 key business and operational updates and arranged teleconference briefing for analysts
- 3Q 2020 post-results virtual investor meetings organised by Credit Suisse
- Participated in the SGX-REITAS Webinar for Retail Investors
- Participated in the SGX-Macquarie Singapore Access Virtual Corporate Days
- Participated in the SGX-NH Virtual Corporate Day for Korean Investors
- Participated in the SGX-UBS Singapore REIT & Infrastructure Virtual Corporate Day 2020
- Calls with analysts and investors on the proposed acquisition of Philippine Coastal

SIGNIFICANT EVENTS

Q1 2020

Announced 4Q and FY 2019 Financial Results

Declared and paid a distribution per Unit (DPU) of 0.93 cents for the period from 1 October 2019 to 31 December 2019

Marked 10th anniversary with launch of new identity, which reinforced KIT's brand character as the trusted vehicle for infrastructure investments

Adopted half-yearly announcement of financial statements and half-yearly distributions with effect from 2H 2020

Q2 2020

Announced 1Q 2020 Financial Results

Declared and paid a DPU of 0.93 cents to Unitholders for the period from 1 January 2020 to 31 March 2020

Convened virtual Annual General Meeting 2020 on 3 June 2020

Keppel Merlimau Cogen Pte Ltd[1] secured Singapore's first sustainability-linked loan of $700 million in the energy sector

Q3 2020

Announced 2Q & 1H 2020 Financial Results

Declared and paid a DPU of 0.93 cents to Unitholders for the period from 1 April 2020 to 30 June 2020

Q4 2020

Announced 3Q & 9M 2020 business and operational updates

City Gas signed a Memorandum of Understanding with Keppel Data Centres Holding Pte Ltd (Keppel DC) and City-OG Gas Energy Services to explore using Liquefied Natural Gas and hydrogen to power Keppel DC's Floating Data Centre Park in Singapore

Basslink announced the outcome of the arbitrations with the State of Tasmania and Hydro Tasmania

Announced the proposed acquisition of Philippine Coastal Storage & Pipeline Corporation (Philippine Coastal), the largest petroleum products storage facility in the Philippines

Q1 2021

Announced 2H & FY 2020 Financial Results

Declared and paid a DPU of 1.86 cents to Unitholders for the period from 1 July 2020 to 31 December 2020

Completed the acquisition of Philippine Coastal[2] on 29 January 2021

Mr Daniel Ee appointed as Chairman of the Board with effect from 1 February 2021, taking over from Mr Koh Ban Heng who has retired

Ms Susan Chong appointed as independent non-executive Director of the Board with effect from 5 March 2021

[1] Keppel Merlimau Cogen Pte Ltd is owned by KIT and Keppel Energy Pte. Ltd in the proportion of 51% and 49% respectively.
[2] On 8 December 2020, KIT announced the proposed acquisition of 80% of the entire share capital of Philippine Tank Storage International (Holdings) Inc., which owns Philippine Coastal. Metro Pacific Investments Corporation (MPIC) will own the remaining 20%. The acquisition was completed on 29 January 2021. Immediately following the completion of the acquisition, KIT and MPIC entered into a share sale agreement to sell 30% of KIT's interest in Philippine Coastal to MPIC, resulting in each of KIT and MPIC indirectly holding an approximately equal percentage of interest in Philippine Coastal, with KIT indirectly holding one voting share more than MPIC.

KMC (pictured) secured Singapore's first sustainability-linked loan of $700 million in the energy sector.

ENVIRONMENTAL STEWARDSHIP

We will do our part to combat climate change, and are committed to improving resource efficiency and reducing our environmental impact.

For more information,
go to: pages 41 to 47

RESPONSIBLE BUSINESS

The long-term sustainability of our business is driven at the highest level of the organisation through a strong and effective board, good corporate governance and prudent risk management.

For more information,
go to: pages 48 to 51

PEOPLE AND COMMUNITY

People are the cornerstone of our business. We are committed to providing a safe and healthy workplace, investing in training and developing our people to help them reach their full potential, as well as uplifting communities wherever we operate.

For more information,
go to: pages 52 to 59

SUSTAINABILITY REPORT

SUSTAINABILITY FRAMEWORK

We focus on building platforms for growth while creating enduring value for our stakeholders – through environmental stewardship, responsible business practices, and nurturing our people and the communities, wherever we operate.

LETTER TO STAKEHOLDERS

GRI 102-14

We remain committed to meeting new challenges, as well as Environmental, Social and Governance risks with the same dynamic adaptability and rigour.

DEAR STAKEHOLDERS,

It is my pleasure to present Keppel Infrastructure Trust's (KIT) Sustainability Report, prepared in accordance with the internationally-recognised Global Reporting Initiative Standards.

Sustainability is a major focus of KIT's business and operations, and we continue to value-add through our three-pronged approach of environmental stewardship, responsible business, as well as nurturing our people and community. This report communicates the Trust's sustainability performance and initiatives to our valued stakeholders.

As businesses around the world grappled with the economic and health challenges caused by the COVID-19 pandemic in 2020, KIT was able to minimise disruption to its operations due to the resilience of its risk management measures. Our top priorities at the onset of the pandemic were to ensure that the health and safety of our staff and subcontractors was not compromised, as well as maintain business continuity of the critical infrastructure that we operate.

We also introduced a number of strict COVID-19 risk mitigation measures including implementing safe distancing at our plants and offices, encouraging personal hygiene practices, as well as instituting split-team and telecommuting arrangements. We also increased engagement with our stakeholders and continued to upskill our workforce through virtual engagements and learning platforms. Our longstanding focus on robust risk management practices and preparing our workforce for the digital future has proven to be critical in maintaining operational excellence and business continuity.

All of KIT's businesses and assets are classified as essential services and continued to operate reliably during the COVID-19 lockdowns. I am pleased to share that there were no operational disruptions in 2020 and we continued to deliver and provide essential products and services to support the economies and communities in Singapore and overseas, including Australia and New Zealand. This is the result of the tremendous amount of hard work and dedication by everyone throughout a challenging year. We also implemented additional measures to strengthen cybersecurity protection at critical information infrastructure plants designated by the Singapore government.

Going forward, we remain committed to meeting new challenges as well as Environmental, Social and Governance risks with the same dynamic adaptability and rigour.

DRIVING OPERATIONAL EXCELLENCE

KIT has always adopted leading technologies that support sustainability. In 2020, we strengthened our track record in resource efficiency and reduced our energy intensity by 17.5%.

Notwithstanding the operational, logistical and manpower challenges in 2020, we continued to develop and introduce new safety initiatives and innovations across our operations. I am proud that three such projects were recognised by the health and safety agencies in Singapore and New Zealand for the improvements they have made at our workplaces, enhancing the safety and well-being of our operation teams. The three projects are detailed below:

- Senoko Waste-to-Energy (WTE) Plant installed a laser boundary light system, which alerts operators of the movement of the forklift, thereby lowering the risk of forklift incidents. The plant was presented the Bronze Award under the Workplace Safety and Health (WSH) Innovation Awards 2020.

- Keppel Merlimau Cogen Plant (KMC) developed a safe and effective way to carry out boiler tube cleaning during inspections, eliminating the need to Work-at-Height within a confined space for a prolonged period. KMC was presented the Silver Award under the WSH Innovation Awards 2020.

- Ixom developed a new training facility to educate trainee tanker drivers on safe chemical transfer and operational processes to eliminate the risk of chemical exposure. Ixom clinched the best initiative award at the New Zealand 2020 Workplace Health and Safety Awards.

During the year, KMC secured a seven-year $700 million sustainability-linked loan, which is linked to the plant's carbon emissions intensity targets. These targets include benchmarking of the plant's carbon emissions intensity against national indices, as well as demonstrating continuous improvement in the plant's carbon emissions intensity.

At City Gas, a Memorandum of Understanding was signed with Keppel Data Centres and City-OG Gas Energy Services, to explore the use of Liquefied Natural Gas (LNG) and hydrogen to power Keppel Data Centre's Floating Data Centre Park in Singapore. This initiative expands on our endeavours to explore cleaner sources of energy to support critical economic infrastructure.

KIT continued to deliver considerable amounts of critical sustainable resources during the year. Our two WTE plants and the solar PV system at the Ulu Pandan NEWater Plant produced 359,471 gigajoules (GJ) of renewable energy. Our WTE plants also diverted 1,007,585 tonnes of waste from landfill in the process. KIT's portfolio consumed a total of 1,509,653 m^3 of water to support its operational needs in 2020, of which 1,091,931 m^3 was NEWater and 417,721 m^3 was desalinated water.

In 2020, we established new policies and procedures to review and report Scope 1 carbon emissions for the computation of carbon tax payable to the Singapore government at KMC, City Gas, as well as Senoko and Tuas WTE Plants, in compliance with the recently established national Carbon Pricing Act.

In this year's report, we have expanded our reporting to include business air travel activities under Scope 3 emissions, as well as incorporated nine of the Sustainable Development Goals as a supporting framework to guide our sustainability strategy. At the same time, we took guidance from the Business for Societal Impact (B4SI) Framework (formerly known as LBG), the global standard for measuring and reporting on corporate community investment, and obtained assurance for the reporting of our community outreach efforts. These initiatives are part of our efforts to improve our sustainability disclosures.

NURTURING TALENT AND COMMUNITIES

Recognising that people are the key drivers of our business success, we remain committed to engaging, developing, and nurturing our workforce to drive long-term value and resilience. Despite the challenges from the pandemic, employees of the Trustee-Manager received an average of 15.6 hours of training per full-time employee in 2020.

During the COVID-19 pandemic, we focused on engaging and uplifting the local community through virtual engagements and activities. In 2020, together with Keppel Capital, we dedicated approximately 790 community hours to outreach activities.

SHAPING A SUSTAINABLE TOMORROW

Understanding that sustainable progress is the result of the collective efforts of our stakeholders, we would like to thank our valued stakeholders for their contributions and feedback. We look forward to strengthening our partnerships as we continue to build a sustainable future together.

Yours sincerely,

MATTHEW POLLARD
Chief Executive Officer
Keppel Infrastructure Fund Management, Trustee-Manager of KIT
5 March 2021

ABOUT THIS REPORT

KIT operates in business landscapes that value resource efficiency and environmental, social and governance excellence.

Keppel Infrastructure Trust (KIT) is a listed business trust with businesses and assets that provide essential resources and services. KIT helps to build the infrastructural foundation for a sustainable future through assets such as waste-to-energy (WTE), seawater desalination and water recycling plants, as well as the production and delivery of critical resources such as town gas and liquefied chlorine. KIT operates in business landscapes that value resource efficiency and environmental, social and governance (ESG) excellence.

The businesses and assets in KIT's portfolio as at end-December 2020 are: City Gas, Ixom, Basslink, Keppel Merlimau Cogen Plant (KMC), Senoko Waste-to-Energy (WTE) Plant, Keppel Seghers Tuas WTE Plant, Keppel Seghers Ulu Pandan NEWater Plant, SingSpring Desalination Plant (SingSpring).

To support KIT's business strategies, the Board of Directors (the Board) of the Trustee-Manager, Keppel Infrastructure Fund Management Pte. Ltd. (KIFM), has reviewed and approved the ESG issues that have been identified as material to its business. The Board also oversees the management and monitoring of KIT's sustainability performance to ensure continual improvement, and that sustainable strategies and performance are aligned.

GLOBAL REPORTING INITIATIVE (GRI) STANDARDS

GRI 102-54

The 2020 Sustainability Report was developed in accordance with the GRI Standards: Core option. The Trustee-Manager's sustainability management approach is reflected in the content and aspect boundaries in this report and is aligned with the GRI's Reporting Principles of Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness. The management of ESG issues and sustainability reporting content focuses on the key material issues with the potential to impact KIT's business and/or stakeholders. The full list of disclosures can be found in the GRI Content Index from pages 60 to 63.

This report uses standard units of measurement and conversion factors unless specified otherwise in their respective sections.

REPORTING PERIOD AND SCOPE

GRI 102-46 | 102-49 | 102-50 | 102-52 | 102-53

The strategies, initiatives and performance metrics related to material ESG issues disclosed in this report represent KIT's business activities and operations in Singapore, Australia and New Zealand for the financial year from 1 January 2020 to 31 December 2020. The Sustainability Report is published annually. KIT's key financial highlights can be found on pages 2 and 3. The content in this report has been prepared and reviewed by external reporting consultants. This report has not been through external verification, and the Trustee-Manager will review the need for external assurance in the future.

For the FY 2020 Sustainability Report, KIFM has the same scope for disclosure as last year. The scope for disclosure on employee information under GRI indicators (GRI 401-1, 403-2, 404-1, 404-3, 405-1, and 406-1) only covers KIFM employees, and excludes employees hired directly under City Gas, Ixom and Basslink. We have also started reporting our Scope 3 Greenhouse Gas (GHG) emissions relating to business travel from 2020 onwards.

The FY 2020 Sustainability Report adopts the equity share approach for disclosing ESG data and as such, the reporting scope for KMC and SingSpring reflects KIT's equity interests in the respective entities.

The Trustee-Manager welcomes any feedback related to any aspects of this report. Please contact us at investor.relations@kepinfratrust.com.

MANAGING SUSTAINABILITY

KIFM INTEGRATES ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES INTO ITS STRATEGY FORMULATION, MANAGEMENT PROCEDURES AND BUSINESS DECISIONS IN ORDER TO MANAGE BUSINESS RISKS AND CREATE BUSINESS VALUE.

KIFM identifies and manages material environmental, social and governance (ESG) factors as potential emerging business risks, as well as new opportunities to create business value. As such, the consideration of ESG issues is integrated into its strategy formulation, management procedures and business decisions.

The Trustee-Manager minimises the environmental impact of its operations and incorporates ESG considerations into its risk management processes. More information on the Trustee-Manager's risk management strategy is available on pages 161, 181 and 182.

GOVERNANCE STRUCTURE

GRI 102-18

KIFM's governance structure is aligned with the Code of Corporate Governance 2018 (the Code) issued by the Monetary Authority of Singapore. The Code provides KIFM a framework for checks, controls and the accountability with which to implement governance best practices. In addition, the Code requires the Board to consider sustainability issues when making key business decisions.

The Board and senior management work together to ensure that sustainable business practices are upheld and ESG factors are properly accounted for throughout the portfolio. In addition, they monitor and assess sustainability performance and determine the effectiveness of risk management measures.

Information on KIFM's governance structure is available on pages 148 to 180.

The KIFM Board and management work together to ensure that sustainable business practices are upheld and ESG factors are properly considered. For example, City Gas (pictured) was able to reduce carbon emissions over the past 10 years through initiatives like increasing its natural gas to naphtha mix ratio, as natural gas is a cleaner fuel alternative.

EXTERNAL STANDARDS AND STRATEGIC MEMBERSHIPS

GRI 102-12 | 102-13

The Trustee-Manager works together with other key industry stakeholders to collectively raise industry standards and encourage best practices. Both operators of our water plants are active members of the Singapore Water Association. City Gas is a member of the Gas Association of Singapore as well as an associate member of the Singapore Green Building Council and Real Estate Developers' Association of Singapore. Our WTE plants' operations and maintenance teams are members of the Waste Management and Recycling Association of Singapore. Basslink's CEO serves as the Chairman of the International Cable Protection Committee.

The Trustee-Manager, through Keppel Capital, supports the Investor Relations Professionals Association of Singapore, which aims to elevate the professional capacity of investor relations professionals through the sharing of valuable knowledge and insights.

Through Keppel Capital, KIFM also supports the United Nations (UN) Global Compact as a signatory and adopts the Compact's 10 universal principles, which include human rights, labour, environment and anti-corruption. The Manager also supports the UN's "Agenda 2030" and aligns its sustainability approach with nine out of 17 Sustainable Development Goals (SDGs) to ensure that KIT's ESG efforts help address the most crucial sustainability issues globally. These are detailed on pages 38 and 39.

The Manager references the Business for Societal Impact (B4SI) Framework, (formerly known as LBG) that enables companies to measure and report new and sustainable ways of driving strong social impact. Corporate Citizenship, as manager of the B4SI, has assured the reporting of our community outreach efforts outlined in the Community section of this report. The assurance statement can be found on page 64.

SUSTAINABLE DEVELOPMENT GOALS

KIFM is committed to the international sustainable development agenda and will leverage collaboration and partnership to support the achievement of the Sustainable Development Goals (SDGs). We have incorporated nine SDGs as a supporting framework to guide our sustainability strategy.

STRATEGIC PILLARS	MATERIAL ISSUES	SDGs	APPROACH	HIGHLIGHTS
ENVIRONMENTAL STEWARDSHIP	Climate Action	11, 13	Manage climate issues as emerging business risks and seek to optimise energy efficiency and adopt clean alternative energy sources, where possible.	KIT has started monitoring and disclosing Scope 3 GHG emissions relating to business air travel from 2020 onwards.
	Environmental Management	6, 12	Minimise the environmental impact of KIT's operations and implement sustainable best practices through environmental initiatives that are focused on material issues and are aligned with KIT's business objectives. Key environmental objectives include the provision of sustainable resources, increasing energy efficiency, achieving industry green standards, optimising resources and waste streams, as well as reducing emissions.	Impact studies and design outfalls are conducted to ensure that discharge water does not significantly impact the environment. KIT adopts internationally recognised standards such as ISO 14001 to validate industry-leading environmental performance. In 2020, Ixom also achieved ISO 9001 and ISO/FSSC 22000 certification. In 2020, KIT's portfolio consumed 359,471 GJ of renewable energy, representing 4.5% of its total energy consumption. KIT generates and consumes renewable energy from solar photovoltaic panels, as well as from municipal solid waste processed at its WTE plants.
RESPONSIBLE BUSINESS	Economic Sustainability	8, 9	Adapt to emerging ESG risks and the rapidly changing business landscape by continuously assessing KIT's operations, adjusting to mitigate potential risks and capitalising on new opportunities.	In 2020, KIT recorded free cash flow to equity (FCFE)[1] of $225.7 million, representing a 19.6% increase year-on-year. Distribution per Unit (DPU) for 2020 was 3.72 cents.
	Corporate Governance & Risk Management	16	Zero tolerance for corruption and implement the highest standards of business ethics; and aligned with the United Nations Global Compact's Principles, including Principle 10: Measures Against Corruption.	In 2020, there were no known instances of corruption or non-compliance with any applicable regulations, laws, and/or voluntary codes related to anti-competitive behaviour, anti-trust, monopoly, marketing communications, IT privacy breaches, health and safety, as well as ESG-related policies.
	Supply Chain & Responsible Procurement	8, 12	Assess the sustainability and responsibility of its suppliers in addition to the business value that they can offer. Potential suppliers undergo rigorous screening criteria to evaluate reputation, track record of service quality, safety and sustainability criteria.	KIT's Supplier Code of Conduct encourages its suppliers to adopt responsible business practices and outlines standards for environmental management, business conduct, labour, as well as health and safety practices of suppliers. Adherence is required by all major suppliers.
	Product Quality & Safety	12	Conduct regular reporting, annual capacity tests and audits as necessary to ensure quality and reliability throughout the portfolio. Operations are aligned with the national cybersecurity strategy and key initiatives are implemented to protect critical information infrastructures against cybersecurity threats in Singapore.	There were zero complaints and/or allegations of data breach concerning customer privacy or loss of customer data in 2020.
PEOPLE AND COMMUNITY	Occupational Health & Safety	3	Target to achieve zero fatal incidents and maintain Accident Frequency Rate (AFR), Accident Severity Rate (ASR) and Total Recordable Injury Rates (TRIR) that are below industry averages.	In 2020, there were zero fatalities and we recorded AFR, ASR and TRIR of 1.2, 16.8 and 2.3 respectively, which were better than industry averages.

[1] Free cash flow to equity (FCFE) is equivalent to distributable cash flow. FCFE is net of trust expenses, distribution paid/payable to perpetual securities holders, Trustee-Manager fees and financing costs.

STRATEGIC PILLARS	MATERIAL ISSUES	SDGs	APPROACH	HIGHLIGHTS
PEOPLE AND COMMUNITY	Labour Practices, Talent Management & Human Rights	8	Provide a fair and inclusive work environment comprising a diversity of cultures and perspectives that help drive innovation and business value. Implement fair and equal human resource best practices and practice a zero-tolerance discrimination policy.	As at 31 December 2020, KIFM's workforce consists of 62% male and 38% female employees. No cases of discrimination were reported in 2020.
	Community Development	17	Engage with local communities where KIT operates to uplift the underprivileged and promote environmental stewardship.	Despite COVID-19 restrictions, KIFM and Keppel Capital collectively dedicated approximately 790 volunteer hours to benefit the community in 2020. At the same time, the KIT group contributed about $66,000 to support communities across Singapore, Australia and New Zealand.

MATERIALITY ASSESSMENT

GRI 102-46 | 102-47 | 103-1

KIT's sustainability strategy and the content of this report were designed to account for the key ESG issues that have been identified through a detailed materiality assessment process. The materiality of ESG issues is determined based on their potential to affect business performance and/or the interests of its key stakeholders. Consideration of material ESG factors and performance metrics helps inform strategy formulation, operational improvements and business decisions.

The materiality assessment process follows GRI's principles for defining report content. Material issues are prioritised based on the perspectives and interests of key stakeholder groups, using clearly defined criteria. Material issues are classified as Tier 1 (critically important) and Tier 2 (highly important).

The Board of the Trustee-Manager has reviewed and validated the list of material issues and their classification tiers.

The key material issues and their corresponding aspect boundaries are presented in the table below.

Categories	Material Aspects	List of Indicators	Aspect Boundary
TIER 1			
Economic	Economic Performance	201-1 Direct economic value generated and distributed	Internal & External
	Anti-corruption	205-1 Operations assessed for risks related to corruption 205-2 Communication and training about anti-corruption policies and procedures 205-3 Confirmed incidents of corruption and actions taken	
	Anti-competitive Behaviour	206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	
	Socioeconomic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area	
Environment	Energy	302-1 Energy consumption within the organisation 302-3 Energy intensity 302-4 Reduction of energy consumption	Internal & External
	Water	303-3 Water withdrawal	
	Emissions	305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) emissions 305-4 GHG emissions intensity 305-7 Nitrogen oxides (NOx), Sulphur oxides (SOx), and other significant air emissions	
	Effluents and Waste	306-1 Water discharge by quality and destination 306-2 Waste by type and disposal method	
	Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	
Social	Employment	401-1 New employee hires and employee turnover	Internal
	Occupational Health and Safety	403-9 Work-related injuries	
	Training and Education	404-1 Average hours of training per year per employee 404-3 Percentage of employees receiving regular performance and career development reviews	
	Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	
	Non-Discrimination	406-1 Incidents of discrimination and corrective actions taken	
	Marketing and Labelling	417-3 Incidents of non-compliance concerning marketing communications	
TIER 2			
Social	Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs 413-2 Operations with significant actual and potential negative impacts on local communities	External
	Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Internal
Security	Non-GRI Standard	Number of major security breaches affecting plant availability	External

COMMITMENT TO STAKEHOLDERS

GRI 102-40 | 102-42 | 102-43 | 102-44

KIT's business strategies and approach to sustainability are designed to optimise value for its stakeholders. Key stakeholder groups are identified based on their potential to affect or be affected by KIT's business operations or performance. At the same time, stakeholder engagement platforms and efforts are in place to better understand the needs and perspectives of key stakeholders and gather valuable feedback that drives continuous improvement.

Modes of engagement and key topics of concern are outlined in the table below. Stakeholder engagement initiatives provide valuable insights that allow the best interests of stakeholders to be considered in KIT's business decisions and ESG initiatives.

ENGAGEMENTS WITH KEY STAKEHOLDER GROUPS IN 2020

	EMPLOYEES	GOVERNMENTS & REGULATORY BODIES	LOCAL COMMUNITIES
Objectives of Engagement	Build up our talent pool through continual investments in training and development, as well as employee welfare	Understand regulatory requirements	Impact communities positively
Engagement Platforms	Dialogue sessions with senior leaders; employee engagement surveys; appreciation month; physical wellness month; monthly updates and staff communication sessions; leadership programmes; teambuilding activities; employee interest groups	Regular meetings and site inspections; renewal of licenses and permits	Volunteer activities; financial contributions
Key Topics of Concern	Providing platforms for employees to contribute and share ideas; encouraging sharing of ideas on improvement; building a culture of recognition and appreciation; enhancing career through self-directed learning and inspiring others through leading by example	Laws and regulations	Positive social contributions
Frequency of Engagement	Ongoing regular engagement	Annual/Quarterly/Ad hoc	Annual/Quarterly

	BUSINESS PARTNERS Suppliers, Contractors, Joint Venture (JV) partners	CUSTOMERS	UNITHOLDERS
Objectives of Engagement	Align practices for better planning, responsive vendor support and mutually beneficial relationships	Grow customer base; build enduring relationships and provide quality service for customer retention	Ensure investors make well-informed decisions and establish a level playing field
Engagement Platforms	Regular meetings with suppliers, contractors and JV partners; management site visits	Regular meetings; feedback channels such as emails and phone calls; regular customer satisfaction surveys	General meetings; media releases; investor presentations; SGX announcements; annual reports; email communications; meetings; post-results teleconferences; conferences and roadshows
Key Topics of Concern	Compliance; Health, Safety and Environment (HSE) requirements	Product and service quality; HSE excellence	Business strategy and direction; financial and operational performances
Frequency of Engagement	Ongoing regular engagement	Ongoing regular engagement	Ongoing regular engagement

KIFM SUPPORTS THE TRANSITION TOWARDS A LOW-CARBON FUTURE.

CLIMATE ACTION

GRI 103-1 | 103-2 | 103-3

Climate change represents considerable and increasing risks to humanity, crucial resources and physical assets around the world. KIFM seeks to minimise Greenhouse Gas (GHG) emissions and supports the transition towards a low-carbon future. KIFM also manages climate issues as emerging business risks, and seeks to optimise energy efficiency and adopt clean alternative energy sources, where feasible, to thrive in markets that increasingly value sustainability.

GREENHOUSE GAS EMISSIONS

GRI 305-1 | 305-2 | 305-3 | 305-4

KIFM's GHG emissions policies are based on the following three components:

- Reducing environmental impact;
- Mitigating adverse effects of potential legislation; and
- Managing the impact of rising energy costs.

To achieve these objectives, KIFM monitors carbon emissions, tracks improvements and implements management action plans that identify opportunities to reduce GHG emissions.

The key themes of this strategy are:

- Optimising energy consumption through information monitoring;
- Improving operational efficiencies by adopting smart control systems and more energy-efficient equipment; and
- Imbuing an environmentally-conscious mindset in stakeholders.

KIT adopts the equity share approach to reflect its equity interests in KMC and SingSpring. Scope 1 emissions include KMC data, while Scope 2 emissions do not because KMC is a net exporter of electricity.

GHG emissions are calculated in accordance with the GHG Protocol[1] standard–the most widely accepted international standard for GHG accounting–and are disclosed in metric tonnes of carbon dioxide equivalent (tCO_2e). Gases included in the calculation include Carbon Dioxide (CO_2), Methane (CH_4), and Nitrous Oxide (N_2O).

To further improve our emission analysis, KIT has started monitoring and disclosing Scope 3 GHG emissions. Business air travel accounts for the entirety of our Scope 3 emissions monitored.

The Scope 3 emissions[2] figure in 2020 was 8.21 tCO_2e, which was exceptionally low due to the unique circumstances brought about by the COVID-19 pandemic which greatly reduced air travel.

KIT's total Scope 1, 2 and 3 GHG emissions were 2,316,150 tCO_2e in 2020; consisting of 2,158,488 tCO_2e of Scope 1 emissions and 157,653 tCO_2e of Scope 2 emissions. Total Scope 1, 2 and 3 GHG emissions reduced by 1.1% compared to 2019. The reduction in Scope 1 emissions was due to overall reduction in incineration waste diverted to WTE plants, hence lowering the emissions resulting from its operations.

1 The GHG emission calculation methodology is aligned with the requirements of the equity share approach under the GHG Protocol.
2 Scope 3 emission factors are referenced from International Civil Aviation Organisation (ICAO).

THE CLASSIFICATION OF GHG EMISSIONS IS AS FOLLOWS:

SCOPE 1
DIRECT EMISSIONS
(Emissions from City Gas, Ixom, Basslink, Keppel Merlimau Cogen Plant, Senoko WTE Plant, Keppel Seghers Tuas WTE Plant, Keppel Seghers Ulu Pandan NEWater Plant)

- **Diesel**
- **Natural Gas**
- **Naphtha**

SCOPE 2
INDIRECT EMISSIONS
(Emissions from City Gas, Ixom, Basslink, Senoko WTE Plant, Keppel Seghers Tuas WTE Plant, Keppel Seghers Ulu Pandan NEWater Plant, SingSpring Desalination Plant)

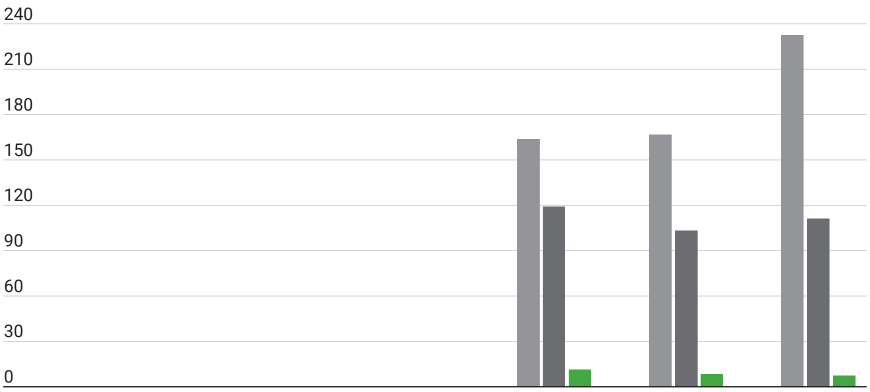
- **Electricity**

SCOPE 3
INDIRECT EMISSIONS
(Emissions from Keppel Infrastructure Fund Management)

- **Business Air Travel**

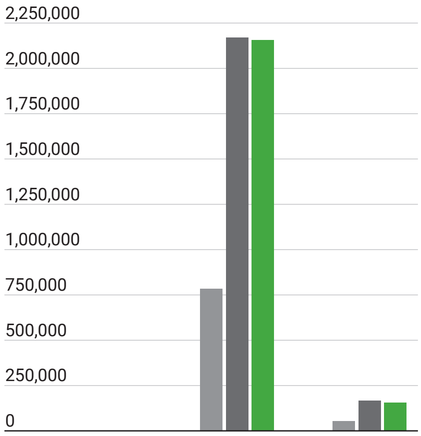
ENVIRONMENTAL STEWARDSHIP

AIR EMISSIONS (mg/Nm³)



	2018	2019	**2020**
NOx	163.5	166.7	**232.5**
SO_2	118.8	103.0	**111.0**
Particulate Matter (PM)	11.0	8.0	**7.0**

DIRECT AND INDIRECT EMISSIONS (tCO_2e)



	Direct Emissions	Indirect Emissions
2018	786,883	55,831[2]
2019[1]	2,173,349	168,162
2020[1]	**2,158,488**	**157,662**

1 Inclusive of data from KMC.
2 Figures exclude Scope 3 emissions.

In 2020, KIT's carbon intensity (for Scope 1, 2 and 3)–based on Free Cash Flow to Equity (FCFE)[1] was 10,262 tCO_2e/mil SGD, which is a 17.3% reduction from 2019 emission intensity of 12,408 tCO_2e/mil SGD.

OTHER EMISSIONS AND EFFLUENTS

GRI 303-2 | 306-1 | 305-7

In 2020, Nitrogen Oxides (NOx) and Sulphur Dioxide (SO_2) emissions from our Singapore assets remained well below the limits stipulated by National Environment Agency's (NEA) Environmental Protection and Management (Air Impurities) Regulations; which are 700 milligrams per normal cubic metre (mg/Nm³) and 500 mg/Nm³ respectively. In 2020, total NOx was 232.5 mg/Nm³ while SO_2 totalled 111.0 mg/Nm³. In Singapore, emissions from KMC, Tuas WTE, Senoko WTE and Ulu Pandan NEWater plants are managed by KIT's sponsor and Operations and Maintenance (O&M) contractor, Keppel Infrastructure.

Particulate Matter emitted was 7.0 mg/Nm³ in 2020, which is far below the NEA emission standard of 100 mg/Nm³.

Ixom operates in Australia and New Zealand where energy and emissions are regulated by the Clean Energy Regulator, National Greenhouse and Energy Reporting Scheme. Ixom is compliant with all regulatory and reporting requirements of Australia's Department of Agriculture, Water and Environment–which requires an annual submission to the National Pollution Inventory.

All effluent discharged to water courses or sewer systems is treated in compliance with all applicable country-specific environmental standards, requirements and limits.

KIFM conducts impact studies and designs outfalls to ensure that discharge water does not significantly impact the environment. KIT discharged a total of 56,578,463 m³ of water in 2020. 39,361,190 m³ was discharged into subsurface waters and 17,217,273 m³ was discharged to sewers that lead to rivers, oceans, lakes, wetlands, treatment facilities and/or groundwater.

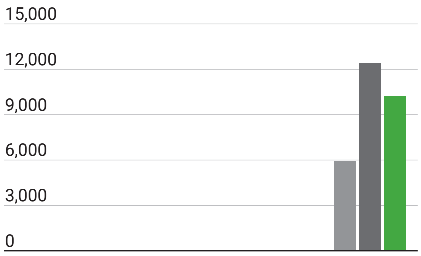
ENVIRONMENTAL MANAGEMENT

OVERVIEW

KIFM is committed to minimise the environmental impact of its operations, and implementing best practices for sustainable business. Optimising the consumption of environmental resources also helps the Trust reduce costs, optimise value creation and adapt to rapidly changing markets that value excellent sustainability performance.

The environmental performance report includes data from City Gas (including Senoko Gasworks), Ixom, Basslink, KMC, Senoko WTE Plant, Keppel Seghers Tuas WTE Plant, Keppel Seghers Ulu Pandan NEWater Plant and SingSpring. To enhance accuracy, KIFM had redefined the reporting scope for SingSpring and KMC to adopt the equity share approach.

CARBON EMISSIONS INTENSITY
(tCO_2e/mil SGD)



2018	5,968.0[2]
2019[1]	12,408.6
2020[1]	**10,262.1[3]**

1 Inclusive of data from KMC.
2 Figures exclude Scope 3 emissions.
3 Carbon emissions intensity calculation includes Scope 1, 2 and 3 emissions.

1 Free cash flow to equity (FCFE) is equivalent to distributable cash flow. FCFE is net of trust expenses, distribution paid/payable to perpetual securities holders, Trustee-Manager fees and financing costs.

MANAGEMENT APPROACH

KIFM's environmental management approach is designed to maximise value for its stakeholders by assessing and mitigating environmental impacts and risks, as well as capitalising on cutting edge environmental solutions and practices. Environmental initiatives focus on material issues and are aligned with KIT's business objectives. Key environmental objectives include providing sustainable resources, increasing energy efficiency, achieving industry green standards, optimising resources and waste streams, as well as reducing emissions.

KIFM adopts internationally recognised standards including ISO 14001 certification to validate industry-leading environmental performance. Ixom has achieved ISO 9001 and ISO/FSSC 22000 certifications in 2020, which demonstrates its commitment towards high customer standards, as well as good quality and safe products and services.

The effectiveness of the environmental management approach is evaluated based on performance metrics and progress towards ESG targets.

ENERGY CONSUMPTION

GRI 103-1 | 103-2 | 103-3 | 302-1 | 302-3 | 302-4

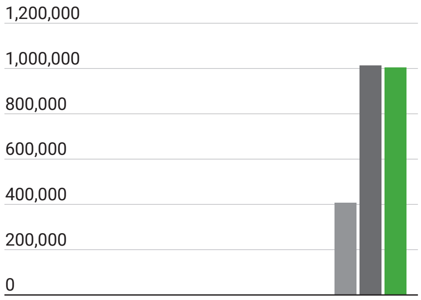
KIT's businesses and assets consume energy directly through onsite business operations and indirectly through purchased electricity. Direct energy sources consist mostly of Natural Gas, Diesel and Naphtha.

KIT focuses its energy conservation strategies and performance targets on City Gas, Ixom, Basslink, Keppel Seghers Ulu Pandan NEWater Plant and SingSpring. All other KIT assets are energy producers. KIFM continuously assesses and implements cost-effective measures to optimise energy management and improve GHG intensity. KIFM collaborates with its O&M contractors to identify opportunities to avoid unnecessary energy consumption and ensure that plants are operating according to their energy-efficient designs.

In 2020, KIT's portfolio energy consumption totaled 8,048,562 gigajoules (GJ), of which 7,044,490 GJ was direct energy and 1,004,072 GJ was indirect energy consumption. Energy intensity was 35,660 GJ per million SGD in 2020.

KIFM produces and consumes renewable energy at its assets like the Keppel Seghers Ulu Pandan NEWater Plant (pictured) to reduce GHG emissions and support the transition to a clean energy future.

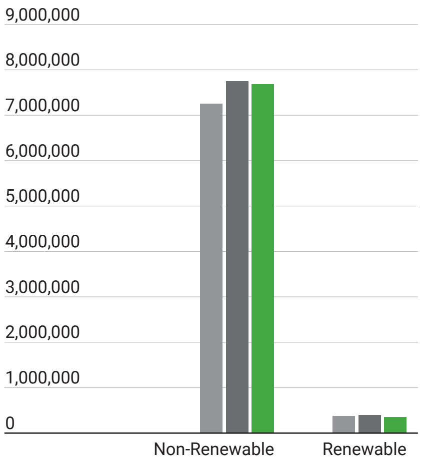
TOTAL INDIRECT ENERGY CONSUMPTION (GJ)



2018	407,585
2019	1,013,403[1]
2020	**1,004,072**

[1] The increase in indirect energy consumption in 2019 is attributed to the acquisition of Ixom that was completed on 19 February 2019.

TOTAL ENERGY CONSUMPTION BY FUEL TYPE (GJ)



	Non-Renewable	Renewable
2018	7,262,335	384,597
2019	7,752,775	399,992
2020	**7,689,091**	**359,471**

ENVIRONMENTAL STEWARDSHIP

Energy consumption data was calculated using standard conversion factors. Raw energy data was collected from the CR360 system, monthly reports and data submitted by various businesses and assets.

In 2020, KIT's portfolio consumed 359,471 GJ of renewable energy, representing 4.5% of total energy consumption. KIT generates and consumes renewable energy from solar photovoltaic (PV) panels, as well as from municipal solid waste processed at the WTE plants.

KIT sold approximately 1,000,000 GJ of the electricity it produced in 2020 through its WTE plants.

HARNESSING RENEWABLE ENERGY

KIFM produces and consumes renewable energy to reduce GHG emissions and support the transition to a clean energy future. The Keppel Seghers Ulu Pandan NEWater Plant features a rooftop PV installation with a generation capacity of 1 megawatt-peak (MWp). This generates approximately 1.1 gigawatt-hours of clean renewable electricity each year, which is enough to power about 250 four-room households in Singapore. The solar array undergoes regular maintenance and assessments to ensure optimised performance.

Keppel Seghers Ulu Pandan NEWater Plant's innovative solar PV system was recognised with a Solar Pioneer Award by the Energy Innovation Programme Office, which is led by the Singapore Economic Development Board and the Energy Market Authority.

GREEN SOLUTIONS

KIT's assets incorporate energy efficiency and sustainable design features, including but not limited to energy-efficient lighting installations at our WTE plants; compressor optimisation conducted at KMC; and roof design for natural daylighting at SingSpring.

KIT continues to explore and introduce new and innovative solutions that will contribute to a greener and cleaner environment. These include:

- KMC – Solar PV system
  KMC has successfully installed solar PV systems in early 2020 with a design capacity of 1MWp. The electricity generated from these solar PV systems is used to power the auxiliary parts of KMC, providing clean energy for the plant.
- City Gas – Green Hydrogen
  City Gas is exploring the use of Green hydrogen to replace manufactured town gas to reduce Scope 1 emissions.
- City Gas – Natural Gas to Naphtha ratio
  City Gas had increasingly substituted Naphtha with Natural Gas (NG) to reduce Scope 1 emissions as NG is a cleaner fuel than Naphtha.

City Gas has implemented an innovative strategy to recycle wastewater produced by the town gas manufacturing process, which reduces water consumption by up to 15% annually.

SingSpring (pictured) had used more energy efficient membranes in its water treatment process to reduce energy consumption, lowering Scope 2 emissions by 5% in 2020.

- **Ixom – Green Ammonia**
  Ixom is exploring the manufacturing and supply of green ammonia on a commercial basis in Australia.

  Green ammonia is produced via renewable energy sources such as solar, wind and hydropower while conventional ammonia uses natural gas as a feedstock to the electrolysers.

- **SingSpring – Use of Energy Efficient Membranes**
  SingSpring had used more energy efficient membranes in its water treatment process to reduce energy consumption, lowering Scope 2 emissions by 5% in 2020.

In October 2020, Keppel Data Centres Holding (KDCH), City Gas and City-OG Gas Energy Services (City-OG) signed a Memorandum of Understanding (MOU) to explore using Liquefied Natural Gas (LNG) and hydrogen to power KDCH's Floating Data Centre Park (FDCP) in Singapore, which is currently in its exploration phase.

Under the MOU, the three parties will jointly explore and evaluate LNG procurement strategies and the energy transition to hydrogen in the longer term. The parties will also deliberate on cold energy harnessing for the FDCP and share expertise on steam methane reforming.

This is in line with City Gas' commitment towards expanding its green efforts by partnering with like-minded organisations to explore new and innovative ways to lower our carbon emissions.

WATER MANAGEMENT

GRI 103-1 | 103-2 | 103-3 | 303-1 | 303-5

KIFM manages water as a critical resource as some of KIT's businesses and assets operate in water-scarce regions where issues such as climate change and population growth are expected to exacerbate water scarcity. As such, KIT's water management efforts are essential to safeguard business value and continuity into the future. KIFM's water management strategies are aligned with the mission of PUB, Singapore's National Water Agency, which is to ensure an efficient, adequate and sustainable supply of water.

As the owner of SingSpring, KIT directly contributes to Singapore's freshwater supply by generating potable water from raw seawater. As the owner of Ixom, KIT contributes further to water security by producing chemicals and supplying solutions that are crucial to upstream water treatment processes.

KIT optimises water efficiency at its assets through best practices in water conservation and the adoption of innovative water-efficient equipment, technologies and processes. For example, KMC uses seawater to cool its generators, thus reducing the demand and consumption of NEWater.

KIT sources all its water from municipal water supplies, through PUB, or from water produced at our water plants. KIFM ensures that KIT's water consumption does not significantly impact any water sources.

KIT's portfolio consumed a total of 1,509,653 cubic metres (m^3) of water to support its operational needs in 2020, of which 1,091,931 m^3 was NEWater, 417,721 m^3 was potable water, out of which 365,339 m^3 was recycled. This represents a 5.4% increase compared to 2019. The increase can be attributed to the 9.5% increase in NEWater demand for increased maintenance and backwash cleaning at Keppel Seghers Ulu Pandan NEWater plant. KIT also recorded an increase in recycled rainwater water due to favourable weather conditions at Ixom and Senoko WTE Plant, which utilise collected rainwater to wash and cool their machineries respectively.

A significant amount of water is recycled at the Senoko WTE Plant (pictured) through an innovative process of treating effluent water from the refuse leachate and wastewater.

WATER RECYCLING

A significant amount of water is recycled at the Senoko WTE Plant through an innovative process of treating effluent water from the refuse leachate and wastewater. The treated water is then used for ash quenching and fire prevention by wetting dry refuse in the bunker. Drainage channels throughout the site also collect rainwater and surface runoff which are subsequently stored in the five catchment basins and then conveyed to the service basins to be used for general purposes such as reception hall cleaning and boiler house washing.

Senoko WTE Plant's O&M team further innovated its water management processes to supplement rain and surface water with treated effluent water during periods of low precipitation. These water recycling processes reduce the demand for NEWater and discharge rates.

Effluent water is treated at Senoko WTE Plant through a multi-gravel filtration system and is subsequently transferred to the service water basins to be reused. The filtration system was designed, fabricated, and installed by the O&M team and consists of several layers of porous media resting on a drainage gravel layer, which acts as a support medium for the entire system and allows for backwash to be carried out effectively.

Senoko WTE Plant's innovative effluent filtering and recycling system was completed in 2015 and together with the onsite rain/surface water system, the plant is able to significantly reduce its consumption of NEWater.

City Gas has implemented an innovative strategy to recycle wastewater produced by the town gas manufacturing process, which reduces water consumption by up to 15% annually. The process involves collecting water condensate from the medium-pressure cyclic gas-making plants and using it for the cooling tower. Other water conservation measures include the installation of water-efficient taps and showerheads to enhance water consumption efficiency.

WASTE MANAGEMENT

GRI 103-1 | 103-2 | 103-3 | 306-2

With two WTE plants in KIT's portfolio, KIFM implements innovative waste management solutions as a core aspect of its sustainability strategy. KIT continually assesses and implements new cost-effective opportunities to further improve waste management and optimise WTE processes.

KIT's WTE plants divert a considerable amount of waste otherwise destined for landfills by reducing the volume of waste by up to 90%, which helps to conserve Singapore's limited land and landfill capacity. They are also able to recover energy from this waste, providing energy from alternative sources.

To conserve valuable resources and reduce the demand for raw materials, scrap metal is collected at KIT's WTE plants to be recycled. To minimise environmental impact and to ensure safety, hazardous waste is collected by licensed professionals and burned at NEA-designated plants.

In 2020, KIT's portfolio of assets produced a total of 153,122 tonnes of non-hazardous landfill waste, which was a 3.2% increase from 2019. We are looking into disclosing data on hazardous waste produced. KIT recycled 6,867 tonnes of scrap metal. The overall reduction in incinerated waste led to lower scrap metal recovered in 2020 as compared to 2019.

ENVIRONMENTAL COMPLIANCE

GRI 103-1 | 103-2 | 103-3 | 307-1

To minimise any potential negative impact of its operations on local ecosystems, all KIT operations conduct Environmental Impact Assessments (EIA) prior to construction. Based on the results of the EIA studies, water quality test reports, air emission sensor readings and monthly O&M reports, several of our operations have the potential to affect local communities, but all discharges from KIT assets are within approved regulatory limits.

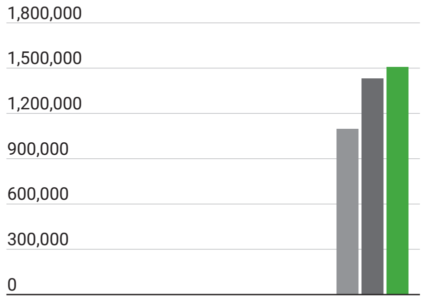
Those operations and their potential impacts are outlined below:

- **SingSpring:** Trade effluent with a concentration of salt and heavy metals discharged back to the sea (within allowable limits; waived by NEA).
- **Keppel Seghers Ulu Pandan NEWater Plant:** Trade effluent discharged back to PUB sewage system (within allowable limits).
- **Senoko WTE, Keppel Seghers Tuas WTE and KMC plants:** Discharge of air pollutants, e.g. Dioxin, NOx, and CO_2 (within allowable limits); discharge of recycled seawater for plant cooling back to the sea (within allowable limits).

Providing sustainable infrastructure and essential resources is central to KIT's operational purpose. Sustainable benefits of KIT's businesses and assets include generating renewable and alternative energy, producing clean water at our NEWater and desalination plants, conserving landfill space, as well as the manufacturing and distribution of liquefied chlorine for water treatment in Australia.

There were no reportable chemical spills in KIT's portfolio in 2020. To the best of its knowledge, KIFM has complied with all relevant laws and regulations in 2020.

TOTAL WATER USED (m^3)



2018	1,099,200
2019	1,431,698
2020	**1,509,653**

TOTAL WASTE RECYCLED (tonnes)

2018	10,122
2019	9,340
2020	**6,867**

RESPONSIBLE BUSINESS

THE TRUSTEE MANAGER'S PRIMARY RESPONSIBILITY IS TO OPTIMISE VALUE CREATION AS WELL AS DELIVER SUSTAINABLE INCOME DISTRIBUTION AND LONG-TERM RETURNS FOR OUR KEY STAKEHOLDERS.

ECONOMIC SUSTAINABILITY

GRI 102-7 | 103-1 | 103-2 | 103-3 | 201-1

KIFM's priority is to deliver sustainable income distribution and long-term returns for its key stakeholders. KIT's businesses and assets generate direct value for both internal and external stakeholders by stimulating the local economy, creating jobs, generating tax revenues and providing essential resources required for economic functions. Direct economic value is delivered to Unitholders in the form of sustainable distributions, and its employees through competitive salary packages.

KIFM measures the economic value it delivers to Unitholders based on free cash flow to equity (FCFE)[1]. In 2020, KIT's FCFE was $225.7 million, representing a 19.6% increase compared to 2019.

KIFM believes that effective management of material environmental, social and governance (ESG) risks and opportunities are aligned with its primary responsibilities to create, distribute and protect value. As such, both are managed with consideration of each other.

Sustainability issues and ESG risks are also considered in the evaluation of all investment opportunities. The Trustee-Manager considers the cost and impact of carbon emissions in all major investment decisions.

In line with its efforts to bolster green investments in Singapore, KMC secured a seven-year $700 million sustainability-linked loan in 2020 for its jointly owned gas-fired co-generation plant, KMC. This is one of the largest sustainability-linked loans in Singapore.

The loan is linked to carbon emissions intensity targets for KMC. These targets include benchmarking of the plant's carbon emissions intensity against national indices, as well as demonstrating continuous improvement in the plant's carbon emissions intensity. If these pre-set targets are met, the interest rate on the facility will be subsequently reduced on a tiered basis.

The loan strengthens KIT's sustainability efforts, where many of the Trust's businesses and assets across its portfolio have already

[1] Free cash flow to equity (FCFE) is equivalent to distributable cash flow. FCFE is net of trust expenses, distribution paid/payable to perpetual securities holders, Trustee-Manager fees and financing costs.

The sustainability-linked loan secured by KMC aligns with KIT's efforts to bolster green investments in Singapore and encourages improvements in KMC's carbon emissions intensity.

The KIFM Board consists mostly of Independent Directors to ensure the unbiased consideration of stakeholders' interests.

incorporated best-in-class technologies to support sustainable urban infrastructure.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

GRI 102-11 | 102-16

Strong corporate governance frameworks and best practices are crucial to KIFM. The Board consists mostly of Independent Directors to ensure the unbiased consideration of its key stakeholders' interests.

More information on KIFM's corporate governance guidelines and practices is available from pages 148 to 180.

As part of its System of Management Controls, KIFM implements an Enterprise Risk Management framework –a comprehensive and dynamic risk management framework that enables KIFM to adapt to emerging ESG risks and the rapidly changing business landscape. Accordingly, KIFM continuously assesses its operations and adjusts to mitigate potential risks and capitalise on new opportunities related to ESG issues as necessary. These measures protect the resilience and longevity of the Trust.

KIFM assesses the risk and likelihood of counterparties' involvement in bribery and/or corruption issues and when appropriate, conducts stringent due diligence on counterparties and/or business transactions.

More information on KIT's risk management strategy is available on pages 161, 181 and 182.

COMPLIANCE, ANTI-BRIBERY AND ANTI-CORRUPTION MEASURES

GRI 103-1 | 103-2 | 103-3 | 205-1 | 205-2 | 205-3 | 206-1 | 417-3 | 419-1

KIFM has zero tolerance for corruption and implements the highest standards of business ethics. KIFM adopts the United Nations Global Compact's Principles, including Principle 10: Measures Against Corruption, and has implemented strong measures to prevent corruption, bribery, fraud and other forms of unethical behaviour.

KIFM regularly communicates business ethics policies to all its employees, including senior management and directors. All employees must adhere to KIT's Enhanced Code of Conduct, which establishes and reinforces the highest standards of integrity and ethical business practices. To accomplish this objective, the Enhanced Code of Conduct has a strong focus on anti-corruption and has defined ethical business standards for conflicts of interests, the offering and receiving of gifts, as well as hospitality and promotional expenditures. The Enhanced Code of Conduct requires all employees to declare potential conflicts of interest and avoid any conflict between their interests and the best interests of all relevant stakeholders in dealing with suppliers, customers and other third parties.

In addition, KIFM implements policies to ensure working relationships between KIFM and agents or other persons acting on behalf of KIFM and/or KIT are conducted ethically. These policies outline standards of conduct to which KIFM or KIT's suppliers and their parent entities, subsidiaries, as well as affiliated entities and employees, must abide by.

All KIFM directors and employees complete annual online training and testing to ensure proper knowledge of various policies on topics such as KIT's Enhanced Code of Conduct and the Whistle-Blower, Anti-Bribery and Anti-Corruption, Solicitation and Extortion, Conflict of Interest and Insider Trading policies. All KIFM employees and the employees of KIT's various businesses and assets also undergo mandatory compliance training sessions.

Measures adopted to prevent corruption and unethical behaviour include:

- Outlining the responsibilities of all employees to uphold anti-corruption and anti-bribery principles;
- Informing and guiding employees on how to pre-emptively identify and avoid instances of corruption; and
- Implementing policies that outline standards of conduct expected of KIFM and agents acting on behalf of KIFM and KIT asset companies.

In 2020, there were no known instances of corruption or non-compliance with any applicable regulations, laws and/or voluntary codes related to anti-competitive behaviour, anti-trust, monopoly, marketing communications, IT privacy breaches, health and safety, as well as ESG-related policies. Significant risks issues, such as those relating to corruption in all areas of operations within the KIT Group, and areas where external agents are used for business development are surfaced by management and assessed by the Board.

All KIT employees participate in annual e-training and online declarations to ensure they have the knowledge and commitment to comply with and uphold all relevant business ethics and anti-corruption policies and regulations. These policies are also communicated to all employees as necessary. In 2020, there were no known instances of non-compliance across the portfolio.

KIFM embraces competition as a key driver of innovation and industry advancement, as well as the improvement of products and services. As such, KIFM's Competition Law Compliance Manual provides guidance and outlines policies to ensure employees avoid all anti-competitive behaviour when conducting their business.

SUPPLY CHAIN AND RESPONSIBLE PROCUREMENT

GRI 102-9 | 102-10

KIFM believes that a resilient and responsible supply chain facilitates business continuity, growth and success. KIFM assesses the sustainability and responsibility of its suppliers in addition to the business value that they offer. Potential suppliers undergo rigorous screening to evaluate reputation, track record of service quality, safety and alignment with KIT's sustainability criteria.

KIFM's Supplier Code of Conduct encourages suppliers to adopt responsible business practices and outlines standards for environmental management, business conduct, labour, health, and safety practices of suppliers. All of KIFM's major suppliers (providing products or services valued at $200,000 or more in a calendar year) are required to adhere to the Supplier Code of Conduct.

KIFM benefits from the expertise and skills of its sponsor, Keppel Infrastructure (KI), and its subsidiaries, including but not limited to technical management, operations & maintenance (O&M), engineering, procurement and construction.

All contractors are required to comply with all applicable laws and regulations during their engagement with KIFM. KIFM regularly engages with contractors to evaluate their performance against quality, safety standards and ESG criteria.

PRODUCT QUALITY AND SAFETY

CUSTOMER SATISFACTION

GRI 103-1 | 103-2 | 103-3 | 418-1

KIT consistently delivers reliable products and services of high quality. To achieve this, operations teams at our businesses and

All of KIFM's potential suppliers undergo rigorous screening to evaluate reputation, track record of service quality, safety and alignment with KIT's sustainability criteria.

assets engage with key customers directly to better understand their needs and ensure high levels of satisfaction. Key focus areas for customer satisfaction include O&M effectiveness, equipment condition, safety record and readiness to respond to emergencies (e.g. chemical spills, health pandemics, fire outbreaks, terror and cyber-attack threats).

KIFM partners and works closely with government agencies and regulatory authorities who oversee the provision of public utilities such as electricity, water, and waste treatment. Some of KIT's key customers include the National Environment Agency for the Keppel Seghers Tuas WTE and Senoko WTE Plants; PUB, Singapore's National Water Agency for the Keppel Seghers Ulu Pandan NEWater Plant and SingSpring; and Keppel Electric as Toller for KMC and Hydro Tasmania as the sole customer of Basslink's undersea power transmission interconnector.

KIFM conducts regular reporting, annual capacity tests and audits as necessary to ensure quality and reliability throughout the portfolio.

KIFM conducts regular reporting, annual capacity tests and audits as necessary to ensure quality and reliability throughout the portfolio.

At the WTE plants, truck turnaround times are closely monitored and communicated to optimise wait times for licensed Public Waste Collectors delivering waste.

City Gas produces and retails 100% of Singapore's town gas, serving approximately 866,000 residential, commercial and industrial customers. City Gas' contract workers are trained to ensure residents and businesses consistently receive excellent service quality and that all participants of City Gas projects uphold the highest quality standards. City Gas' key business partners include installation subcontractors, SP Services for billing, and joint venture partners for providing technical solutions to major commercial and industrial customers.

City Gas engages with domestic and commercial customers to understand their needs, evaluate satisfaction levels and gain feedback for improvement. Audits are conducted by a third-party consultant to gauge satisfaction levels regarding gas supply turn-on, gas installation work, commercial installation and servicing works carried out by both in-house City Gas technicians as well as term contractors. Commercial customers are engaged through in-person interviews while domestic customer interviews are conducted over the phone.

City Gas' average overall customer satisfaction score was 3.6 out of 4 in 2020.

There were zero complaints and/or allegations of data breach concerning customer privacy or loss of customer data in 2020.

SECURITY

Some of KIT businesses and assets in Singapore have been designated as Key Installations (KINS) by the Government. KINS are infrastructure for nationally critical services such as energy, water and town gas. Due to their importance, KINS assets require heightened security measures such as armed security, strict access control, intrusion detection systems and advanced surveillance measures. National security forces including the Singapore Police Force and the Police Coast Guard, participate in regular security drills and provide security support.

KIFM collaborates with government agencies and O&M contractors to further enhance the security of its nationally critical physical infrastructure. To safeguard business continuity against unforeseen emergencies, KIFM works with government authorities to perform rigorous scenario planning exercises, which are regularly updated and tested to ensure dynamic effectiveness.

KIFM also aligns its operations with the national cybersecurity strategy and implements key initiatives to protect critical information infrastructures against cybersecurity threats in Singapore. Such measures focus on protection, prevention, detection, rapid response and mitigation of potential cybersecurity incidents.

In 2020, there were no physical security breaches or cyber-attacks impacting the operations of KIT's businesses and assets.

PEOPLE AND COMMUNITY

INVESTING IN THE DEVELOPMENT AND WELL-BEING OF OUR PEOPLE HELPS GROW LONG-TERM VALUE AND POSITIONS KIT FOR SUCCESS.

LABOUR PRACTICES, TALENT MANAGEMENT AND HUMAN RIGHTS

PEOPLE MATTER

KIFM develops its workforce by providing platforms for its people to collaborate, innovate and share ideas. KIFM also seeks to create a culture of inclusiveness, recognition and appreciation, with the aim of providing fulfilling careers to all our staff and bring a positive impact to the community. This is accomplished by nurturing these five key areas:

1. Making a difference: Adapt to the future-of-work and understand the impact of their work on communities;
2. Having a voice: Engage and participate in company conversations and team projects;
3. Feeling valued: Continue to foster a culture of recognition, appreciation and promote employee well-being;
4. Growing a career: Enhance career development through acquisition of skills and mentoring; and
5. Inspiring growth: Develop leadership skills through leading by example.

PROFILE OF EMPLOYEES

GRI 102-7 | 102-8 |103-1 |103-2 | 103-3 | 401-1

As at end-2020, KIFM's workforce consisted of 21 employees, of whom 20 are full-time permanent employees and one employee is under contract. The dedicated investment, asset management and finance headcount is seconded from Keppel Capital to the Trustee-Manager.

In 2020, three employees left KIFM, of whom two were female between 30-50 years old and one was a male over 50 years old. In addition, four new hires joined the team, of whom one is male between 30-50 years old, one male below 30 years old and two females below 30 years old.

KIFM is committed to providing a fair and inclusive work environment where a diversity of cultures and perspectives will drive innovation and business value.

DIVERSITY AND INCLUSION

GRI 102-41 | 103-1 | 103-2 | 103-3 | 405-1 | 406-1

KIFM is committed to providing a fair and inclusive work environment where a diversity of cultures and perspectives will drive innovation and business value. KIFM implements fair and equal human resource best practices and enforces a zero-tolerance discrimination policy.

Human resource strategies and frameworks are designed to foster a culture of diversity and inclusiveness throughout KIT's operations. Opportunities are availed to all and human resource decisions are based solely on merit. Recruitment and employee development decisions are made based on individual competencies and their alignment with the business needs of the Trust. KIFM's human resource policies are designed to ensure equal employment opportunities for all, regardless of race, religion, gender, marital status or age.

As at 31 December 2020, KIT's workforce comprised 62% male and 38% female employees. Please refer to pages 12 and 13 for additional details on the diversity of the KIFM Board of Directors.

KIFM reinforces its commitment to non-discrimination and equal opportunities through the implementation of the Tripartite Guidelines on Fair Employment Practices and strives to uphold the Employers' Pledge of Fair Employment Practices, which is guided by the following five principles:

In 2020, KIFM participated in the SGUnited Traineeships Programme to identify and groom talents by providing them with a conducive platform and environment to develop their skills professionally.

1. Recruit and select employees on the basis of merit (such as skills, experience or ability to perform the job) and regardless of age, race, gender, religion, marital status and family responsibilities or disability;
2. Treat employees fairly and with respect, and implement progressive human resource management systems;
3. Provide employees with fair opportunity to be considered for training and development based on their strengths and needs to help them achieve their full potential;
4. Reward employees fairly based on their ability, performance, contribution, and experience; and
5. Abide by labour laws and adopt the Tripartite Guidelines on Fair Employment Practices.

The KIT Employee Code of Conduct applies to all KIFM employees and reinforces KIFM's commitment to human rights and sets out KIFM's stance against discrimination and bias on any basis, including ethnicity, gender, religious beliefs or age.

No employees are currently covered under any collective bargaining agreements.

KIFM has effective procedures and processes in place for the reporting of all employee grievances and responds to all reports in a timely manner.

No cases of discrimination were reported in 2020.

PROVISION OF BENEFITS

GRI 401-2 | 403-6

KIFM provides all employees with competitive compensation and packages as part of its strategy to attract and retain top talent. All KIFM employees receive benefits such as life insurance, medical entitlement, leave entitlement and contributions to the local pension fund i.e. the Central Provident Fund in Singapore.

As at 31 December 2020, the Trustee-Manager complies with all legal regulations pertaining to employment terms and the provision of benefits.

PERFORMANCE MANAGEMENT

GRI 103-1 | 103-2 | 103-3 | 404-3

The Trustee-Manager optimises value creation and fosters a culture of high performance through a pay-for-performance management

EMPLOYEE DEVELOPMENT

15.6 hrs

Average number of training hours per employee

EMPLOYEE ENGAGEMENT

100%

Participation rate in the 2020 Employee Engagement Survey

approach that drives employees towards achieving both individual and collective goals. This strategy incentivises employee performance through financial compensation, opportunities for advancement, promotion and training.

KIFM employees receive regular comprehensive performance and career development reviews where supervisors and employees discuss performance goals based on targets in four key areas: Financial, Process, Customers & Stakeholders and People.

All employees received performance reviews in 2020.

SUCCESSION PLANNING AND TALENT MANAGEMENT

The Trustee-Manager's strategic succession planning and talent management framework identifies and develops high-potential individuals in the company to safeguard business continuity, build resilience and grow sustainable long-term value.

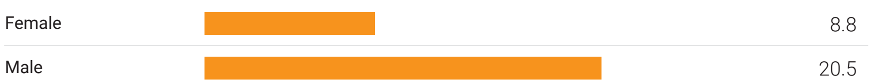
The succession plan for the CEO is discussed and reviewed with KIT's Nominating and Remuneration Committee and with the Keppel Group on an annual basis. The Manager benefits from being part of a larger Group and its ability to draw talent from the group. Development plans are put in place to equip potential successors and prepare them for leadership responsibilities. Succession plan targets are included in yearly senior management targets, ensuring commitment to succession planning efforts.

To build its bench strength, KIFM carefully selects opportunities for high potential employees to develop leadership skills and cultivate an innovative mindset. KIFM employees engage directly with senior management and members of other Keppel business units and build relationships at networking events.

To support its talent management initiatives, KIFM leverages the Keppel Group's centralised talent management function, which drives leadership and executive development programmes, as well as coordinates talent management information across all business units. The Keppel Young Leaders programme and the Keppel Leadership Institute help to identify and develop high-potential employees across all business units within the Keppel Group. The Keppel Leadership Institute was launched in 2015 to equip future leaders with the skills they need to take on new leadership responsibilities, tackle emerging business challenges and capitalise on growth opportunities.

In 2020, Keppel Group launched the Career Konductor programme to empower employees to drive their careers by providing a network of trained Keppelites who can provide career insights. KIFM also participated in the SGUnited Traineeships Programme to identify and groom talents by providing them with a conducive platform and environment to develop their skills professionally.

TRAINING HOURS BY EMPLOYEE GENDER[1] (hours)



[1] The difference between male and female training hours is attributed to safety courses undertaken by two male employees, which collectively amounted to over 60 hours, thus resulting in a higher average training hours per male employee.

TRAINING HOURS BY EMPLOYEE CATEGORY (hours)

EMPLOYEE ENGAGEMENT

The Trustee-Manager actively engages with its employees to better understand and serve their best interests, as well as to communicate and receive constructive feedback. Each year, KIFM staff participate in the Keppel Group Employee Engagement Survey, which is conducted by an external consultant and designed to evaluate the effectiveness of KIFM's employee engagement approach. Together, the Trustee-Manager and Keppel Capital review the results and use the findings to adapt and improve employee relations and drive development initiatives based on their evolving needs.

Although participation in the 2020 Employee Engagement Survey was voluntary, KIFM achieved a 100% participation rate because its employees understand the value of the survey, as well as internal feedback platforms. The results provided constructive insights into employee perspectives, which allow the Trustee-Manager to implement effective initiatives, improve employee engagement efforts and make informed strategic business decisions.

TRAINING AND DEVELOPMENT

GRI 103-1 | 103-2 | 103-3 | 404-1

The Trustee-Manager believes that investing in the development and well-being of our people is an investment in the long-term value and resilience of the Trust.

In 2020, KIFM employees were encouraged to build their capacity and personal development through various virtual training and development programmes. Employees were able to enhance their skill sets through a wide range of online workshops, from presentation design and financial modelling to public speaking and coding.

In 2020, KIFM employees received an average of 15.6 training hours per employee.

Employee development and training programmes are customised based on the current career stage and capacity of individuals as well as the current and future needs of the Trust.

A week-long virtual learning festival held in 2020 ensured employees continued to build their knowledge and capacity while observing safe management measures. This festival featured programmes such as Agile Fundamentals, Data Visualisation and Design Innovation to equip them with skills to thrive in the digital economy.

SUPPORTING HEALTH AND WELLNESS DURING THE COVID-19 PANDEMIC

KIFM engages all its employees in various activities and programmes designed to promote health and well-being. Protecting the health and well-being of its workforce, as well as helping employees maintain a high morale and adapt to the new normal of remote working during the COVID-19 pandemic were the top priorities in 2020.

At the onset of the outbreak, care packages were distributed to all staff. To support mental well-being during the period of social isolation, an Employee Assistance Programme (EAP) was also rolled out to provide employees and their families support as they coped with the challenges of working from home, juggling family responsibilities and fear of the virus. The EAP provided access to licensed counsellors from the Singapore Counselling Center on a confidential basis for face-to-face or video counselling sessions.

October 2020 was designated as Mental Well-being month to highlight the importance of mental health amidst the different challenges posed by the pandemic. Keppel Capital also organised other virtual activities including talks on mindfulness, online coffee chats and talks by International SOS on the COVID-19 virus and safe return to the office.

To boost morale and resilience, August 2020 was designated as Appreciation Month where senior management selected gifts as well as shared messages and notes of encouragement on digital platforms to show appreciation for staff, especially those who went the extra mile to help their teams.

To help employees stay fit and healthy, the company engaged instructors to hold virtual exercise sessions. June was designated as Physical Wellness Month, throughout which employees participated in various

	Group			Singapore			Overseas		
	2020	2019	2018	2020	2019	2018	2020	2019	2018[1]
Accident Frequency Rate (AFR) Reportable accidents per million man hours	**1.2**	0.4	1.3	**1.0**	0.8	1.3	**1.3**	0.0	0.0
Accident Severity Rate (ASR) Man-days lost per million man hours	**16.8**	6.8	17.0	**23.3**	13.6	17.3	**10.7**	0.0	0.0
Total Recordable Incident Rate (TRIR)	**2.3**	–	–	**1.0**	–	–	**3.6**	–	–

[1] Excludes Ixom as acquisition was completed on 19 February 2019.

initiatives to help them stay active. Healthy lifestyle challenges were posed for each day of the month in June 2020, with prizes awarded for completing the challenges.

OCCUPATIONAL HEALTH AND SAFETY

GRI 103-1 |103-2 | 103-3 | 403-1 | 403-2 | 403-3 | 403-4 | 403-5 | 403-6 | 403-7 | 403-9

The Trustee-Manager is committed to providing a safe and healthy work environment and protecting the health and well-being of its workforce.

SAFETY MANAGEMENT AND PERFORMANCE MANAGEMENT

Occupational health and safety is a core aspect of business responsibility and among the Trustee-Manager's top priorities.

The Trustee-Manager adopts a Zero Fatality Strategy, which guides the management of safety issues and aims to achieve zero workplace fatalities through five strategic thrusts:

1. Building a high-performance safety culture;
2. Adopting a proactive approach to safety management;
3. Leveraging technology to mitigate safety risks;
4. Harmonising global safety practices and competency; and
5. Streamlining learning from incidents.

MANAGEMENT APPROACH

Regular audits are conducted by qualified health, safety and environment (HSE) personnel and independent consultants to ensure KIT's safety management systems are effective. Health and safety issues are not in the scope of formal agreements with trade unions. At each facility, formal joint management-worker health and safety committees are established to provide a platform for two-way communication around safety issues at the site. At KIT, 20% of the workforce are represented by formal joint management-worker health and safety committees at a site level.

KIT's operations and maintenance (O&M) team and key service providers have their safety management systems certified to ISO 45001 standards. Operators are Keppel Seghers Engineering Singapore, KMC O&M, and Hyflux Engineering. One of KIT's assets has also achieved the highest level of BizSAFE STAR status from the Workplace Safety and Health Council.

BOARD AND MANAGEMENT OVERSIGHT

KIFM maintains an ongoing target to achieve zero fatal incidents and aims to maintain Accident Frequency Rates (AFR), Accident Severity Rates (ASR) and Total Recordable Incident Rates (TRIR) that are well below industry averages. The KIT Board reviews safety performance data against these targets quarterly. Our health and safety management practice focuses on identification and elimination of hazards and minimisation of risks.

KIFM works together with O&M contractors to ensure the implementation of HSE best practices and that O&M procedures are properly integrated with HSE measures. KIFM's asset management team also engages operators and contractors through HSE training and initiatives, such as regular monthly meetings, joint site inspections, sharing of lessons learned from near-miss incidents, annual roadshows, internal and external audits, improvement projects and regular performance reviews.

PERFORMANCE AND COMPLIANCE

In 2020, there were five reportable workplace incidents related to health and safety throughout the portfolio.

From 2020, KIT will be reporting on TRIR, which allows a fair comparison of injury rate across the industry. It is calculated as the number of recordable incidents over the total man-hours during the year.

Safety measures and performance are continuously improved through targeted staff training and the implementation of effective corrective actions to avoid the occurrence of similar incidents. KIT employees and contractors are not regularly exposed to activities with high incidence or high risk of diseases.

Some of KIT's businesses and assets are Major Hazard Installations. All respective safety cases—which outline risk mitigation measures and robust process safety management systems—are aligned with the Safety Case Regime under Singapore's Workplace Safety and Health Regulations, and have been reviewed and approved by relevant authorities.

KIFM maintains the confidentiality of every worker's personal health-related information and respects workers' rights to privacy. Their participation in any occupational health services and the

REPORTABLE INCIDENTS IN KIT'S PORTFOLIO IN 2020

Asset	Incident
Ixom	Two operators suffered minor burns from chemical exposure that were caused by faulty valves.
	An operator strained his lower back when he was operating a mobile platform that had jammed as a result of faulty wheels.
City Gas	A worker tripped and fell on a public car park curb.
Keppel Seghers Tuas WTE Plant	A subcontractor injured his finger when he was performing manual handling works.

Ixom's new Bulk Liquid Transport driver training facility acclimatises new drivers to the chemical transfer and operational process to ensure safe handling of hazardous materials, and clinched the best initiative award at the New Zealand 2020 Workplace Health and Safety Awards.

data collected from such activities are not used for any favourable or unfavourable treatment.

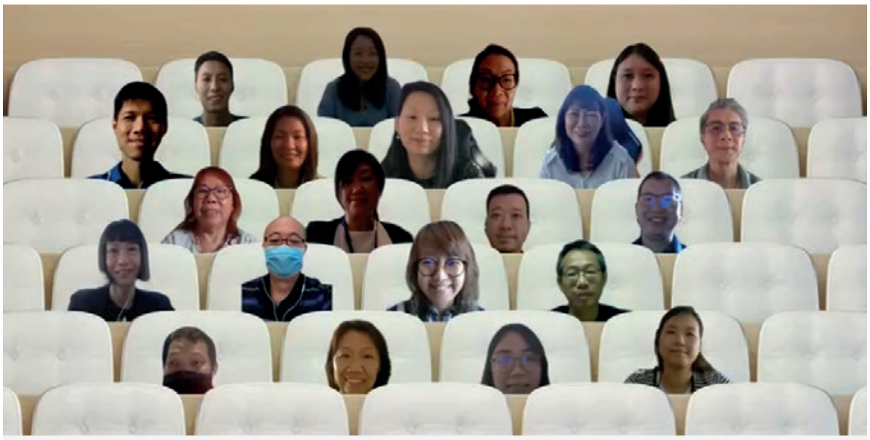
DRIVING SAFETY CULTURE AND BEHAVIOUR CHANGE

The Trustee-Manager fosters a strong culture of safety that focuses on behaviour change, identifying and addressing the root cause of incidents and sharing ideas and experiences to avoid all preventable incidents in the future. KIFM senior management conducts regular site tours and inspections, as well as attends training sessions to ensure proper knowledge of safety issues, measures and procedures.

The annual Keppel Safety Convention reiterates and reinforces Keppel's strong culture of safety and allows employees to share knowledge, experiences and ideas that can further improve safety performance.

SUSTAINABILITY AWARDS IN 2020

Businesses and Assets	Award
City Gas	Keppel Group Safety Convention: Supervisor Award
Ixom	Keppel Group Safety Convention: Outstanding Individual Award Workplace Health and Safety Awards (New Zealand): Best Initiative Award
KMC	Workplace Safety and Health Innovation Awards: Silver Award
Senoko WTE Plant	Workplace Safety and Health Innovation Awards: Bronze Award
Keppel Seghers Tuas WTE Plant	Keppel Infrastructure HSE Innovation (Pi) Awards: Silver Award Keppel Infrastructure HSE Innovation (Pi) Awards: Bronze Award
Ulu Pandan NEWater Plant	Keppel Infrastructure HSE Innovation (Pi) Awards: Silver Award
SingSpring	BizSafe Level Star



Two KIFM employees were among some of the Long Service Award recipients who were recognised at Keppel Capital's virtual townhall event in November 2020.

"I am so grateful to Keppel for organising the fun games for us to play during this pandemic. Many of us are bored as we are stuck at home. The games are fun and interactive. It's so heartening to see the community coming together during these tough times. Thank you so much, Keppel for choosing to support MDAS! Cheers!"

MELDIP KAUR D/O PARAMJIT SINGH, MDAS beneficiary

Stakeholders who go above and beyond to enhance health and safety are recognised with awards and accolades for their achievements throughout the year. At the Keppel Safety Convention in 2020, Ixom and City Gas received the Outstanding Individual Award and Supervisor Award respectively. KMC and Senoko WTE Plant received the Silver and Bronze Award respectively for the 2020 WSH Innovation Awards.

O&M contractors continually educate staff through initiatives such as the following:

1. A team that looks into continuous improvement as part of Inspection for Safety Compliance Assurance;
2. A Contractor HSE forum to discuss occupational health and safety issues and best practices;
3. Management of New Workforce Scheme as part of enhanced monitoring for new hires;
4. Monthly safety committee meetings and site inspections; and
5. Regular refresher training, Safety Induction Courses and mass talks on High Impact Risk Activities subjects.

2020 HSE INITIATIVES

KIFM continuously implements HSE initiatives and assesses opportunities to further enhance safety measures, procedures, and performance. Several planned initiatives could not be carried out due to safety regulations and concerns during the COVID-19 pandemic.

The following HSE initiatives were implemented and/or received awards in 2020:

- Senoko WTE Plant – Boundary Alert Light System for Forklift Operation:
  Senoko WTE Plant installed a laser boundary light system, which alerts operators of the movement of the forklift, thereby lowering the risk of forklift incidents. The plant was presented the Bronze Award under the WSH Innovation Awards 2020.
- KMC – Pre-heater Tube Cleaning:
  The team at KMC developed a "Preheater Tube Cleaning" which received a Silver Award by Singapore Manufacturing Federation under the WSH Innovation Awards (Manufacturing) in 2020. This innovation introduced engineering improvements that eliminate prolonged boiler tube cleaning work on a high scaffold within a confined space, reduce the risk associated with extensive noise exposure and increase cleaning efficiency.
- Ixom – Bulk Liquids Transport (BLT) Driver Training Facility:
  Ixom designed and built the BLT driver training facility which serves as a training ground for their existing BLT training programme. This facility was designed to provide an extensive and practical training programme to acclimatise new drivers to the chemical transfer and operational process. As such, Ixom was able to educate new drivers effectively and improve the synergy between cross-functional teams, ensuring that hazardous materials are handled safely at every stage of the supply chain. This initiative has successfully reduced Ixom's operational risks. Ixom clinched the best initiative award at the New Zealand 2020 Workplace Health and Safety Awards.

ENHANCING COMMUNICATION

To ensure that employees are well prepared to prevent all avoidable health and safety incidents, the Trustee-Manager places a strong focus on communicating HSE issues, procedures and risk mitigation measures. KIT's O&M partners are directly engaged in various communication efforts and HSE initiatives.

Safety training and guidance are based on KIFM's five Key Safety Principles:

1. Every incident is preventable;
2. HSE is an integral part of our business;
3. HSE is a line responsibility;
4. Everyone is empowered to stop any unsafe work; and
5. Strong safety culture is achieved through teamwork.

HSE alerts are communicated to all KIT businesses and assets wherever we operate. These alerts allow O&M contractors and management staff to refine and implement preventive measures and best practices.

The KIT Board Safety Committee (BSC) was established in July 2019 to oversee and ensure that KIT's safety policies and practices are communicated, implemented and reviewed across all businesses and assets. The formation of the BSC has enhanced the communication and implementation of HSE practices across KIT. The BSC will conduct periodic safety site visits to all KIT operational sites, ensuring that safety will remain a top priority in the overall operations and strategic direction of KIT.

COMMUNITY DEVELOPMENT

GRI 103-1 |103-2 | 103-3 | 201-1 | 413-1 | 413-2

The Trustee-Manager is committed to engaging with local communities where it operates to uplift the

“The Amazing Race Challenge was a great experience. In this tough situation, I always thought that we won’t be able to meet friends from Keppel Capital, however I am delighted that we are still able to meet each other virtually through the interactive game sessions.”

MUHAMMAD SAIFUDEEN BIN ABDUL SALIM, MDAS beneficiary

underprivileged and promote environmental stewardship.

CARING FOR THE ENVIRONMENT

Environmental stewardship is a core aspect of the Trustee-Manager’s ESG strategy. In Australia, Basslink Telecoms sponsors the ‘Devils @ Cradle’ wildlife sanctuary, which is dedicated to protecting the Tasmanian Devil and providing a habitat for them to thrive.

Basslink has been a founding sponsor of the Tasmanian Seafood Industry Council and Seafood Industry Victoria industry awards since its inception in 2007. This engagement helps protect oceanic ecosystems while preserving the solvency of the seafood industry.

Basslink proudly supports National Tree Day, which encourages Australians to plant trees to benefit their communities and the local environment.

UPLIFTING THE LESS PRIVILEGED

KIFM and its employees contribute both time and money to uplift the lives of the less privileged. All Keppel employees are given two days of paid volunteer leave each year.

Despite the challenges of the COVID-19 pandemic, KIFM, together with Keppel Capital continued its engagement with its adopted charity, the Muscular Dystrophy Association (Singapore) (MDAS), a self-help organisation committed to uplift the lives of people with muscular dystrophy. Throughout the year, volunteers leveraged technology to organise a series of interactive virtual games and craft sessions that brought cheer to their beneficiaries, many of whom were isolated due to COVID-19. Volunteers kept up its consistent engagement with the beneficiaries from MDAS into Keppel Community Month in August, and organised a Children’s Day celebration for New Life Children & Student Care in October.

City Gas has an ongoing relationship with the Singapore Civil Defence Force’s CD Lionhearter Club, which continued in 2020. The CD Lionhearter Club is an initiative that engages tertiary students in programmes for humanitarian missions, civil defence and emergency preparedness.

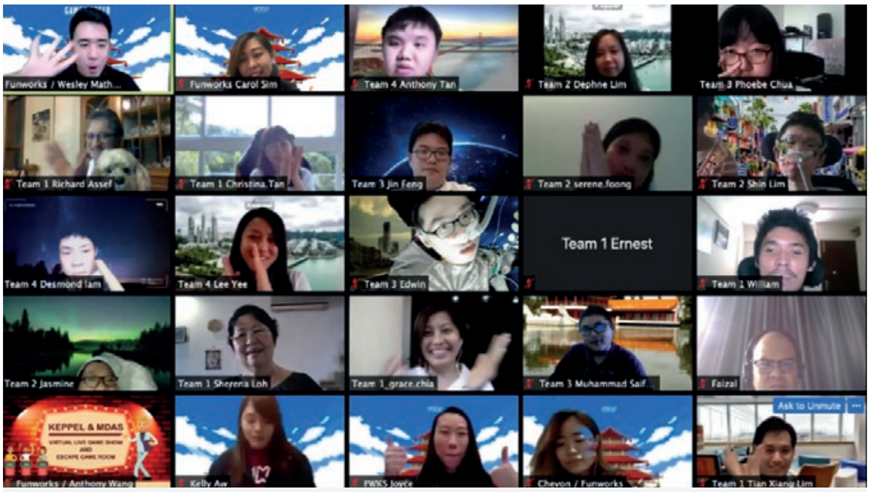
To support the local community through the hardships caused by the COVID-19 pandemic, $2 million worth of rebates were extended to City Gas customers from lower-income households in Singapore in 2020.

Ixom believes that contributing back to the community and the eco-system which they operate in goes hand-in-hand with its overall business success. To this end, Ixom is a proud supporter and sponsor of various events and initiatives that support education, enhance safety and drive awareness of the importance of clean water.

Some of Ixom’s events and initiatives include:

- WIOA Water Taste Competition, which takes place in Queensland, New South Wales, South Australia, Tasmania and Victoria annually to pick the best tasting drinking water
- Life Saving Victoria–Watch Around Water programme, a public awareness and education programme to address the challenges regarding supervision of young children at public swimming pools
- The Ixom International Science Olympiad Scholarship provides financial assistance to aspiring young students in the fields of science to attend the Olympiad
- Supporter of Zoos Victoria where it assists with the supply of clean water to animals, ensuring their safety and longevity
- Sponsor of the STELR (Science and Technology Education Leveraging Relevance) programme at a local college in New Zealand

Despite the COVID-19 restrictions, KIFM and Keppel Capital collectively dedicated approximately 790 volunteer hours to benefit the community in 2020. At the same time, the KIT group contributed $66,000 to support communities where KIT operates.



Volunteers from Keppel Capital innovatively and creatively leveraged technology to engage their beneficiaries through fun virtual game sessions throughout the year.

GRI CONTENT INDEX

GRI Standard	Disclosure Number	Material Topics	Page Reference and Remarks	Connections to UN initiatives
GENERAL DISCLOSURE				
GRI 101: Foundation 2016				
		Organisational Profile		
GRI 102: General Disclosures 2016	102-1	Name of the organisation	4	UNGC Principles 1-10; SDGs 3, 6, 8, 9, 11, 12 ,16, 17
	102-2	Activities, brands, products and services	6 to 7, 16 to 26	
	102-3	Location of headquarters	Back cover	
	102-4	Location of operations	4 to 7, 17, 36	
	102-5	Ownership and legal form	4 to 5, 36	
	102-6	Markets served	4 to 7, 16 to 26	
	102-7	Scale of the organisation	2, 6 to 7, 48, 52	
	102-8	Information on employees and other workers	52	
	102-9	Supply chain	50	
	102-10	Significant changes to organisation and its supply chain	32, 50	
	102-11	Precautionary principle or approach	49, 157, 181 to 182	
	102-12	External initiatives	37 to 39	
	102-13	Membership of associations	37	
		Strategy		
	102-14	Statement from senior decision maker	34 to 35	
		Ethics and Integrity		
	102-16	Values, principles, standards, and norms of behaviour	Inside front cover, 4, 37, 49, 148 to 180	UNGC Principles 1-10; SDGs 16
		Governance		
	102-18	Governance structure	5, 37	UNGC Principles 10; SDGs 16
		Stakeholder Engagement		
	102-40	List of stakeholder groups	40	UNGC Principle 3; SDGs 3, 8, 17
	102-41	Collective bargaining agreements	52	
	102-42	Identifying and selecting stakeholders	40	
	102-43	Approach to stakeholder engagement	40	
	102-44	Key topics and concerns raised	40	
		Reporting Practice		
	102-45	Entities included in the consolidated financial statements	2 to 3, 27 to 30, 111 to 113	
	102-46	Defining report content and topic Boundaries	36, 39	
	102-47	List of all material topics	39	
	102-48	Restatements of information	There are no restatements of information.	
	102-49	Changes in reporting	36	
	102-50	Reporting period	36 We have started reporting 305-3 this year onwards.	
	102-51	Date of most recent report	The 2019 sustainability report was published in March 2020.	
	102-52	Reporting cycle	36	
	102-53	Contact point of questions regarding the report	36	
	102-54	Claims of reporting in accordance with the GRI Standards	36	
	102-55	GRI content index	60 to 63	
	102-56	External assurance	This report has not been externally assured.	

GRI Standard	Disclosure Number	Material Topics	Page Reference and Remarks	Connections to UN initiatives
TOPIC SPECIFIC DISCLOSURES				
		Climate Action		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	36, 39, 41 to 42	UNGC Principles 7-9; SDGs 11, 12, 13
	103-2	The management approach and its components	41 to 42	
	103-3	Evaluation of the management approach	41 to 42	
		Environmental Management		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	39, 42 to 47	UNGC Principles 7-9; SDGs 6, 11, 12, 13
	103-2	The management approach and its components	42 to 47	
	103-3	Evaluation of the management approach	42 to 47	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	43 to 44	
	302-3	Energy intensity	43 to 44	
	302-4	Reduction of energy consumption	43 to 44	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	46 to 47	
	303-2	Management of water discharge-related impacts	46 to 47	
	303-5	Water consumption	46	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	41 to 42	
	305-2	Energy indirect (Scope 2) GHG emissions	41 to 42	
	305-3	Other indirect (Scope 3) GHG emissions	41 to 42	
	305-4	GHG emissions intensity	41 to 42	
	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	42	
GRI 306: Waste and Effluents 2016	306-1	Water discharge by quality and destination	47	
	306-2	Waste by type and disposal method	47	
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	47	
		Economic Sustainability		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3, 36, 39, 48 to 50	SDGs 8, 9, 11,17
	103-2	The management approach and its components	4, 8 to 11, 27 to 31, 48 to 50	
	103-3	Evaluation of the management approach	8 to 11, 27 to 31, 48 to 50	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	3, 27 to 31, 48, 59, 73 to 77	
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	49 to 50	

GRI CONTENT INDEX

GRI Standard	Disclosure Number	Material Topics	Page Reference and Remarks	Connections to UN initiatives
TOPIC SPECIFIC DISCLOSURES				
		Corporate Governance and Risk Management		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	36, 39, 49 to 50	UNGC Principle 10; SDGs 16, 17
	103-2	The management approach and its components	49 to 50, 181 to 182	
	103-3	Evaluation of the management approach	49 to 50	
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	49 to 50	
	205-2	Communication and training about anti-corruption policies and procedures	49 to 50	
	205-3	Confirmed incidents of corruption and actions taken	49 to 50	
GRI 206: Anti-competitive Behaviour 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	49 to 50	
		Product Quality and Safety		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	36, 39, 49 to 51	SDGs 9, 11, 17
	103-2	The management approach and its components	49 to 51	
	103-3	Evaluation of the management approach	49 to 51	
GRI 417: Marketing and Labeling 2016	417-3	Incidents of non-compliance concerning marketing communications	49 to 50	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	51	
Non-GRI Standard	Non-GRI	Number of major security breaches affecting plant availability	51	
		Occupational Safety and Health		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	36, 39, 55 to 58	UNGC Principles 1-2; SDGs 3, 8, 17
	103-2	The management approach and its components	55 to 58	
	103-3	Evaluation of the management approach	55 to 58	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	55 to 58	
	403-2	Hazard identification, risk assessment, and incident investigation	55 to 58	
	403-3	Occupational health services	55 to 58	
	403-4	Worker participation, consultation, and communication on occupational health and safety	55 to 58	
	403-5	Worker training on occupational health and safety	55 to 58	
	403-6	Promotion of worker health	53, 55 to 58	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	55 to 58	
	403-9	Work-related injuries	56	

GRI Standard	Disclosure Number	Material Topics	Page Reference and Remarks	Connections to UN initiatives
		Labour Practices, Talent Management and Human Rights		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	36, 39, 52 to 55	UNGC Principles 1-6; SDGs 3, 8, 17
	103-2	The management approach and its components	52 to 55	
	103-3	Evaluation of the management approach	52 to 55	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	52	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operations	53	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	54 to 55	
	404-3	Percentage of employees receiving regular performance and career development reviews	53	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	12 to 15, 52	
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	52	
		Community Development		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	58 to 59	SDGs 3, 17
	103-2	The management approach and its components	58 to 59	
	103-3	Evaluation of the management approach	58 to 59	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	58 to 59	
	413-2	Operations with significant actual and potential negative impacts on local communities	58 to 59	

ASSURANCE STATEMENT ON KEPPEL INFRASTRUCTURE TRUST'S APPLICATION OF THE BUSINESS FOR SOCIETAL IMPACT (B4SI) FRAMEWORK

Corporate Citizenship is a global consulting firm which specialises in responsible and sustainable business and manages the Business for Societal Impact (B4SI) Framework (formerly known as LBG). Corporate Citizenship has been commissioned by Keppel Capital to perform independent external assurance on Keppel Infrastructure Trust (KIT)'s use of the B4SI Framework to measure and report on its corporate community investment (CCI) activities, occurring between 1 January to 31 December 2020.

The B4SI Framework helps businesses to measure, manage and report on their CCI activities. It moves beyond charitable donations to include the full range of contributions, or inputs, made to community causes (including time, in-kind and management costs, and cash donations). It also assesses the actual results for the community and for the business, also known as outputs and impacts. (See https://b4si.net/ for more information).

The purpose of our engagement has been to assess whether or not the B4SI Framework, and its guidance, are correctly and consistently applied by KIT in its reporting.

The scope of the B4SI assurance covers the information presented in the Community Development section of KIT's Sustainability Report for 2020, on pages 58 to 59. The scope of the assurance included the following data and KPIs:

- Inputs: e.g. Volunteer hours, donation amounts
- Outputs: e.g. Number of beneficiaries served

The engagement was undertaken at a limited level and involved the following activities:

- Management interviews with key persons responsible for community investment activities to understand the process for collecting, validating and consolidating the data. This also included questions to verify the internal systems and procedures for collecting, validating and consolidating the data.
- Checks on the accuracy and consistency of the data presented in this report on pages 58 to 59.

As a result of our work, we are satisfied, based on the limited scope described above, that KIT has sufficiently applied the guidance set out in the B4SI Manual for Corporate Community Investment. Our work has not extended to an independent audit of the data presented in this report.

Corporate Citizenship
Singapore
1 March 2021

TRUSTEE-MANAGER'S STATEMENT

Keppel Infrastructure Fund Management Pte. Ltd. was appointed as the Trustee-Manager of Keppel Infrastructure Trust (the "Trust") on May 18, 2015.

The directors of the Trustee-Manager present their statement, together with the audited consolidated financial statements of the Trust and its subsidiaries (collectively the "Group") and statement of financial position and statement of changes in unitholders' funds of the Trust for the financial year ended December 31, 2020.

Opinion of the Directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in unitholders' funds of the Trust as set out on pages 73 to 147 are drawn up so as to give a true and fair view of the financial position of the Group and of the Trust as at December 31, 2020, and the financial performance, changes in unitholders' funds and cash flows of the Group and changes in unitholders' funds of the Trust for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Trust will be able to pay its debts when they fall due.

In accordance with Section 86(2) of the Singapore Business Trusts Act, Chapter 31A (the "Act"), we further certify:

(a) the fees or charges paid or payable out of the trust property of the Trust to the Trustee-Manager are in accordance with the Trust Deed;

(b) the interested person transactions entered into by the Group during the financial year ended December 31, 2020 are not detrimental to the interests of all the unitholders of the Trust as a whole based on the circumstances at the time of the relevant transactions; and

(c) the Board of Directors of the Trustee-Manager is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the Trust or on the interests of all the unitholders of the Trust as a whole.

In accordance with Regulation 12(6) of the Singapore Business Trust Regulations ("BTR"), the Board of Directors of the Trustee-Manager may determine that a director who is not considered to be independent from management and business relationships with the Trustee-Manager under Regulation 3; or not considered to be independent from a substantial shareholder of the Trustee-Manager under Regulation 4, is nonetheless independent from management and business relationships with the Trustee-Manager or independent from a substantial shareholder of the Trustee-Manager, if the Board of Directors is satisfied that the director's independent judgment and ability to act with regard to the interests of all the unitholders of the Trust as a whole will not be interfered with, despite the relationships.

The details of the Board of Directors' review and determination under Regulation 12(7) of the BTR are disclosed in the Corporate Governance section of the Annual Report of the Trust in accordance to Regulations 12(8) and 12(9) of the BTR.

Directors

The directors of the Trustee-Manager in office at the date of this statement are:

Daniel Cuthbert Ee Hock Huat (Chairman)
Thio Shen Yi
Mark Andrew Yeo Kah Chong
Kunnasagaran Chinniah
Christina Tan Hua Mui

Arrangements to Enable Directors to Acquire Units and Debentures

Neither at the end of the financial year nor at any time during the financial year was the Trustee-Manager a party to any arrangement whose object was to enable the directors of the Trustee-Manager to acquire benefits by means of the acquisition of units in, or debentures of the Trust.

Directors' Interests in Units or Debentures

The directors of the Trustee-Manager at the end of the financial year had no interests in the unit capital and debentures of the Trust as recorded in the register kept by the Trustee-Manager for the purposes of Sections 13 and 76 of the Act except as follows:

Name of directors and corporation in which interests are held	Direct interest At beginning of financial year	Direct interest At end of financial year	Deemed interest At beginning of financial year	Deemed interest At end of financial year
Interests in Keppel Infrastructure Trust (Units)				
Koh Ban Heng (resigned on February 1, 2021)	101,859	672,959	93	93
Daniel Cuthbert Ee Hock Huat	78,692	131,692	-	-
Thio Shen Yi	72,397	121,097	-	-
Mark Andrew Yeo Kah Chong	80,363	138,263	-	-
Kunnasagaran Chinniah	638,283	682,083	471,064	471,064

The unitholdings of the above directors as at January 21, 2021 were the same as those at December 31, 2020.

Unit Options

(a) Options to take up unissued units
During the financial year, there were no options granted by the Trustee-Manager to any person to take up unissued units in the Trust.

(b) Options exercised
During the financial year, there were no units of the Trust issued by virtue of the exercise of an option to take up unissued units.

(c) Unissued units under options
At the end of the financial year, there were no unissued units of the Trust under options.

Audit and Risk Committee

The members of the Audit and Risk Committee of the Trustee-Manager during the financial year are:

Mark Andrew Yeo Kah Chong (Chairman)
Koh Ban Heng (resigned on February 1, 2021)
Daniel Cuthbert Ee Hock Huat

All members of the Audit and Risk Committee are independent and are non-executive directors.

The Audit and Risk Committee carried out its functions in accordance with Regulation 13(6) of the Singapore Business Trusts Regulations 2005 and the SGX Listing Manual.

In performing its functions, the Audit and Risk Committee met with the Trust's external and internal auditors to discuss the scope and results of their audits and the internal auditors' evaluation of the Group's internal accounting control system.

The Audit and Risk Committee also reviewed the following:

(a) The audit plan and results of the internal auditor's examination and evaluation of the Group's systems of internal accounting controls;

(b) The Group's financial and operating results and accounting policies;

(c) The financial statements of the Trust and the consolidated financial statements of the Group before their submission to the directors of the Trustee-Manager and external auditor's report on those financial statements;

(d) The adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems;

(e) The quarterly, half-yearly and annual announcements on the results and financial position of the Trust and the Group;

(f) The co-operation and assistance given by the Trustee-Manager's officers to the Group's external auditors; and

(g) The re-appointment of the external auditors of the Group.

The Audit and Risk Committee has full access to and had the co-operation of the Trustee-Manager and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officers of the Trustee-Manager to attend its meetings. The external and internal auditors have unrestricted access to the Audit and Risk Committee.

The Audit and Risk Committee has recommended to the directors of the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting of the unitholders.

Auditors

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors of the Trustee-Manager

Christina Tan

Daniel Cuthbert Ee Hock Huat
Chairman

Christina Tan Hua Mui
Director

Singapore
February 26, 2021

STATEMENT BY THE CHIEF EXECUTIVE OFFICER

In accordance with Section 86(3) of the Act, I certify that I am not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the Trust or on the interests of all the unitholders of the Trust as a whole.

Matthew Rupert Pollard
Chief Executive Officer

Singapore
February 26, 2021

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF KEPPEL INFRASTRUCTURE TRUST

(Constituted under a Trust Deed in the Republic of Singapore)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Keppel Infrastructure Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Trust as at December 31, 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in unitholders' funds and consolidated statement of cash flows of the Group and the statement of changes in unitholders' funds of the Trust for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 73 to 147.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in unitholders' funds of the Trust are properly drawn up in accordance with the provisions of Singapore Business Trusts Act, Chapter 31A (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Trust as at December 31, 2020 and of the consolidated financial performance, consolidated changes in unitholders' funds and consolidated cash flows of the Group and changes in unitholders' funds of the Trust for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Our audit performed and responses thereon
1. Impairment of Assets - property, plant and equipment, finite-lived intangible assets and goodwill Under SFRS(I) 1-36 Impairment of Assets, the Group is required to test goodwill for impairment annually and for other assets, where there are indicators of impairment. This assessment requires the exercise of significant judgement in determining the recoverable values of the cash generating units ("CGUs"), including growth rates, discount rates, terminal values and expected changes to selling prices and direct costs. These assets represent a significant portion of the Group's total assets and their proportion as at December 31, 2020 are as follows: • Property, plant and equipment (46.9% of Group's total assets); • Goodwill (17.9% of Group's total assets); and • Finite-lived intangible assets (2.7% of Group's total assets). The key assumptions to the impairment tests and the sensitivity of changes in these assumptions to the risk of impairment are disclosed in Note 6 and Note 8 to the financial statements.	Our audit procedures focused on evaluating and challenging the key assumptions used by the Trustee-Manager in concluding the impairment review. These procedures included: • Using our valuation specialists to review key assumptions used in the impairment analysis, in particular the discount rates and terminal growth rates (where applicable); • Challenging the cash flow forecasts used, with comparison to recent performance, trend analysis and market expectations; • By reference to prior years' forecasts, where relevant, assessing whether the Group has achieved them; and • Performing sensitivity analysis on the key assumptions used. Based on our procedures, we noted the Trustee-Manager's key assumptions to be within a reasonable range of our expectations. We have also assessed the adequacy and appropriateness of the disclosures made in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF KEPPEL INFRASTRUCTURE TRUST

(Constituted under a Trust Deed in the Republic of Singapore)

Key Audit Matters	Our audit performed and responses thereon
2. Basslink cable outage (the "outage") As detailed in Note 44 to the financial statements, the Basslink Interconnector experienced an unplanned outage on December 20, 2015. The Basslink operations forms part of the Group's Distribution & Network segment, which is further disclosed in Note 43 to the financial statements. Arising from the outage, there were disputes between the State of Tasmania ("State") and Basslink and between Basslink and Hydro Tasmania ("HT"). Those disputes were referred to arbitration. On December 3, 2020, the Basslink was advised on the outcome in relation to the disputes whereby the arbitrator determined that the outage was not a "force majeure" event and Basslink was in breach of the Basslink Services Agreement ("BSA"). The key impacts of the arbitration outcome are disclosed in Note 44 to the financial statements. As the arbitrator found in favor of the State and HT, Basslink may therefore be liable to bear a portion of the other parties' costs. For this purposes, the management of Basslink has made a provision of A$10m for legal costs and other professional fees. The provision for legal fee is considered to be significant to our audit as it requires the application of significant judgement and use of assumptions by management. In arriving at the provision amount, the management considered the quantum of the other parties' costs claimed, Basslink's own legal expenses and the grounds of decision rendered by the arbitrator on the disputes.	Our audit procedures include understanding the Trustee-manager's processes relating to the estimation of the legal fee. In addition, we obtained documentary evidence, representation and explanations from management to assess the reasonableness of significant judgement used by the management in assessing the quantum of legal fee that Basslink may eventually be liable to the other parties of the disputes. Based on our procedures, we found the Trustee-Manager's basis of assessment to be reasonable. We have also assessed the appropriateness of the disclosures made in the consolidated financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Trustee-Manager is responsible for the other information. The other information comprises the Key Figures for 2020, Financial Highlights, Corporate Profile and Strategic Direction, Our Presence, Investor Relations, Chairman's Statement, Composition of Board of Directors, The Trustee-Manager, Operations Review, Financial Review, Keppel Infrastructure Trust's Unit Price Performance, Significant Events for year ended 2020, Trust Structure, Corporate Information, Sustainability Report, Trustee-Manager's Statement, Statement by the Chief Executive Officer, Corporate Governance, Risk Management and Financial Calendar, which we obtained prior to the date of this auditor's report, and the Statistic of Unitholdings which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustee-Manager and the Directors of the Trustee-Manager for the Financial Statements

The Trustee-Manager of the Trust is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, the Trustee-Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee-Manager either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors of the Trustee-Manager's responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee-Manager.

(d) Conclude on the appropriateness of the Trustee-Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors of the Trustee-Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF KEPPEL INFRASTRUCTURE TRUST

(Constituted under a Trust Deed in the Republic of Singapore)

We also provide the directors of the Trustee-Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors of the Trustee-Manager, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Trust and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr Ng Hock Lee.

Deloitte & Touche LLP

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

February 26, 2021

STATEMENT OF FINANCIAL POSITION

December 31, 2020

	Note	Group 2020 $'000	Group 2019 $'000	Trust 2020 $'000	Trust 2019 $'000
Non-Current Assets					
Property, plant and equipment	6	2,310,469	2,354,813	-	-
Right-of-use assets	7	112,752	115,596	-	-
Intangibles	8	1,015,398	985,341	-	-
Investment in subsidiaries	9	-	-	1,398,187	1,305,565
Notes receivables	10	-	-	775,712	775,712
Amount receivable from a subsidiary	11	-	-	9,407	12,407
Service concession receivables	12	235,185	284,372	-	-
Finance lease receivables	13	74,308	84,772	-	-
Derivative financial instruments	17	2	40	-	-
Other assets	14	133,426	149,093	-	-
Total non-current assets		3,881,540	3,974,027	2,183,306	2,093,684
Current Assets					
Cash and bank deposits	15	580,721	470,093	236,627	215,275
Trade and other receivables	16	211,811	269,885	18,620	8,946
Service concession receivables	12	49,316	47,856	-	-
Finance lease receivables	13	10,867	10,487	-	-
Derivative financial instruments	17	254	847	-	-
Inventories	18	168,971	198,772	-	-
Other assets	14	26,055	31,308	54	15
Total current assets		1,047,995	1,029,248	255,301	224,236
Current Liabilities					
Borrowings	19	643,933	1,318,473	-	-
Trade and other payables	20	348,077	318,733	3,815	6,606
Provisions	21	30,533	23,235	-	-
Derivative financial instruments	17	37,099	25,589	4,587	-
Lease liabilities	22	12,256	13,786	-	-
Income tax payable		17,595	6,281	62	87
Total current liabilities		1,089,493	1,706,097	8,464	6,693
Net Current (Liabilities)/Assets		(41,498)	(676,849)	246,837	217,543
Non-Current Liabilities					
Borrowings	19	1,517,090	793,180	99,883	99,783
Notes payable to non-controlling interests	23	260,000	260,000	-	-
Derivative financial instruments	17	165,462	127,441	4,885	1,230
Other payables	24	250,506	246,373	-	-
Provisions	21	39,746	32,387	-	-
Lease liabilities	22	76,000	81,500	-	-
Defined benefit obligation	25	26,124	23,586	-	-
Deferred tax liabilities	26	11,172	18,542	-	-
Total non-current liabilities		2,346,100	1,583,009	104,768	101,013
Net Assets		1,493,942	1,714,169	2,325,375	2,210,214
Represented by:					
Unitholders' Funds					
Units in issue	27	2,628,761	2,630,307	2,628,761	2,630,307
Hedging reserve	28	(269,748)	(239,613)	(9,471)	(1,230)
Translation reserve		(23,680)	(46,609)	-	-
Capital reserve	29	38,710	38,710	-	-
Defined benefit plan reserve	25	(8,508)	(7,901)	-	-
Share based payment reserve	30	254	-	-	-
Accumulated losses		(1,224,207)	(1,050,488)	(592,881)	(717,834)
Total Unitholders' Funds		1,141,582	1,324,406	2,026,409	1,911,243
Perpetual securities	31	298,966	298,971	298,966	298,971
Total Equityholders' Funds		1,440,548	1,623,377	2,325,375	2,210,214
Non-controlling interests		53,394	90,792	-	-
		1,493,942	1,714,169	2,325,375	2,210,214

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Financial year ended December 31, 2020

	Note	2020 $'000	2019 $'000
Revenue	33	1,551,900	1,566,715
Other income	34	10,476	8,154
Other (losses)/gain - net	35	(17,152)	37,545
Expenses			
Fuel and electricity costs		(101,639)	(149,239)
Gas transportation, freight and storage costs		(172,703)	(166,999)
Raw materials, consumables used and changes in inventories		(567,675)	(574,521)
Depreciation and amortisation		(178,145)	(173,067)
Staff costs	36	(146,981)	(133,911)
Operation and maintenance costs		(95,883)	(95,137)
Finance costs	37	(138,037)	(145,864)
Trustee-Manager's fees	38	(11,970)	(25,557)
Other operating expenses		(163,561)	(134,630)
Total expenses		(1,576,594)	(1,598,925)
(Loss)/Profit before joint venture		(31,370)	13,489
Share of results of joint venture		-	3,342
(Loss)/Profit before tax	39	(31,370)	16,831
Income tax expense	40	(20,792)	(6,637)
(Loss)/Profit for the year		(52,162)	10,194
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges:			
- Fair value losses		(58,379)	(58,078)
- Transfer to profit or loss		27,894	18,491
- Share of net change in fair value of cash flow hedges of a joint venture		-	1,008
Currency translation differences relating to consolidation of foreign operations		13,910	(46,113)
Currency translation differences on disposal of foreign subsidiaries		8,716	-
Item that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit obligation		(607)	(7,901)
Other comprehensive income, net of tax		(8,466)	(92,593)
Total comprehensive income		(60,628)	(82,399)
(Loss)/Profit attributable to:			
Unitholders of the Trust		(34,452)	38,578
Perpetual securities holders	31	14,289	7,757
Equityholders of the Trust		(20,163)	46,335
Non-controlling interests		(31,999)	(36,141)
		(52,162)	10,194
Total comprehensive income attributable to:			
Unitholders of the Trust		(42,265)	(54,827)
Perpetual securities holders	31	14,289	7,757
Equityholders of the Trust		(27,976)	(47,070)
Non-controlling interests		(32,652)	(35,329)
		(60,628)	(82,399)
(Loss)/earnings per unit attributable to unitholders of the Trust, expressed in cents			
- basic and diluted	41	(0.69)	0.82

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS

Financial year ended December 31, 2020

	Note	Attributable to Unitholders of the Trust											
		Units in issue (Note 27) $'000	Treasury units (Note 27) $'000	Hedging reserve (Note 28) $'000	Translation reserve $'000	Capital reserve (Note 29) $'000	Defined benefit plan reserve (Note 25) $'000	Share-based payment reserve (Note 30) $'000	Accumulated losses $'000	Total unitholders' funds $'000	Perpetual securities (Note 31) $'000	Non-controlling interests $'000	Total $'000
Group													
At January 1, 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**
Total comprehensive income													
(Loss)/Profit for the year		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(34,452)**	**(34,452)**	**14,289**	**(31,999)**	**(52,162)**
Other comprehensive income for the year		**-**	**-**	**(30,135)**	**22,929**	**-**	**(607)**	**-**	**-**	**(7,813)**	**-**	**(653)**	**(8,466)**
Total		**-**	**-**	**(30,135)**	**22,929**	**-**	**(607)**	**-**	**(34,452)**	**(42,265)**	**14,289**	**(32,652)**	**(60,628)**
Transactions with owners, recognised directly in equity													
Contributions by and distributions to owners:													
Units issued	27	**398**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**398**	**-**	**-**	**398**
Purchase of units	27	**-**	**(1,944)**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,944)**	**-**	**-**	**(1,944)**
Cancellation of treasury units	27	**(1,944)**	**1,944**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Issuance cost	27, 31	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(5)**	**-**	**(5)**
Recognition of share-based payments	30	**-**	**-**	**-**	**-**	**-**	**-**	**254**	**-**	**254**	**-**	**-**	**254**
Distributions paid	31, 32	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(139,267)**	**(139,267)**	**(14,289)**	**(4,746)**	**(158,302)**
Total		**(1,546)**	**-**	**-**	**-**	**-**	**-**	**254**	**(139,267)**	**(140,559)**	**(14,294)**	**(4,746)**	**(159,599)**
At December 31, 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**

	Note	Attributable to Unitholders of the Trust									
		Units in issue (Note 27) $'000	Hedging reserve (Note 28) $'000	Translation reserve $'000	Capital reserve (Note 29) $'000	Defined benefit plan reserve (Note 25) $'000	Accumulated losses $'000	Total unitholders' funds $'000	Perpetual securities (Note 31) $'000	Non-controlling interests $'000	Total $'000
Group											
At January 1, 2019		2,138,066	(200,226)	(492)	38,710	-	(923,582)	1,052,476	-	125,780	1,178,256
Total comprehensive income											
Profit/(Loss) for the year		-	-	-	-	-	38,578	38,578	7,757	(36,141)	10,194
Other comprehensive income for the year		-	(39,387)	(46,117)	-	(7,901)	-	(93,405)	-	812	(92,593)
Total		-	(39,387)	(46,117)	-	(7,901)	38,578	(54,827)	7,757	(35,329)	(82,399)
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners:											
Units issued	27	501,032	-	-	-	-	-	501,032	-	-	501,032
Perpetual securities issued	31	-	-	-	-	-	-	-	300,000	-	300,000
Issuance cost	27, 31	(8,791)	-	-	-	-	-	(8,791)	(1,810)	-	(10,601)
Distributions paid	31, 32	-	-	-	-	-	(165,484)	(165,484)	(6,976)	(4,966)	(177,426)
Changes in ownership interest in subsidiary:											
Non-controlling interest arising from acquisition of subsidiaries		-	-	-	-	-	-	-	-	5,307	5,307
Total		492,241	-	-	-	-	(165,484)	326,757	291,214	341	618,312
At December 31, 2019		2,630,307	(239,613)	(46,609)	38,710	(7,901)	(1,050,488)	1,324,406	298,971	90,792	1,714,169

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS

	Note	Units in issue (Note 27) $'000	Treasury Units (Note 27) $'000	Hedging reserve (Note 28) $'000	Accumulated losses $'000	Total unitholders' funds $'000	Perpetual securities (Note 31) $'000	Total $'000
Trust								
At January 1, 2020		2,630,307	-	(1,230)	(717,834)	1,911,243	298,971	2,210,214
Total comprehensive income								
Profit for the year		-	-	-	264,220	264,220	14,289	278,509
Other comprehensive income for the year		-	-	(8,241)	-	(8,241)	-	(8,241)
Total		-	-	(8,241)	264,220	255,979	14,289	270,268
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners:								
Units issued	27	398	-	-	-	398	-	398
Purchase of units	27	-	(1,944)	-	-	(1,944)	-	(1,944)
Cancellation of treasury units	27	(1,944)	1,944	-	-	-	-	-
Issuance cost	27, 31	-	-	-	-	-	(5)	(5)
Distributions paid	31, 32	-	-	-	(139,267)	(139,267)	(14,289)	(153,556)
Total		(1,546)	-	-	(139,267)	(140,813)	(14,294)	(155,107)
At December 31, 2020		2,628,761	-	(9,471)	(592,881)	2,026,409	298,966	2,325,375

	Note	Units in issue (Note 27) $'000	Hedging reserve (Note 28) $'000	Accumulated losses $'000	Total unitholders' funds $'000	Perpetual securities (Note 31) $'000	Total $'000
Trust							
At January 1, 2019		2,138,066	31	(657,094)	1,481,003	-	1,481,003
Total comprehensive income							
Profit for the year		-	-	104,744	104,744	7,757	112,501
Other comprehensive income for the year		-	(1,261)	-	(1,261)	-	(1,261)
Total		-	(1,261)	104,744	103,483	7,757	111,240
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners:							
Units issued	27	501,032	-	-	501,032	-	501,032
Perpetual securities issued	31	-	-	-	-	300,000	300,000
Issuance cost	27, 31	(8,791)	-	-	(8,791)	(1,810)	(10,601)
Distributions paid	31, 32	-	-	(165,484)	(165,484)	(6,976)	(172,460)
Total		492,241	-	(165,484)	326,757	291,214	617,971
At December 31, 2019		2,630,307	(1,230)	(717,834)	1,911,243	298,971	2,210,214

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended December 31, 2020

	Note	2020 $'000	2019 $'000
Operating activities			
(Loss)/Profit before tax		(31,370)	16,831
Adjustments for:			
Depreciation and amortisation	6, 7, 8	178,145	173,067
Finance costs	37	138,037	145,864
Interest income	34	(2,646)	(4,027)
Impairment loss/(Reversal of impairment loss) on financial assets	16	1,141	(119)
Receivables written off against revenue	44	29,226	-
Fair value loss on derivative financial instruments	35	8,520	5,787
Property, plant and equipment written off	39	1,263	-
Share-based payment expense		160	-
Transaction cost	9, 46	4,649	38,075
Gain on disposal of property, plant and equipment		(21)	(21)
Gain on disposal of joint venture	35	-	(44,796)
Loss on disposal of subsidiaries	9, 35	12,972	-
Share of results of joint venture		-	(3,342)
Unrealised foreign exchange (gain)/loss		(3,983)	793
Management fees paid in units	27	398	239
Operating cash flows before movements in working capital		336,491	328,351
Trade and other receivables		26,867	118,515
Service concession receivables		47,738	46,530
Finance lease receivables		10,084	9,880
Trade and other payables		65,558	(27,821)
Inventories		12,612	54,635
Cash generated from operations		499,350	530,090
Interest received		2,892	3,989
Interest paid		(143,356)	(157,959)
Income tax paid		(13,354)	(19,716)
Net cash from operating activities		345,532	356,404
Investing activities			
Acquisition of subsidiary, net of cash acquired	46	(23,015)	(746,220)
Net cash inflow on disposal of subsidiaries	9	15,698	-
Dividend received from joint venture		-	3,054
Repayment of advances from joint venture		-	19,990
Divestment of joint venture net of transaction cost		-	46,111
Purchase of property, plant and equipment, right-of-use assets and intangible assets		(28,997)	(33,413)
Proceeds from sale of property, plant and equipment		190	220
Net cash used in investing activities		(36,124)	(710,258)
Financing activities			
Decrease in restricted cash		18	27,095
Proceeds from issuance of units (net)		-	492,241
Proceeds from issuance of perpetual securities (net)	31	-	298,190
Purchase of units	27	(1,944)	-
Proceeds from borrowings		764,162	1,504,165
Repayment of borrowings		(791,702)	(1,494,826)
Repayment of obligations under finance leases	7	(16,089)	(12,746)
Payment of loan upfront fees		(2,450)	(17,119)
Distribution paid to perpetual securities holders	31	(14,289)	(6,976)
Distributions paid to unitholders of the Trust	32	(139,267)	(165,484)
Distributions paid by subsidiaries to non-controlling interests		(4,746)	(4,966)
Net cash (used in)/from financing activities		(206,307)	619,574
Net increase in cash and cash equivalents		103,101	265,720
Cash and cash equivalents at beginning of year		445,290	179,705
Effects of currency translation on cash and cash equivalents		7,545	(135)
Cash and cash equivalents at end of year	15	555,936	445,290

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

1. General

Keppel Infrastructure Trust, (the "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 principal activities of the subsidiaries of the Trust are set out in Note 9.

The Trust was admitted to the Official List of the Main Board of Singapore Exchange Securities Trading Limited on February 12, 2007.

The consolidated financial statements of the Group and statement of financial position and statement of changes in unitholders' funds of the Trust for the financial year ended December 31, 2020 were authorised for issue by the Board of Directors of the Trustee-Manager on February 26, 2021.

2. Summary of Significant Accounting Policies

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 Share-based Payment, leasing transactions that are within the scope of SFRS(I) 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 Inventories or value in use in SFRS(I) 1-36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS - On January 1, 2020, the Group and the Trust adopted all the new and revised SFRS(I)s pronouncements that are relevant to its operations. The adoption of these new/revised SFRS(I)s pronouncements does not result in changes to the Group's and the Trust's accounting policies and has no material effect on the amounts reported for the current or prior years, except as disclosed below.

Amendments to SFRS(I) 1-1 Presentation of Financial Statements and SFRS(I) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material

The Group has adopted the amendments to SFRS(I) 1-1 and SFRS(I) 1-8 for the first time in the current year. The amendments make the definition of material in SFRS(I) 1-1 easier to understand and are not intended to alter the underlying concept of materiality in SFRS(I) Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in SFRS(I) 1-8 has been replaced by a reference to the definition of material in SFRS(I) 1-1. In addition, the ASC amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

There is no material impact on the financial statements in the period of initial application.

Amendments to SFRS(I) 3 Business Combinations: Definition of a Business
The Group has adopted the amendments to SFRS(I) 3 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after January 1, 2020.

There is no material impact on the financial statements in the period of initial application.

SFRS(I) 1-8:30(b) Amendments to References to the Conceptual Framework in SFRS(I) Standards
The Group has adopted the amendments included in Amendments to References to the Conceptual Framework in SFRS(I) Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The Standards which are amended are SFRS(I) 2, SFRS(I) 3, SFRS(I) 6, SFRS(I) 14, SFRS(I) 1-1, SFRS(I) 1-8, SFRS(I) 1-34, SFRS(I) 1-37, SFRS(I) 1-38, SFRS(I) INT 12, SFRS(I) INT 19, SFRS(I) INT 20, SFRS(I) INT 22, and SFRS(I) INT 1-32.

There is no material impact on the financial statements in the period of initial application.

Impact of the initial application of Interest Rate Benchmark Reform amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7
In December 2019, the ASC issued 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 affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The amendments are relevant to the Group given that it applies hedge accounting to its benchmark interest rate exposures. The application of the amendments impacts the Group's accounting in the following ways:

- The Group has floating rate borrowings, linked to Singapore Swap Offer Rate ("SOR"), which it cash flow hedges using interest rate swaps. The amendments permit continuation of hedge accounting even though there is uncertainty about the timing and amount of the hedged cash flows due to the interest rate benchmark reforms.

- The Group will retain the cumulative gain or loss in the cash flow hedge reserve for designated cash flow hedges that are subject to interest rate benchmark reforms 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 cash flows 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 amendments also introduce new disclosure requirements to SFRS(I) 7 for hedging relationships that are subject to the exceptions introduced by the amendments to SFRS(I) 9.

The Interest Rate Benchmark Reform—Phase 2 (Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16) was issued by ASC in November 2020 and the amendments are effective for annual periods beginning on or after January 1, 2021. The Group has not applied the amendments in advance of its effective date.

Impact of the initial application of COVID-19-Related Rent Concessions amendment to SFRS(I) 16
In May 2020, the ASC issued Covid-19-Related Rent Concessions (Amendment to SFRS(I) 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to SFRS(I) 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying SFRS(I) 16 if the change were not a lease modification. The amendment is effective for annual periods beginning on or after June 1, 2020, with early application permitted.

2. Summary of Significant Accounting Policies (continued)

ADOPTION OF NEW AND REVISED STANDARDS **(continued)**

Impact of the initial application of COVID-19-Related Rent Concessions amendment to SFRS(I) 16 (continued)
The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) Any reduction in lease payments affects only payments originally due in on or before June 30, 2021 (a rent concession meets this condition if it results in reduced lease payments on or before June 30, 2021 and increased lease payments that extend beyond June 30, 2021); and

c) There is no substantive change to other terms and conditions of the lease.

In the current financial year, the Group has applied the amendment to SFRS(I) 16 in advance of its effective date. There is no material impact on the financial statements in the period of initial application.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Trust and entities controlled by the Trust (its subsidiaries). Control is achieved when the Trust:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Trust reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Trust has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Trust considers all relevant facts and circumstances in assessing whether or not the Trust's voting rights in an investee are sufficient to give it power, including:

- The size of the Trust's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Trust, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Trust has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Trust obtains control over the subsidiary and ceases when the Trust loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Trust gains control until the date when the Trust ceases to control the subsidiary.

Profit or loss are attributed to the equityholders of the Trust and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Trust and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Changes in the Group's ownership interest in a subsidiary that do not result in Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to unitholders of the Trust.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, or when applicable, the cost on initial recognition of an investment in an associate or joint venture.

In the Trust's separate financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 Income Taxes and SFRS(I) 1-19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 Share-based Payment at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I)5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another SFRS(I).

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2. Summary of Significant Accounting Policies (continued)

FINANCIAL INSTRUMENTS (continued)

Financial assets
All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets
Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Despite the aforegoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and

- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss under “other income” line item.

Financial assets at FVTPL
Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other (losses)/gains - net" line item. Fair value is determined in the manner described in Note 4.

Foreign exchange gains and losses
The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically,

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other (losses)/gains - net" line item; and

- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other (losses)/gains - net" line item.

Service concession arrangements
The Group has entered into service concession arrangements with governing agencies (the grantors) of the Government of Singapore to operate a water treatment plant and two waste-to-energy plants in Singapore. Under the concession arrangements, the Group will operate the plants for agreed original concession periods of between 15 to 25 years and transfer the plants to the grantors at the end of the concession periods. Such a concession arrangements fall within the scope of SFRS(I) INT 12 Service Concession Arrangements and are accounted for as service concession receivables.

The Group recognises a finance receivable arising from a service concession arrangement when it has a right to receive a fixed and determinable amount of payments during the concession period irrespective of the usage of the concession infrastructure. When the Group receives a payment during the concession period, it will apportion such payment between (i) a repayment of the finance receivable (if any), which will be used to reduce the carrying amount of the finance receivable on its statement of financial position, (ii) interest income, which will be recognised as finance income in profit or loss and (iii) revenue from operating and maintaining the infrastructure, which will be recognised in profit or loss.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost, lease receivables, as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognised lifetime ECL for trade receivables and lease receivables. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

2. Summary of Significant Accounting Policies (continued)

FINANCIAL INSTRUMENTS (continued)

Financial assets (continued)

Significant increase in credit risk
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations, namely the production and sale of gas, water desalination, water treatment, waste incineration, electricity generation and electricity transmission business, manufacture and distribution of chemicals and provision of technical solutions.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; and
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

For loan commitments and financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default
The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the counterparty; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 120 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower; or
- a breach of contract, such as a default or past due event; or
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy
The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 360 days past due, whichever occurs sooner, excluding trade receivables in dispute. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with SFRS(I) 16 Leases.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For undrawn loan commitments, the expected credit loss is the present value of the difference between the contractual cash flows that are due to the group if the holder of the loan commitment draws down the loan, and the cash flows that the Group expects to receive if the loan is drawn down.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors;
- Nature of collaterals for finance lease receivables; and
- External credit ratings where available.

The grouping is regularly reviewed by Trustee-Manager to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

2. **Summary of Significant Accounting Policies (continued)**

FINANCIAL INSTRUMENTS **(continued)**

Financial assets (continued)

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownerships of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity
Debt and equity instruments issued by the Group entity are classified as either financial liabilities or as equity in accordance with substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Trust's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Trust's own equity instruments.

Perpetual securities
The perpetual securities do not have a maturity date and the Trust is able to, at its full discretion, elect to defer making a distribution subject to the terms and conditions of the perpetual securities. Accordingly, the perpetual securities do not meet the definition for classification as a financial liability under SFRS(I) 1-32 Financial Instruments: Presentation and the whole instrument is presented within equity. Distributions are treated as dividends which will be directly debited from equity. Costs directly attributable to the issuance of the perpetual securities are deducted against the proceeds from the issue.

Units in issue and unit proceeds from issuance of units are recognised as units in issue in equity
Issue expenses are expenses incurred in issuance of units in the Trust. Expenses which are directly attributable to the issuance of units are deducted directly from the net assets attributable to the unitholders. Expenses which are not directly attributable to the issuance of units are recognised in profit or loss.

Distributions to the Trust's unitholders
Distributions to the Trust's unitholders are recorded in equity in the period in which they are approved for payment.

Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities are classified as at FVTPL when the financial liability is i) contingent consideration of an acquirer in a business combination to which SFRS(I) 3 applies, ii) held for trading, or iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Group is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and SFRS(I) 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities and is included in the "other (losses)/gains - net" line item.

However, for all other financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

Fair value is determined in the manner described in Note 4.

Financial liabilities subsequently measured at amortised cost
Financial liabilities that are not i) contingent consideration of an acquirer in a business combination, ii) held-for-trading, or iii) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial guarantee contracts
A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

Foreign exchange gains and losses
For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "other (losses)/gains - net" line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2. Summary of Significant Accounting Policies (continued)

FINANCIAL INSTRUMENTS **(continued)**

Derivative financial instruments
The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps. Further details of derivative financial instruments are disclosed in Note 17.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value as at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Embedded derivatives
Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of SFRS(I) 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL. Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of SFRS(I) 9 are not separated. The entire hybrid contract is classified and subsequently measured as either amortised cost or FVTPL as appropriate. See above for the Group's policy on classification of financial assets.

Hedge accounting
The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

Note 17 sets out details of the fair values of the derivative instruments used for hedging purposes.

Cash flow hedges
The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other (losses)/gains - net" line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in other comprehensive income will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Offsetting arrangements
Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Trust and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

LEASES

Leases

The Group as lessee
The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

The Group determines its incremental borrowing rate based on the quotes from reputable banks over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in accordance to the type of asset, tenor and country where the assets are situated.

Lease payments included in the measurement of the lease liability comprise:
- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:
- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2 - Impairment of tangible and intangible assets excluding goodwill below.

2. Summary of Significant Accounting Policies (continued)

LEASES (continued)

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other operating expenses' in the statement of profit or loss.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as lessor
A subsidiary of the Group had signed a Water Purchase Agreement ("WPA") with Singapore PUB to supply treated water to PUB from a seawater desalination plant which the subsidiary owns. Another subsidiary of the Group had also entered into a lease agreement for food waste digestor. In accordance with SFRS(I) 16 Leases, both agreements are lease arrangements and are classified as finance leases.

The lease asset is derecognised and the present value of the lease receivable (net of initial direct costs for negotiating and arranging the lease) is recognised on the balance sheet and included in "finance lease receivables". The difference between the gross receivable and the present value of the lease receivable is recognised as unearned finance income.

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance lease income is recognised in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable. Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and recognised as an expense in profit or loss over the lease term on the same basis as the finance lease income.

INVENTORIES - Inventories are stated at the lower of cost and net realisable value.

Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. For chemical raw materials and finished goods, cost is calculated using the first-in, first-out or weighted average method based on the type of inventory. For other inventories, cost is calculated using weighted average method.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment acquired as part of a business combination are recognised initially at their fair values at the date of acquisition and subsequently carried at cost (i.e. the fair values at initial recognition) less accumulated depreciation and accumulated impairment losses.

All other property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The initial cost of an item includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Trustee-Manager. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purposes other than to produce inventories.

Freehold land has an unlimited useful life and stand-by equipment and assets under construction are not yet available for use and therefore are not depreciated. Depreciation on other property, plant and equipment is calculated using a straight line method to allocate their depreciable amounts over their estimated useful lives as follows:

Building	20 to 40 years
Easements	38.67 years
Interconnector and related plant and machinery	3 to 63.67 years
Power plant	25 years
Other plant and machinery	3 to 25 years
Computers, vehicles, furniture, fittings and equipment	1 to 12 years or lease term, whichever is shorter

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

On disposal of a property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

GOODWILL - Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

INTANGIBLE ASSETS EXCLUDING GOODWILL

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Concession arrangements, customer relationship and customer contracts acquired as part of business combination are initially recognised at their fair values at the acquisition date and subsequently carried at cost (i.e. the fair values at initial recognition) less accumulated amortisation and accumulated impairment losses.

These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of:

Concession arrangements	9.26 to 19.42 years
Customer contracts and relationships	2 to 38.69 years

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL - At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's Cash Generating Units ("CGU") to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years, unless a longer period can be justified. For longer periods, a long-term justified growth rate is applied to project future cash flows.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

2. Summary of Significant Accounting Policies (continued)

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

JOINT VENTURE - A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of SFRS (I) 9 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group’s investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

When a Group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Decommissioning liabilities
The provision for decommissioning costs arose on construction of plant and equipment due to contractual obligation. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the costs of that particular asset. The cash flows are discounted at current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in profit or loss as finance costs. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Provision for reinstatement cost
A provision for reinstatement cost is recognised in relation to properties held under lease. The Group recognises the provision for property leases which contain a specific clause to restore the property to a specific condition and the amount is based on the best estimate made by the Trustee-Manager.

SHARE BASED PAYMENT - Management fees due to the Trustee-Manager can be settled either in cash or by the issue of units in the Trust or by a combination of both cash and units at the option of the Trustee-Manager. The fair values of the settlement choices are identical as the number of units to be issued to the Trustee-Manager is based on the cash liability at the settlement date. The Group measures and re-measures the fair value of the liability at each reporting date and at the date of settlement, with any changes in fair value recognised in the profit or loss. If the Group issues equity instruments on settlement rather than paying cash, the liability shall be transferred direct to equity, as the consideration for the equity instruments issued. If the Group pays in cash on settlement rather than issuing equity instruments, payment shall be applied to settle the liability in full.

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

REVENUE RECOGNITION - The Group recognises revenue from the following major sources:

- Sale of goods;
- Service income;
- Finance income from service concession arrangements;
- Finance lease income;
- Operation and maintenance income;
- Interest income; and
- Other income.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Sale of goods
There are two main kinds of goods sold by the Group: gas and chemicals.

Sale of gas
The Group sells town gas, natural gas and gas appliances to residential, commercial and industrial customers in Singapore. Revenue is measured based on the consideration in accordance with the price regulation framework (for town gas) and consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

The Group's town gas business in Singapore is regulated under the Gas License issued by Energy Market Authority ("EMA") of Singapore. The Group sells town gas to residential, commercial and industrial customers. The amount of revenue recognised is based on the gas consumption derived from meter readings and when control of the town gas has transferred to its customer, being when the town gas is delivered to the customer's specific location (delivery). A receivable is recognised by the Group upon delivery as this represents the point in time at which the right to the consideration becomes unconditional, as only the passage of time is required before payment.

The Group sells natural gas to commercial and industrial customers. Revenue is recognised upon completion of the gas filling transaction and when control of the natural gas has transferred to its customer, being when the natural gas is delivered to the customer's specific location (delivery). A receivable is recognised by the Group upon delivery as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment.

Under the Group's standard contract terms, customers do not have a right of return.

Sale of traded and manufactured chemicals
Revenue from the sale of traded and manufactured chemicals is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the product. The normal credit term is 30 to 90 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction prices needs to be allocated (e.g. warranties, services etc). In determining the transaction price for the sale, the Group considers the effects of variable consideration, the existence of significant financing components, and any other relevant factors.

2. Summary of Significant Accounting Policies (continued)

REVENUE RECOGNITION (continued)

Service income
The Group provides availability and capacity targets of its power plant to a related party. Such service is recognised as a performance obligation satisfied over-time based on an availability-based tolling fees and a monthly fixed fee indexed to the Singapore Consumer Price Index.

The Group has entered into service concession arrangements with governing agencies (the grantors) of the Government of Singapore to operate a water treatment plant and two waste-to-energy plants in Singapore. Revenue related to construction or upgrade services under a service concession arrangement is recognised over time. Service income is recognised in the period in which the services are provided by the Group. If the service concession arrangement contains more than one performance obligation, then the consideration is allocated with reference to the relative stand-alone selling prices of the services delivered.

The Group provides the availability of its interconnector asset to a governing agency of the State of Tasmania. Such service is recognised as a performance obligation satisfied over-time based on an availability-based facility fees indexed to the Australian Consumer Price Index.

Finance income from service concession arrangements
The Group has entered into service concession arrangements with governing agencies (the grantors) of the Government of Singapore to operate a water treatment plant and two waste-to-energy plants in Singapore. Under the service concession arrangements, the Group will operate the plants for agreed original concession periods of between 15 and 25 years and transfer the plants to the grantors at the end of the concession period. Revenue related to finance income under a service concession arrangement is recognised over time.

The Group receives finance income from the service concession arrangements which represents the interest income on the service concession receivables arising from the service concession arrangements, and is recognised using the effective interest method.

Finance lease income
Accounting policy for recognising finance lease income is stated separately below.

Operation and maintenance income
The Group provides operation services for its plants against a well identified fixed and variable cost structure according to the agreements entered into with the grantors. The operation services and where applicable, maintenance work, are required to be carried out on the plants in line with the length of the respective service period. Revenue from provision of operation and maintenance service is recognised as a performance obligation satisfied over time, in the period in which the services are provided by the Group.

Revenue from operating and maintaining the infrastructure under a service concession arrangement is recognised over time.

Interest income
Interest income, including income arising from finance leases and other financial instruments, is recognised using the effective interest method.

Other income
Other income represents the sale of scrap, rental income and insurance compensation. Sale of scrap is recognised upon delivery of the scrap materials and rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight line basis over the term of the relevant lease. Insurance compensation is recognised in profit or loss to the extent of the amount received from the insurer.

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

SHORT-TERM AND LONG-TERM EMPLOYEE BENEFITS - A liability is recognised for benefits accruing to employees in respect of related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

DEFINED CONTRIBUTION PLANS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

DEFINED BENEFIT PLANS - For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item "staff costs". Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted in countries where the Trust and subsidiaries operate by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2. Summary of Significant Accounting Policies (continued)

INCOME TAX (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Trust are presented in Singapore dollars, which is the functional currency of the Trust and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the Group entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into to hedge certain foreign currency risks (see above under hedge accounting); and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents comprise cash on hand, fixed deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents is stated at cash and bank deposits less restricted cash.

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in Note 2, the Trustee-Manager is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, Trustee-Manager has not made any judgements that will have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations as discussed below.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. Details of the loss allowance on aged trade receivables are disclosed in Note 16.

(ii) Impairment of non-financial assets

The Group assesses at each reporting date whether there are any indicators of impairment for all non-financial assets, other than goodwill.

Where such indicators exist, determining whether the carrying values of property, plant and equipment, right-of-use assets and intangibles are impaired requires an estimation of the value in use of the asset or the CGU. This requires the Group to estimate the future cash flows expected from the asset or the CGU, the growth rate and an appropriate discount rate in order to calculate the present value of the future cash flows. The carrying amounts of property, plant and equipment, right-of-use assets and intangibles at the end of the reporting period are disclosed in Notes 6, 7 and 8 respectively.

(iii) Allocation and impairment of goodwill

The Group completed the acquisition of the Crystal Assets on May 18, 2015 (see Note 8), the acquisition of Ixom on February 19, 2019 and Medora source water management solutions business ("Medora") on January 31, 2020 (see Note 46). Independent valuers were engaged by the Group to identify and measure the fair values of the identifiable assets and liabilities assumed and the goodwill on these acquisitions.

Goodwill arising from the business combinations is allocated, based on the relative fair value approach, to the CGUs that are expected to benefit from that business combination. This requires the Group to estimate the additional future benefit to be derived by the CGUs. Goodwill arising from the acquisition of the Crystal Assets was allocated to City Gas and Basslink of the Distribution & Network business segment. Goodwill arising from the acquisition of Ixom and Medora is solely attributable to Ixom Group of the Distribution & Network business segment.

The Group tests goodwill annually for impairment or more frequently if there are indicators that goodwill might be impaired. The recoverable values of the CGUs are determined based on value in use calculations. This requires the Group to estimate the future cash flows expected from the asset or the CGU, the growth rate and an appropriate discount rate in order to calculate the present value of the future cash flows.

The carrying amounts of goodwill at the end of the reporting period are disclosed in Note 8.

(iv) Purchase Price Allocation

During the year, the Group completed the acquisition of Medora. In the previous year, the Group completed the acquisition of Ixom. The purchase price allocation exercise requires a significant amount of management estimation, particularly in relation to the identification of the acquired assets and liabilities and determining their respective fair values. The Group's disclosure of the above is set out in Note 46.

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Key sources of estimation uncertainty (continued)

(v) Provision for legal costs and other professional fees

As detailed in Note 44 to the financial statements, the Basslink Interconnector experienced an unplanned outage on December 20, 2015. Arising from the outage, there were disputes between the State of Tasmania ("State") and Basslink and between Basslink and Hydro Tasmania ("HT"). Those disputes were referred to arbitration. On December 3, 2020, the arbitrator determined that the outage was not a "force majeure" event and Basslink was in breach of the Basslink Services Agreement ("BSA"). The key impacts of the arbitration outcome are disclosed in Note 44.

As the arbitrator found in favour of the State and HT, Basslink may therefore be liable to bear a portion of the other parties' costs. For this purposes, management of Basslink has made a provision of A$10m for legal costs and other professional fees.

The provision for legal fee is considered to be significant as it requires the application of significant judgement and use of assumptions by management. In arriving at the provision amount, management considered the quantum of the other parties' costs claimed, Basslink's own legal expenses and the grounds of decision rendered by the arbitrator on the disputes.

4. Financial Instruments, Financial Risks and Capital Management

(a) Categories of financial instruments

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Financial Assets				
Financial assets at amortised cost	**1,164,344**	1,170,182	**1,039,096**	1,011,739
Derivative instruments:				
Designated in hedge accounting relationships	**143**	887	**-**	-
Not designated in hedge accounting relationships	**113**	-	**-**	-
Total	**1,164,600**	1,171,069	**1,039,096**	1,011,739
Financial Liabilities				
Financial liabilities, at amortised cost	**2,835,755**	2,793,545	**103,698**	106,389
Derivative instruments:				
Designated in hedge accounting relationships	**202,508**	153,014	**9,472**	1,230
Not designated in hedge accounting relationships	**53**	16	**-**	-
Total	**3,038,316**	2,946,575	**113,170**	107,619

The Group and Trust do not have any financial instruments which are subject to enforceable master netting arrangements or similar netting arrangements, other than those disclosed in the financial statements.

(b) Financial risk management policies and objectives

The Group's activities expose it to a variety of financial risks, including the effects of credit, interest rate, liquidity, and foreign currency exchange rate. Risk management is integral to the whole business of the Group. The Group's overall risk management programme seeks to minimise potential adverse effects of the unpredictability of financial markets on the financial performance of the Group. The Group uses derivative financial instruments such as interest rate swaps, forward currency contracts and commodity swaps to hedge certain financial risk exposures.

The Board of Directors of the Trustee-Manager is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Trustee-Manager then establishes and implements the detailed financial risk management policies such as authority levels, oversight responsibilities, risk identification, exposure limits and hedging strategies in accordance with the objectives and underlying principles approved by the Board of Directors of the Trustee-Manager.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(i) **Foreign exchange risk management**

The Group operates mainly in Singapore, Australia and New Zealand. The Group entities transact predominantly in their respective functional currency except for the Trust and three subsidiaries.

One subsidiary, whose functional currency is the Singapore dollar ("SGD"), is partially exposed to United States dollar ("USD") currency risk. The subsidiary's exposure to USD feedstock purchases for its town gas production is mainly passed through. However, it has USD currency risk in respect of purchases of natural gas for retail and retail sales in USD.

Another subsidiary, whose functional currency is the USD, is exposed to currency risk from receipts denominated in SGD. This subsidiary also holds cash and cash equivalents denominated in SGD for working capital purposes.

A third subsidiary, whose functional currency is the AUD, is exposed to currency risk from specific receipts denominated in USD. This subsidiary also holds cash and cash equivalents denominated in USD for working capital purposes.

The Group reviews these balances periodically to ensure that the net exposure is kept at an acceptable level.

The Group is exposed to currency translation risk on net assets in foreign operations. Currency exposure to the net assets in Australia is managed predominantly by having a significant amount of borrowings denominated in the functional currency.

At the end of the financial year, the carrying amounts of monetary assets and liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

	Liabilities		Assets	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Group				
USD	**28,481**	4,687	**11,550**	8,436
AUD	**992**	-	**19,817**	14,223
JPY	**12**	-	**26**	24
NZD	**4**	-	**182**	81
SGD	**1,196**	1,229	**4,726**	8,774
EUR	**200**	-	**506**	193
Others	**-**	-	**927**	451
Trust				
AUD	**-**	-	**14,818**	13,941

Sensitivity analysis

The following table details the sensitivity to a 5% increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. 5% is the sensitivity rate used when reporting foreign currency risk internally to the Trustee-Manager and represents the Trustee-Manager's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currencies denominated monetary items and adjust their translations at the period end for a 5% change in foreign currency rates.

If the relevant foreign currency strengthens by 5% against the functional currency of each Group entity, profit or loss will increase (decrease) by:

	Increase/(Decrease) Profit or loss	
	2020 $'000	2019 $'000
Group		
USD	(847)	187
AUD	941	711
JPY	1	1
NZD	9	4
SGD	176	377
EUR	15	10
Others	46	23
Trust		
AUD	741	697

A 5% weakening of the foreign currencies above against the respective functional currencies at the reporting date would have the equal impact but opposite effect.

4. **Financial Instruments, Financial Risks and Capital Management (continued)**

(b) Financial risk management policies and objectives (continued)

(ii) Interest rate risk management

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group and the Trust have no significant variable interest-bearing assets.

The Group is exposed to Singapore Swap Offer Rate ("SOR") interest rate benchmark within its hedge accounting relationships, which is subject to interest rate benchmark reform ("IBOR"). As listed in Note 17, the hedged items include issued Singapore dollar ("SGD") SOR floating rate debt.

The Group has closely monitored the market and the output 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"). Under the direction of the IBOR Committees, the SIBOR and the Singapore Swap Offer Rate ("SOR") would be expected to be phased out and replaced by the Singapore Overnight Rate Average ("SORA"). The IBOR Committees have made clear that SOR, which relies on USD LIBOR, is expected to be discontinued post-2021, and SIBOR is expected to cease after that.

Below are details of the hedging instruments and hedged items in scope of the SFRS(I) 9 amendments due to interest rate benchmark reform, by hedge type. The terms of the hedged items listed match those of the corresponding hedging instruments.

Hedge type	Instrument type	Maturing in	Nominal	Hedged item
Keppel Infrastructure Trust				
Cash flow hedge	Receive 1-month SOR, pay SGD fixed interest rate swap	2022	$100 million	SGD SOR floating rate bank loan of the same nominal of the swap
City Gas Trust				
Cash flow hedge	Receive 1-month SOR, pay SGD fixed interest rate swap	2022	$89 million	SGD SOR floating rate bank loan of the same nominal of the swap
Cash flow hedge	Receive 1-month SOR, pay SGD fixed interest rate swap	2024	$89 million	SGD SOR floating rate bank loan of the same maturity and nominal of the swap
Keppel Merlimau Cogen Pte Ltd				
Cash flow hedge	Receive 3-month SOR, pay SGD fixed interest rate swap	2027	$700 million	SGD SOR floating rate bank loan of the same maturity and nominal of the swap
SingSpring Trust				
Cash flow hedge	Receive 1-month SOR, pay SGD fixed interest rate swap	2025	$50 million	SGD SOR floating rate bank loan of the same maturity and nominal of the swap

The Group will continue to apply the amendments to SFRS(I) 9 until the uncertainty arising from the interest rate benchmark reforms with respect to the timing and the amount of the underlying cash flows that the Group is exposed to ends. The Group has assumed that this uncertainty will not end until the Group's contracts that reference IBORs are amended to specify the date on which the interest rate benchmark will be replaced, the cash flows of the alternative benchmark rate and the relevant spread adjustment. This will, in part, be dependent on the introduction of fall back clauses which have yet to be added to the Group's contracts and the negotiation with lenders.

Details of the various derivative financial instruments held by the Group and Trust are disclosed in Note 17. Assuming all other variables are held constant, a 50 basis point change in Singapore or Australia interest rate has the following impact on profit or loss and equity as a result of higher/lower finance cost or fair value changes to derivative financial instruments. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents the Trustee-Manager's assessment of the reasonably possible change in interest rates.

Sensitivity analysis

	Decrease of 50 basis points		Increase of 50 basis points	
	Increase/(Decrease)		Increase/(Decrease)	
	Profit or loss $'000	Equity $'000	Profit or loss $'000	Equity $'000
Group				
2020				
Borrowings at floating interest rate	**1,122**	**-**	**(1,122)**	**-**
Interest rate swaps accounted for under cash flow hedge	**-**	**(57,432)**	**-**	**57,432**
2019				
Borrowings at floating interest rate	1,154	-	(1,154)	-
Interest rate swaps accounted for under cash flow hedge	-	(40,066)	-	40,066

(iii) Overview of the Group's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at December 31, 2020, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

The Group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group manages these risks by monitoring credit-worthiness and limiting the aggregate risk to any individual counterparty. Therefore, the Group does not expect to incur material credit losses on its financial instruments. The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group's current credit risk framework comprises the following categories:

Category	Decription	Basis for recognising expecting credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	Trade receivables and lease receivables: Lifetime ECL - not credit-impaired Other financial assets: 12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >120 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

4. Financial Instruments, Financial Risks and Capital Management (continued)

(b) Financial risk management policies and objectives (continued)

(iii) Overview of the Group's exposure to credit risk (continued)

The table below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit rating	12-month or lifetime ECL $'000	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount
Group						
2020						
Trade receivables	16	Performing	Lifetime ECL	194,167	-	194,167
Trade receivables	16	Doubtful	Lifetime ECL	10,806	(2,101)	8,705
Other receivables	16	Performing	12-month ECL	7,669	-	7,669
Service concession receivables	12	Performing	12-month ECL	284,501	-	284,501
Finance lease receivables	13	Performing	Lifetime ECL	85,175	-	85,175
					(2,101)	
2019						
Trade receivables	16	Performing	Lifetime ECL	261,111	(258)	260,853
Trade receivables	16	Doubtful	Lifetime ECL	2,738	(2,645)	93
Other receivables	16	Performing	12-month ECL	8,338	-	8,338
Service concession receivables	12	Performing	12-month ECL	332,228	-	332,228
Finance lease receivables	13	Performing	Lifetime ECL	95,259	-	95,259
					(2,903)	
Trust						
2020						
Other receivables	16	Performing	12-month ECL	17,350	-	17,350
Notes receivables	10	Performing	12-month ECL	775,712	-	775,712
Amount receivable from a subsidiary	11	Performing	12-month ECL	9,407	-	9,407
					-	
2019						
Other receivables	16	Performing	12-month ECL	8,345	-	8,345
Notes receivables	10	Performing	12-month ECL	775,712	-	775,712
Amount receivable from a subsidiary	11	Performing	12-month ECL	12,407	-	12,407
					-	

(iv) Credit risk management

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the customer profile of its trade receivables, based on the operating segments, on an ongoing basis. The credit risk concentration profile of the Group's third-party trade receivables, grossed up for any allowances for losses, at the end of the financial year is as follows:

	2020		2019	
	$'000	%	$'000	%
Group				
By operating segments				
Distribution & Network				
- City Gas [1] (Performing)	**26,199**	**14**	32,622	13
- City Gas [1] (Doubtful)	**657**	**1**	790	-
- Basslink [2] (Performing)	**6,760**	**4**	55,189	21
- Ixom [3] (Performing)	**109,657**	**60**	141,716	55
- Ixom [3] (Doubtful)	**10,149**	**6**	2,113	1
Waste & Water [4] (Performing)	**28,113**	**15**	26,703	10
Others (Performing)	**30**	**-**	30	-
	181,565	**100**	259,163	100
By geographic distribution				
Singapore	**55,637**	**31**	60,145	23
Australia	**86,039**	**47**	139,256	54
New Zealand	**27,111**	**15**	25,642	10
Others	**12,778**	**7**	34,120	13
	181,565	**100**	259,163	100

[1] There is no significant concentration of credit risk due to the nature and the significant number of its customer base. To mitigate credit risk, deposits or bankers guarantees are obtained from customers upon the opening of a utilities account. Included in the refundable customer deposits disclosed in Note 20, is an amount of $37,524,000 (2019 : $40,887,000), which can, subject to certain conditions, be used to set off against the corresponding outstanding receivables when the circumstances warrant.

[2] In 2019, there was a significant concentration of credit risk with the major customer, a wholly-owned entity of the State of Tasmania, which represented 24% of the total trade receivables from the Distribution & Network segment. The high balance in 2019 is because the customer did not pay the full facility fees from September 2016 to August 2017 and had instead given so-called "good faith payments" from December 2016 to July 2017. Since September 2017, the customer had resumed the contractual payment of the full facility fees (and accordingly discontinued the good faith payments). During the year, pursuant to the Basslink arbitration awards as disclosed in Note 44, the outstanding receivables relating to the facility fees from September 2016 to August 2017 was fully written off against revenue.

[3] The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

[4] There is a significant concentration of credit risk with their customers, which are agencies of the Government of Singapore, for the duration of the service contract entered into.

Each Group entity monitors the credit risk by ensuring that payments are received by the contractual date.

The credit risk on cash and fixed deposits is limited because the counterparties are banks and financial institutions which are regulated and with high credit ratings.

Collateral held as security and other credit enhancements

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risk associated with trade receivables is mitigated because they are secured over deposits collected from customers amounting to $37,525,000 as at December 31, 2020 (2019 : $40,898,000), which can be used to offset the impaired receivables when the circumstances warrant.

(v) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations due to a shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Trust can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statement of financial position.

4. Financial Instruments, Financial Risks and Capital Management (continued)

(b) Financial risk management policies and objectives (continued)

(v) Liquidity risk management (continued)

	Effective interest rate %	Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000	Adjustment $'000	Total $'000
Group						
2020						
Non-interest bearing	**-**	**313,310**	**-**	**-**	**-**	**313,310**
Variable interest rate instruments *	**1.18 - 6.92**	**688,253**	**1,148,866**	**443,029**	**(108,458)**	**2,171,690**
Fixed interest rate instruments	**2.90 - 17.50**	**60,466**	**237,545**	**960,221**	**(907,477)**	**350,755**
		1,062,029	**1,386,411**	**1,403,250**	**(1,015,935)**	**2,835,755**
2019						
Non-interest bearing	-	312,672	-	-	-	312,672
Variable interest rate instruments *	2.13 - 3.15	1,363,008	868,080	-	(105,501)	2,125,587
Fixed interest rate instruments	3.62 - 17.50	61,313	219,345	1,001,130	(926,502)	355,286
		1,736,993	1,087,425	1,001,130	(1,032,003)	2,793,545
Trust						
2020						
Non-interest bearing	**-**	**3,815**	**-**	**-**	**-**	**3,815**
Variable interest rate instruments	**2.62**	**2,620**	**100,437**	**-**	**(3,174)**	**99,883**
		6,435	**100,437**	**-**	**(3,174)**	**103,698**
2019						
Non-interest bearing	-	6,606	-	-	-	6,606
Variable interest rate instruments	2.67	2,290	102,576	-	(5,083)	99,783
		8,896	102,576	-	(5,083)	106,389

* Included under the variable interest rate instruments category is the undiscounted cash flows of Basslink bank borrowings with a carrying amount of $635,472,000 (2019 : $610,259,000) as at December 31, 2020. The timing of the cash flow payments have been categorised above based on the remaining contractual maturity. These bank borrowings have been classified as current liabilities on the statement of financial position (Note 19).

Non-derivative financial assets

The following tables detail the expected maturity for non-derivative financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the Group's liquidity risk is managed on a net asset and liability basis. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Trust anticipate that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset on the statement of financial position.

	Effective interest rate %	Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000	Adjustment $'000	Total $'000
Group						
2020						
Non-interest bearing	**-**	**307,754**	**-**	**-**	**-**	**307,754**
Fixed interest rate instruments	**0.46 - 15.32**	**475,066**	**260,974**	**100,284**	**(64,440)**	**771,884**
Variable interest rate instruments	**0.22 - 0.78**	**84,706**	**-**	**-**	**-**	**84,706**
		867,526	**260,974**	**100,284**	**(64,440)**	**1,164,344**
2019						
Non-interest bearing	-	326,049	-	-	-	326,049
Fixed interest rate instruments	0.92 – 4.68	450,675	276,809	156,331	(78,437)	805,378
Variable interest rate instruments	0.55 – 1.11	38,755	-	-	-	38,755
		815,479	276,809	156,331	(78,437)	1,170,182
Trust						
2020						
Non-interest bearing	**-**	**17,350**	**-**	**-**	**-**	**17,350**
Fixed interest rate instruments	**0.70 – 17.50**	**317,414**	**574,683**	**1,488,846**	**(1,377,550)**	**1,003,393**
Variable interest rate instruments	**0.70 – 1.29**	**9,032**	**9,640**	**-**	**(319)**	**18,353**
		343,796	**584,323**	**1,488,846**	**(1,377,869)**	**1,039,096**
2019						
Non-interest bearing	-	8,414	-	-	-	8,414
Fixed interest rate instruments	0.92 – 17.50	297,515	358,928	1,794,581	(1,467,517)	983,507
Variable interest rate instruments	2.32	7,699	13,441	-	(1,322)	19,818
		313,628	372,369	1,794,581	(1,468,839)	1,011,739

Derivative financial instruments

The following table details the liquidity analysis for derivative financial instruments. The table has been drawn up based on the undiscounted net cash inflows/(outflows) on the derivative instrument that settle on a net basis and the undiscounted gross inflows and (outflows) on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the end of the reporting period.

	Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000
Group			
2020			
Net settled:			
Interest rate swaps	**(37,115)**	**(116,610)**	**(68,239)**
Foreign currency forward	**(8,770)**	**(2,945)**	**-**
2019			
Net settled:			
Interest rate swaps	(24,750)	(80,716)	(88,671)
Foreign currency forward	(2,056)	40	-
Trust			
2020			
Net settled:			
Interest rate swaps	**(1,695)**	**(282)**	**-**
Foreign currency forward	**(2,945)**	**(4,587)**	**-**
2019			
Net settled:			
Interest rate swaps	-	(1,230)	-

4. **Financial Instruments, Financial Risks and Capital Management (continued)**

(b) **Financial risk management policies and objectives (continued)**

(v) **Liquidity risk management (continued)**

The Group and the Trust manage their liquidity risk by maintaining a sufficient level of cash and cash equivalents deemed adequate by the Trustee-Manager to finance the Group's and Trust's operations including servicing of financial obligations and to mitigate the effects of fluctuations in cash flows. This excludes the potential impact of extreme circumstances that cannot be reasonably predicted.

The Group is in a net current liability position of $41,498,000 (2019 : $676,849,000) as at the end of the reporting period. The Basslink bank borrowings of $635,472,000 (2019 : $610,259,000) is classified as current liabilities (Note 19). The financial statements of the Group have been prepared on a going concern basis on the following basis:

- The Basslink bank borrowings, as detailed in Note 19, are non-recourse to the Group and the maturity date was extended by six months to May 27, 2021;
- The Group is not dependent on cash flows from Basslink for its operations and distributions to unitholders for at least the 12-month period from the date of the financial statements.

Accordingly, the Trustee-Manager has assessed that the implications of the bank borrowings above do not impact the going concern assumption of the Group.

The Group maintains $307.4 million (2019 : $280.4 million) undrawn facilities as at the end of the financial year.

(vi) **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, 2020 and December 31, 2019, 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 $'000	Fair value as at 2020 Assets $'000	2020 Liabilities $'000	2019 Assets $'000	2019 Liabilities	Valuation technique(s) and key input(s)
Group					
Interest rate swaps	**-**	**(190,595)**	-	(149,717)	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	**143**	**(11,919)**	887	(2,902)	
Commodity swap	**113**	**(47)**	-	(411)	
Trust					
Interest rate swaps	**-**	**(1,939)**	-	(1,230)	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	**-**	**(7,532)**	-	-	

There were no transfer between the different levels of the fair value hierarchy during the financial years ended December 31, 2020 and 2019.

(ii) *Fair value of the Group and Trust's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)*
The Trustee-Manager considers that the carrying amounts of financial assets and financial liabilities recorded at amortised costs in the financial statements approximate their fair values, unless otherwise stated in the respective notes to the financial statements.

(c) Capital management policies and objectives
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure to support its businesses and maximise unitholders' value.

In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of distribution payment, return capital to unitholders, issue new units, buy back issued units, issue perpetual securities, obtain new borrowings or sell assets to reduce borrowings. The Group may also issue new units to finance future growth.

The Group seeks to raise non-recourse debt structured specifically to match the cash flow profile of its underlying assets. The Group's general philosophy on leverage is to ensure that its subsidiaries have sufficient financial flexibility to meet their capital expenditure and operational needs, and at the same time, service their debt obligations promptly and reliably.

In addition to bank covenants, debt service coverage ratios and other tests, the Trustee-Manager also monitors capital based on the ratio of the Group's net borrowings to total assets. Net borrowings are calculated as total borrowings less cash and bank deposits excluding notes payable to non-controlling interest. For the Trust, the Trustee-Manager monitors capital based on ratio of the Trust's net borrowings to total assets.

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Net borrowings	**1,580,302**	1,641,560	**-**	-
Total assets	**4,929,535**	5,003,275	**2,438,607**	2,317,920
Ratio	**32%**	33%	**0%**	0%

There are no externally imposed capital requirements for the financial years ended December 31, 2020 and 2019, other than the loan covenants disclosed in Note 19.

5. Related Party Transactions

Some of the Group's transactions and arrangements are with (a) the Trustee-Manager; and (b) the significant corporate unitholders, Keppel Corporation Limited and Temasek Holdings (Private) Limited, and their associates. The effect of these on the basis determined between the parties is reflected in these financial statements.

The following significant transactions between the Group and its related parties took place at terms agreed between the parties during the year:

		Group	
		2020 $'000	2019 $'000
Sale of goods and services	(i)	**144,000**	123,690
Purchases of goods and services	(i)	**(237,585)**	(263,704)
Operating lease expense	(ii)	**(950)**	(1,725)
Interest expense	(i)	**(42,992)**	(42,875)
Interest income	(i)	**1,792**	1,888
Professional fees	(i)	**(342)**	(312)
Trustee-Manager's fees	(iii)	**(11,970)**	(26,072)

(i) Received/receivable from and/or paid/payable to subsidiaries of the substantial unitholders of the Trust and Trustee-Manager.
(ii) Relates to short-term operating lease arrangements with related parties of the Group for leasing of office premises and galleries.
(iii) The Trust Deed sets out the management fee arrangements between the Trust and the Trustee-Manager in relation to the management of the Trust. The fee structure for these services is disclosed in Note 38.

6. Property, Plant and Equipment

	Freehold land $'000	Building and leasehold land $'000	Easements $'000	Inter-connector and related plant and machinery[2] $'000	Power plant $'000	Other plant and machinery[3] $'000	Computers, vehicles, furniture, fittings and equipment $'000	Stand-by equipment and assets under construction $'000	Total $'000
Group									
Cost:									
At January 1, 2019	1,438	7,870	1,665	1,024,936	1,623,701	80,926	9,769	13,781	2,764,086
Additions	-	786	-	70	603	8,923	735	17,249	28,366
Acquisition of subsidiaries (Note 46)	56,256	27,694	-	-	-	293,950	-	20,369	398,269
Written off	-	-	-	(1)	-	(535)	(181)	-	(717)
Disposals	-	-	-	-	-	(610)	(130)	-	(740)
Currency translation differences	(3,753)	(2,293)	(134)	(82,689)	-	(18,228)	(143)	(1,852)	(109,092)
Reclassification	-	100	-	874	-	16,114	228	(17,316)	-
Reversal of decommissioning cost [1]	-	-	-	(6,997)	-	-	-	-	(6,997)
At December 31, 2019	**53,941**	**34,157**	**1,531**	**936,193**	**1,624,304**	**380,540**	**10,278**	**32,231**	**3,073,175**
Additions	**-**	**-**	**-**	**131**	**728**	**10,515**	**448**	**9,077**	**20,899**
Acquisition of subsidiaries (Note 46)	**-**	**-**	**-**	**-**	**-**	**1,369**	**-**	**-**	**1,369**
Written off	**-**	**-**	**-**	**(2,774)**	**-**	**(18)**	**(975)**	**-**	**(3,767)**
Disposals	**-**	**(217)**	**-**	**(10)**	**-**	**(10,270)**	**(316)**	**(10)**	**(10,823)**
Disposal of subsidiaries (Note 9)	**(357)**	**(1,741)**	**-**	**-**	**-**	**(696)**	**-**	**(116)**	**(2,910)**
Currency translation differences	**3,126**	**796**	**100**	**62,266**	**-**	**17,238**	**128**	**847**	**84,501**
Reclassification (Note 7)	**-**	**(4,832)**	**-**	**-**	**-**	**12,430**	**18**	**(12,983)**	**(5,367)**
Adjustment to decommissioning cost [1]	**-**	**-**	**-**	**6,521**	**-**	**-**	**-**	**-**	**6,521**
At December 31, 2020	**56,710**	**28,163**	**1,631**	**1,002,327**	**1,625,032**	**411,108**	**9,581**	**29,046**	**3,163,598**
Accumulated depreciation:									
At January 1, 2019	-	4,779	488	263,739	264,193	70,572	8,925	-	612,696
Depreciation charge	-	2,089	41	15,620	54,199	56,698	614	-	129,261
Written off	-	-	-	(1)	-	(535)	(181)	-	(717)
Disposals	-	-	-	-	-	(421)	(120)	-	(541)
Currency translation differences	-	47	(40)	(21,711)	-	(517)	(116)	-	(22,337)
At December 31, 2019	**-**	**6,915**	**489**	**257,647**	**318,392**	**125,797**	**9,122**	**-**	**718,362**
Depreciation charge	**-**	**1,693**	**40**	**15,246**	**75,826**	**36,779**	**549**	**-**	**130,133**
Written off	**-**	**-**	**-**	**(1,517)**	**-**	**(18)**	**(969)**	**-**	**(2,504)**
Disposals	**-**	**(184)**	**-**	**(4)**	**-**	**(10,207)**	**(259)**	**-**	**(10,654)**
Disposal of subsidiaries (Note 9)	**-**	**(38)**	**-**	**-**	**-**	**(161)**	**-**	**-**	**(199)**
Reclassification (Note 7)	**-**	**(833)**	**-**	**-**	**-**	**-**	**-**	**-**	**(833)**
Currency translation differences	**-**	**(74)**	**34**	**17,672**	**-**	**1,102**	**90**	**-**	**18,824**
At December 31, 2020	**-**	**7,479**	**563**	**289,044**	**394,218**	**153,292**	**8,533**	**-**	**853,129**
Carrying amount:									
At December 31, 2019	53,941	27,242	1,042	678,546	1,305,912	254,743	1,156	32,231	2,354,813
At December 31, 2020	**56,710**	**20,684**	**1,068**	**713,283**	**1,230,814**	**257,816**	**1,048**	**29,046**	**2,310,469**

[1] This relates to the movement in the provision for decommissioning costs during the financial year (Note 21).

[2] Included in this category is a carrying amount of $9,352,000 (2019 : $9,275,000) which pertains to plant and machinery related to the interconnector with useful lives ranging from 3 to 40 years.

[3] Included in this category is a carrying amount of $5,137,000 (2019 : $6,557,000) which pertains to plant and machinery under the gas segment with useful lives ranging from 14 to 25 years.

Certain property, plant and equipment with carrying amount of $1,077,388,000 (2019 : $1,044,462,000) are pledged as security for borrowings (Note 19).

7. Right-Of-Use Assets

The Group leases several leasehold land and buildings, warehouse and retail spaces, plant and equipment, computers, vehicles, furniture, fittings and equipment. The average lease term ranges from 1 to 45 years (2019 : 1 to 46 years).

Certain leases for computers, vehicles, furniture, fittings and equipment, warehouse spaces and an office building expired during the year and were either replaced by new leases for identical underlying assets or extended through exercising the extension options. This resulted in additions to right-of-use assets of $6,602,000 (2019 : $1,773,000) in 2020.

Group	Land, buildings, office, warehouse and retail spaces $'000	Computers, vehicles, furniture, fittings and equipment $'000	Total $'000
Cost:			
At January 1, 2019 (Adoption of SFRS (I) 16)	38,193	9,297	47,490
Acquisition of subsidiaries (Note 46)	57,478	30,319	87,797
Additions	1,107	666	1,773
Currency translation differences	(3,729)	(947)	(4,676)
At December 31, 2019 (Adoption of SFRS (I) 16)	**93,049**	**39,335**	**132,384**
Acquisition of subsidiaries (Note 46)	**2,732**	**-**	**2,732**
Disposal of subsidiaries (Note 9)	**(2,495)**	**(645)**	**(3,140)**
Additions	**3,052**	**3,550**	**6,602**
Termination and retirement	**(2,395)**	**(2,230)**	**(4,625)**
Reclassification (Note 6)	**5,367**	**-**	**5,367**
Currency translation differences	**3,414**	**1,458**	**4,872**
At December 31, 2020	**102,724**	**41,468**	**144,192**
Accumulated depreciation:			
At January 1, 2019 (Adoption of SFRS (I) 16)	1,911	-	1,911
Depreciation charge	8,627	6,366	14,993
Currency translation differences	(168)	52	(116)
At December 31, 2019 (Adoption of SFRS (I) 16)	**10,370**	**6,418**	**16,788**
Disposal of subsidiaries (Note 9)	**(1,810)**	**(221)**	**(2,031)**
Depreciation charge	**10,495**	**7,385**	**17,880**
Termination and retirement	**(1,581)**	**(1,681)**	**(3,262)**
Reclassification (Note 6)	**833**	**-**	**833**
Currency translation differences	**660**	**572**	**1,232**
At December 31, 2020	**18,967**	**12,473**	**31,440**
Carrying amount:			
At December 31, 2019	82,679	32,917	115,596
At December 31, 2020	**83,757**	**28,995**	**112,752**

8. Intangibles

	2020 $'000	2019 $'000
Goodwill arising on consolidation	**881,939**	834,710
Concession arrangements	**20,037**	23,297
Customer contracts and relationships	**106,996**	116,195
Software	**6,426**	9,761
Other identifiable intangibles	**-**	1,378
	133,459	150,631
	1,015,398	985,341

8. Intangibles (continued)

Movements during the year are as follow:

	Goodwill $'000	Concession arrangements $'000	Customer contracts and relationships $'000	Software $'000	Other identifiable intangibles $'000	Total $'000
Cost:						
At January 1, 2019	437,300	38,234	175,777	-	-	651,311
Acquisition of subsidiaries (Note 46)	431,465	-	88,972	13,001	1,421	534,859
Additions	-	-	-	3,028	190	3,218
Disposals	-	-	-	(824)	-	(824)
Currency translation differences	(34,055)	-	(9,198)	(859)	(89)	(44,201)
At December 31, 2019	**834,710**	**38,234**	**255,551**	**14,346**	**1,522**	**1,144,363**
Acquisition of subsidiaries (Note 46)	**18,189**	**-**	**5,771**	**-**	**-**	**23,960**
Additions	**-**	**-**	**95**	**1,401**	**-**	**1,496**
Disposals	**-**	**-**	**-**	**(21)**	**-**	**(21)**
Adjustment	**1**	**-**	**1,523**	**(3)**	**(1,522)**	**(1)**
Reclassification	**-**	**-**	**-**	**28**	**-**	**28**
Disposal of a subsidiary (Note 9)	**-**	**-**	**-**	**(83)**	**-**	**(83)**
Currency translation differences	**29,039**	**-**	**7,806**	**931**	**-**	**37,776**
At December 31, 2020	**881,939**	**38,234**	**270,746**	**16,599**	**-**	**1,207,518**
Accumulated amortisation:						
At January 1, 2019	-	11,678	120,875	-	-	132,553
Amortisation	-	3,259	19,885	5,520	149	28,813
Disposals	-	-	-	(805)	-	(805)
Currency translation differences	-	-	(1,404)	(130)	(5)	(1,539)
At December 31, 2019	**-**	**14,937**	**139,356**	**4,585**	**144**	**159,022**
Amortisation	**-**	**3,260**	**21,708**	**5,164**	**-**	**30,132**
Disposals	**-**	**-**	**-**	**(23)**	**-**	**(23)**
Adjustment	**-**	**-**	**142**	**-**	**(144)**	**(2)**
Disposal of subsidiary (Note 9)	**-**	**-**	**-**	**(21)**	**-**	**(21)**
Currency translation differences	**-**	**-**	**2,544**	**468**	**-**	**3,012**
At December 31, 2020	**-**	**18,197**	**163,750**	**10,173**	**-**	**192,120**
Carrying amount:						
At December 31, 2019	834,710	23,297	116,195	9,761	1,378	985,341
At December 31, 2020	**881,939**	**20,037**	**106,996**	**6,426**	**-**	**1,015,398**

(a) Goodwill arising on consolidation

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ("CGU") that are expected to benefit from that business combination. The Group is structured into three business segments, Distribution & Network, Waste & Water and Energy. Based on the relative fair value approach, the goodwill arising from the Crystal Assets Acquisition and Ixom Acquisition was allocated to the Distribution & Network business segment.

In 2015, the Trust acquired the business of collection, purification and distribution of water and waste incineration and electricity generation from Crystal Trust through the acquisition of Ulu Pandan Trust, Keppel Seghers NEWater Development Co Pte Ltd, Senoko Trust, Senoko Waste-To-Energy Pte Ltd, Tuas DBOO Trust and Keppel Seghers Tuas Waste-To-Energy Plant Pte Ltd, collectively known as the Crystal Assets.

In 2019, the Trust acquired the Ixom Group, which principal activities include manufacturing, importing and trading of chemicals for agriculture, building and construction, oil and gas, food and beverage, pharmaceutical and personal care, plastics, pulp and paper and water treatment industries.

During the year, the Trust, through its Ixom sub-group, acquired Medora, which principal activities include the sale of water treatment infrastructure and facilities and related services, as disclosed in Note 46.

Before recognition of impairment losses, the carrying amount of goodwill had been allocated as follows:

	Carrying amount $'000	Terminal growth rate %	Pre-tax discount rate %
Group			
2020			
Distribution & Network:			
City Gas	**379,497**	**1.8**	**8.0**
Basslink	**55,342**	**N/A**	**4.4**
Ixom (including Medora)	**447,100**	**2.5**	**10.0**
2019			
Distribution & Network:			
City Gas	379,497	1.8	8.0
Basslink	51,899	N/A	6.4
Ixom	403,314	2.5	11.6

The Group tests goodwill annually for impairment or more frequently if there are indicators that goodwill might be impaired.

The recoverable values of the CGUs are determined based on value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates, terminal value and expected changes to selling prices and direct costs and ability to secure adequate banking facilities during the period. The Trustee-Manager estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on the industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the Trustee-Manager for the next five years for Ixom (including Medora) and for a period of more than five years for City Gas and Basslink as City Gas is currently the sole producer and retailer of town gas and Basslink has a long-term contract with its major customer.

Sensitivity analysis

Based on the value in use calculations as determined by the Trustee-Manager, an increase or decrease by 1 percentage point to the discount rates used in the assessment will affect the value in use as follows:

	2020		2019	
	Increase $'000	**Decrease $'000**	Increase $'000	Decrease $'000
Distribution & Network:				
City Gas	**(87,037)**	**120,210**	(90,939)	126,568
Basslink	**(199,211)**	**266,204**	(183,987)	248,812
Ixom (including Medora)	**(147,585)**	**193,158**	(120,156)	157,091

For Ixom, if the discount rate used as detailed above increases by 1 percentage point, the carrying amount of the CGU would exceed the recoverable amount by $Nil (2019 : $28,788,000).

For other CGUs, any reasonable possible change to the key assumptions applied, including the discount rates used as detailed above, is not likely to cause the recoverable amounts to be below the carrying amounts of the CGUs.

No impairment was considered necessary for the current and prior years.

(b) Concession arrangements, customer contracts and relationships

The intangible assets recognised on concession arrangements represent the rights to charge users of the public service under the Group's operating concessions. They have remaining amortisation period of 3.67 to 13.84 years (2019 : 4.67 to 14.84 years).

The intangible assets recognised on customer contracts and relationships were in relation to contractual agreements that two of the subsidiaries have with their sole customer, as well as contracts entered into between a subsidiary and its long-time customers. These have remaining amortisation period of 1 to 25.43 years (2019 : 2 to 26.43 years).

9. Investment in Subsidiaries

	Trust 2020 $'000	Trust 2019 $'000
Investments, at cost	**863,552**	863,236
Advances to subsidiaries	**1,038,806**	1,052,575
Less: Allowance for impairment	**(504,171)**	(610,246)
	1,398,187	1,305,565
Movement in allowance account:		
Beginning of year	**610,246**	582,300
(Credit) / Charge for the year	**(106,075)**	27,946
End of year	**504,171**	610,246

Advances to subsidiaries are quasi-equity loans which represent an extension of investment in the subsidiaries. They are unsecured and interest-free. Settlements are neither planned nor likely to occur in the foreseeable future.

Details of the Group's significant subsidiaries at the end of financial year are as follows:

Name of subsidiaries	Principal activities (Country of incorporation or residence)	Proportion of ownership interest and voting power held 2020 %	2019 %
City Gas Pte Ltd(1a) (1c)	Trustee of City Gas Trust (Singapore)	**100**	100
City Gas Trust(1a)	Production and retail of town gas, retail of natural gas and sales of gas appliances (Singapore)	**100**	100
SingSpring Pte Ltd(1a) (1c)	Trustee of SingSpring Trust (Singapore)	**100**	100
SingSpring Trust(1a)	Operation of a seawater desalination plant (Singapore)	**70**	70
CityLink Investments Pte Ltd(1a) (1c)	Investment holding (Singapore)	**100**	100
CitySpring Capital Pte Ltd(1a) (1c)	Provision of financial and treasury services (Singapore)	**100**	100
CityDC Pte. Ltd.(1a) (1c)	Investment holding (Singapore)	**100**	100
Keppel Merlimau Cogen Pte Ltd(1a)	Tolling arrangement for a power plant (Singapore)	**51**	51
Senoko Waste-To-Energy Pte Ltd(1a) (1c)	Trustee of Senoko Trust (Singapore)	**100**	100
Senoko Trust(1a)	Collection and treatment of solid waste to generate green energy (Singapore)	**100**	100
Keppel Seghers NEWater Development Co Pte Ltd(1a) (1c)	Trustee of Ulu Pandan Trust (Singapore)	**100**	100
Ulu Pandan Trust(1a)	Collection, purification and distribution of water (Singapore)	**100**	100
Keppel Seghers Tuas Waste-To-Energy Plant Pte Ltd(1a) (1c)	Trustee of Tuas DBOO Trust (Singapore)	**100**	100
Tuas DBOO Trust(1a)	Collection and treatment of solid waste to generate green energy (Singapore)	**100**	100
City-OG Gas Energy Services Pte Ltd(1a) (1c)	Retailing of natural gas and related activities (Singapore)	**51**	51
IX Holdings Pte Ltd(1a) (1c)	Investment holding (Singapore)	**100**	100
Bay Terminal Holdings Pte Ltd(1c) (2)	Investment holding (Singapore)	**100**	-
Bay Terminal Infrastructure Pte Ltd(1c) (2)	Investment holding (Singapore)	**100**	-
Nexus Australia Management Pty Ltd* (1c)	Trustee (Australia)	**100**	100
Coral Holdings Australia Pty Ltd* (1b)	Investment holding (Australia)	**100**	100
Premier Finance Trust Australia* (1b)	Finance trust (Australia)	**100**	100
Nexus Investments Australia Pty Ltd* (1c)	Investment holding (Australia)	**100**	100
Basslink Australia GP Pty Ltd* (1c)	Investment holding (Australia)	**100**	100
Basslink Australia LLP* (1c)	Investment holding (Australia)	**100**	100
Basslink Pty Ltd* (1b)	Operation of subsea electricity interconnector (Australia)	**100**	100

Name of subsidiaries	Principal activities (Country of incorporation or residence)	Proportion of ownership interest and voting power held 2020 %	2019 %
Basslink Telecoms Pty Ltd* (1b)	Operation of telecom business (Australia)	**100**	100
Basslink Holdings Pty Ltd* (1c)	Investment holding (Cayman Islands)	**100**	100
IX Infrastructure Pty Ltd(1b)	Investment holding (Australia)	**100**	100
Ixom HoldCo Pty Ltd^ (1b)	Investment holding (Australia)	**100**	100
Ixom Pty Ltd^ (1b)	Investment holding (Australia)	**100**	100
Ixom Holdings Pty Ltd^ (1b)	Investment holding (Australia)	**100**	100
Ixom Operations Pty Ltd^ (1b)	Supply and distribution of water treatment chemicals, industrial and speciality chemicals (Australia)	**100**	100
Ixom Finance Pty Ltd^ (1b)	Provision of financial and treasury services (Australia)	**100**	100
Bronson & Jacobs Pty Ltd^ (1b)	Investment holding (Australia)	**100**	100
Ixom International Holdings Pty Ltd^ (1b)	Investment holding (Australia)	**100**	100
Bronson & Jacobs (S.E. Asia) Pte Ltd^ (1c)	Supply and distribution of water treatment chemicals, industrial and speciality chemicals (Singapore)	**100**	100
Bronson & Jacobs (H.K.) Ltd^ (1c) (3)	Supply and distribution of water treatment chemicals, industrial and speciality chemicals (Hong Kong)	**-**	100
PT Bronson & Jacobs Indonesia^ (1c)	Supply and distribution of water treatment chemicals,	**100**	100
Bronson & Jacobs (Malaysia) Sdn Bhd^ (1c)	Supply and distribution of water treatment chemicals, industrial and speciality chemicals (Malaysia)	**100**	100
Bronson & Jacobs International Company Ltd^ (1c) (4)	Supply and distribution of water treatment chemicals, industrial and speciality chemicals (Thailand)	**49**	49
Bronson & Jacobs (Shanghai) International Trading Co Ltd^ (1c) (3)	Supply and distribution of water treatment chemicals, industrial and speciality chemicals (China)	**-**	100
Ixom Peru SA^ (1c) (3)	Supply and distribution of water treatment chemicals, industrial and speciality chemicals (Peru)	**-**	100
Active Chemicals Chile SA^ (1c) (3)	Supply and distribution of water treatment chemicals, industrial and speciality chemicals (Chile)	**-**	100
Ixom Argentina SA^ (1c) (3)	Supply and distribution of water treatment chemicals, industrial and speciality chemicals (Argentina)	**-**	100
Miex UK Limited^ (1c)	Sale of water treatment infrastructure and facilities and related services (UK)	**100**	100
Ixom Watercare Inc^ (1c)	Sale of water treatment infrastructure and facilities and related services (USA)	**100**	100
Ixom Colombia SAS^ (1c) (3)	Supply and distribution of water treatment chemicals, industrial and speciality chemicals (Colombia)	**-**	100
Ixom Finance New Zealand Limited^ (1c)	Provision of financial and treasury services (New Zealand)	**100**	100
Ixom Chile SA^(1c) (3)	Supply and distribution of water treatment chemicals, industrial and speciality chemicals (Chile)	**-**	100
Ixom Brasil Produtos Quimicos Ltda^ (1c) (3)	Supply and distribution of water treatment chemicals, industrial and speciality chemicals (Brazil)	**-**	100
Forbusi Importadora e Exportadora Ltda^ (1c) (3)	Supply and distribution of water treatment chemicals, industrial and speciality chemicals (Brazil)	**-**	100
Central Pacific Chemicals Ltd^ (1c)	Supply and distribution of water treatment chemicals, industrial and speciality chemicals (Fiji)	**100**	100
Ixom Chemicals Trading Agency (Beijing) Co. Ltd^ (1c)	Supply and distribution of water treatment chemicals, industrial and speciality chemicals (China)	**100**	100

* Collectively known as Basslink.
^ Collectively known as Ixom.
(1a) Audited by Deloitte & Touche LLP, Singapore.
(1b) Audited by Deloitte Touche Tohmatsu, Australia for the Group's consolidation purpose.
(1c) Not material for the Group's consolidation purpose.
(2) Incorporated during the financial year.
(3) Divested during the financial year.
(4) Management has determined the existence of control, based on the right to appoint and remove a majority of board members. The relevant activities are determined based on simple majority votes.

9. Investment in Subsidiaries (continued)

Disposal of subsidiaries

During the year, the Trust, through its Ixom sub-group, completed the divestment of its Latin America and People's Republic of China ("PRC") subsidiaries on October 22, 2020 and December 1, 2020 respectively. The book value of the net assets of the subsidiaries disposed were as follows:

	$'000
Property, plant and equipment and right-of-use assets	(3,820)
Identifiable intangible assets	(62)
Deferred tax assets	(813)
Inventories	(19,954)
Financial assets	(25,908)
Financial liabilities	12,974
Lease liabilities	1,198
Provisions	3,542
Net assets derecognised	**(32,843)**
Consideration received	28,587
Foreign currency translation reserves realised	(8,716)
Loss on disposal	(12,972)
Net cash inflow on disposal:	
Cash consideration	28,587
Transaction cost	(3,804)
Less: Cash and cash equivalents disposed of	(9,085)
	15,698

Interest in subsidiaries with material non-controlling interest ("NCI")

The Group has the following subsidiaries that have NCI that are material to the Group.

Name of subsidiaries	Principal activities (Country of incorporation or residence)	Proportion of ownership interest and voting power held 2020 %	2019 %
SingSpring Trust	Singapore	**30**	30
Keppel Merlimau Cogen Pte Ltd	Singapore	**49**	49
Bronson & Jacobs International Company Ltd	Thailand	**51**	51

Summarised financial information of subsidiaries with material NCI

Summarised financial information and consolidation adjustments but before intragroup eliminations are as follows:

SingSpring Trust

Summarised statement of financial position

	2020 $'000	2019 $'000
Current assets	**27,379**	26,541
Current liabilities	**(17,178)**	(15,739)
Net current assets	**10,201**	10,802
Non-current assets	**93,274**	107,879
Non-current liabilities	**(91,497)**	(102,060)
Net non-current assets	**1,777**	5,819
Net assets	**11,978**	16,621
Equity attributable to unitholders of the Trust	**8,384**	11,635
NCI	**3,594**	4,986

Summarised statement of profit or loss and other comprehensive income

	2020 $'000	2019 $'000
Revenue	35,115	37,385
Profit before tax	4,776	5,293
Income tax expense	(976)	(903)
Profit after tax	3,800	4,390
Profit attributable to unitholders of the Trust	2,660	3,073
Profit attributable to NCI	1,140	1,317
Profit after tax	3,800	4,390
Other comprehensive income attributable to unitholders of the Trust	(111)	31
Other comprehensive income attributable to NCI	(48)	13
Other comprehensive income for the year	(159)	44
Total comprehensive income attributable to unitholders of the Trust	2,549	3,104
Total comprehensive income attributable to NCI	1,092	1,330
Total comprehensive income for the year	3,641	4,434
Dividends paid to NCI	2,486	3,000
Other summarised information		
Net cash from operating activities	16,264	17,956

Keppel Merlimau Cogen Pte Ltd

Summarised statement of financial position

	2020 $'000	2019 $'000
Current assets	127,008	79,570
Current liabilities	(92,985)	(747,254)
Net current assets / (liabilities)	34,023	(667,684)
Non-current assets	1,391,550	1,483,322
Non-current liabilities	(1,336,515)	(653,668)
Net non-current assets	55,035	829,654
Net assets	89,058	161,970
Equity attributable to unitholders of the Trust	47,573	84,883
NCI	41,485	77,087

9. Investment in Subsidiaries (continued)

Summarised financial information of subsidiaries with material NCI (continued)

Keppel Merlimau Cogen Pte Ltd (continued)

Summarised statement of profit or loss and other comprehensive income

	2020 $'000	2019 $'000
Revenue	128,761	125,816
Loss before tax	(73,859)	(84,796)
Income tax credit	1,565	3,814
Loss after tax	(72,294)	(80,982)
Loss attributable to unitholders of the Trust	(36,995)	(41,464)
Loss attributable to NCI	(35,299)	(39,518)
Loss after tax	(72,294)	(80,982)
Other comprehensive income attributable to unitholders of the Trust	(315)	827
Other comprehensive income attributable to NCI	(303)	794
Other comprehensive income for the year	(618)	1,621
Total comprehensive income attributable to unitholders of the Trust	(37,310)	(40,637)
Total comprehensive income attributable to NCI	(35,602)	(38,724)
Total comprehensive income for the year	(72,912)	(79,361)
Other summarised information		
Net cash from operating activities	28,019	9,904

Bronson & Jacobs International Company Ltd

Summarised statement of financial position

	2020 $'000	2019 $'000
Current assets	12,438	12,637
Current liabilities	(3,285)	(3,088)
Net current assets	9,153	9,549
Non-current assets	519	687
Net non-current assets	519	687
Net assets	9,672	10,236
Equity attributable to unitholders of the Trust	4,739	5,016
NCI	4,933	5,220

Summarised statement of profit or loss and other comprehensive income

	2020 $'000	2019 $'000
Revenue	33,165	25,748
Profit before tax	4,441	3,270
Income tax expense	(907)	(682)
Profit after tax	3,534	2,588
Profit attributable to unitholders of the Trust	1,732	1,264
Profit attributable to NCI	1,802	1,324
Profit after tax	3,534	2,588
Other comprehensive income attributable to unitholders of the Trust	(526)	392
Other comprehensive income attributable to NCI	(548)	407
Other comprehensive income for the year	(1,074)	799
Total comprehensive income attributable to unitholders of the Trust	1,206	1,656
Total comprehensive income attributable to NCI	1,254	1,731
Total comprehensive income for the year	2,460	3,387
Other summarised information		
Net cash from operating activities	745	1,472

Impairment testing of investment in subsidiaries

During the year, the Trustee-Manager performed an impairment assessment for the Trust's investments in its subsidiaries and a reversal of allowance for impairment of $12.2 million (2019: impairment of $4.5 million) and $141.0 million (2019: $Nil) was recognised in profit or loss for the investments in KMC and Citylink respectively.

Allowances for impairment was recognised for the following:

Senoko Trust, Ulu Pandan Trust and Tuas DBOO Trust ("subtrusts") and Keppel Merlimau Cogen Pte Ltd ("KMC")
On May 18, 2015, the Trust acquired the businesses of collection, purification and distribution of water and waste incineration and electricity generation from Crystal Trust through the acquisition of Ulu Pandan Trust, Keppel Seghers NEWater Development Co Pte Ltd, Senoko Trust, Senoko Waste-To-Energy Pte Ltd, Tuas DBOO Trust and Keppel Seghers Tuas Waste-To-Energy Pte Ltd, collectively known as the Crystal Assets, for a total purchase consideration of $729 million via the issue of 1,326,319,374 new units for acquisition (Crystal Assets Acquisition).The purchase consideration was determined based on (a) the fixed exchange ratio of 2.106 units of the Trust for every unit in Crystal Trust; and (b) the quoted unit price of the Trust as at the completion date.

On June 30, 2015, the Trust acquired a 51% equity stake in KMC which owns the Keppel Merlimau Cogen power plant, a combined cycle gas turbine generation facility at Jurong Island. The total purchase consideration of $510 million was financed by an equity fund raising, of which $255 million was paid to the vendor and $255 million was injected via Qualifying Project Debt Securities ("QPDS") Notes.

The service concessions of the subtrusts (Note 12) and KMC's plant have finite lives and the recoverable amounts of the Trust's investments are expected to decrease in tandem with the remaining service concession periods and plant life, respectively.

During the year, the Trustee-Manager performed an impairment assessment on the costs of investment in the subtrusts and KMC against their recoverable amounts and allowances for impairment of $41.6 million (2019 : $20.8 million), $5.0 million (2019 : $2.7 million) and $0.5 million (2019 : $Nil) were recognised in profit or loss for the investments in Senoko Trust, Ulu Pandan Trust and Tuas DBOO Trust respectively. In 2019, allowance for impairment of $4.5 million was recognised in profit or loss for the investment in KMC.

The recoverable amount was determined based on value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to tariffs and direct costs during the period. The Trustee-Manager estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the subtrusts and KMC. The growth rates of 2.0% (2019 : 2.0%) per annum used are based on the industry growth forecasts. Changes in tariffs and direct costs are based on past practices and current contractual agreements.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the Trustee-Manager covering a period of 3.67 to 13.84 years (2019 : 4.67 to 14.84 years) for the subtrusts and 20.5 years (2019 : 21.5 years) for KMC based on the current contractual agreements with the major customers. The discount rates used was 3.90% (2019 : 4.70%) per annum for Tuas DBOO Trust and 4.40% per annum for KMC (2019 : 4.92%), Senoko Trust (2019: 4.70%) and Ulu Pandan Trust (2019: 4.70%).

9. Investment in Subsidiaries (continued)

Impairment testing of investment in subsidiaries (continued)

Sensitivity analysis
Based on the value in use calculations as determined by Trustee-Manager, an increase or decrease by 1 percentage point to the discount rates used in the assessment will affect the value in use as follows:

	2020		2019	
	Increase $'000	Decrease $'000	Increase $'000	Decrease $'000
Senoko Trust	(2,927)	3,029	(4,554)	4,742
Ulu Pandan Trust	-	130	(1,511)	1,597
Tuas DBOO Trust	(7,037)	7,739	(7,367)	8,134
Keppel Merlimau Cogen Pte Ltd	(55,980)	63,592	(111,383)	126,931

Information about the composition of the Group at the end of the financial year is as follows:

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries 2020	2019
Collection and treatment of solid waste to generate green energy	Singapore	2	2
Collection, purification and distribution of water	Singapore	1	1
Investment holding	Singapore	5	3
Production and retail of town gas, retail of natural gas and sales of gas appliances	Singapore	1	1
Provision of financial and treasury services	Singapore	1	1
Supply and distribution of water treatment chemicals, industrial and speciality chemicals	Singapore	1	1
Trustee	Singapore	5	5
Provision of financial and treasury services	Australia	1	1
Investment holding	Australia	10	10
Operation of subsea electricity interconnector	Australia	1	1
Operation of telecom business	Australia	1	1
Finance trust	Australia	1	1
Trustee	Australia	1	1
Supply and distribution of water treatment chemicals, industrial and speciality chemicals	Australia	1	1
Supply and distribution of water treatment chemicals, industrial and speciality chemicals	China	1	2
Supply and distribution of water treatment chemicals, industrial and speciality chemicals	Chile	-	2
Supply and distribution of water treatment chemicals, industrial and speciality chemicals	Brazil	-	2
Supply and distribution of water treatment chemicals, industrial and speciality chemicals	Peru	-	1
Supply and distribution of water treatment chemicals, industrial and speciality chemicals	Colombia	-	1
Supply and distribution of water treatment chemicals, industrial and speciality chemicals	Argentina	-	1
Supply and distribution of water treatment chemicals, industrial and speciality chemicals	Hong Kong	-	1
Supply and distribution of water treatment chemicals, industrial and speciality chemicals	Indonesia	1	1
Supply and distribution of water treatment chemicals, industrial and speciality chemicals	Malaysia	1	1
Supply and distribution of water treatment chemicals, industrial and speciality chemicals	Fiji	1	1
Investment holding	Cayman Islands	1	1
Provision of financial and treasury services	New Zealand	1	1
Construction and sale of water treatment infrastructure and facilities	United Kingdom	1	1
Construction and sale of water treatment infrastructure and facilities	United States of America	1	1
		40	47

10. Notes Receivables

	2020 $'000	2019 $'000
Notes issued by subsidiaries	775,712	775,712

(a) The notes receivable of $195,570,000 (2019 : $195,570,000) from a subsidiary matures in Year 2037 and bears interest payable quarterly in arrears with a one-time option for the subsidiary, on any interest payment date, to switch to a floating rate per annum equal to three-months Singapore Dollar Swap Offer Rate plus 2.5% per annum. The fixed interest rate for the notes is 13.0% (2019 : 13.0%) per annum.

(b) The notes receivable of $35,000,000 (2019 : $35,000,000) from a subsidiary matures in Year 2025 and bears interest payable quarterly in arrears with a one-time option for the subsidiary, on any interest payment date, to switch to a floating rate per annum equal to three-months Singapore Dollar Swap Offer Rate plus 2.5% per annum. The fixed interest rate for the notes is 6.5% (2019 : 6.5%) per annum.

(c) The notes receivables of $152,398,000 (2019 : $152,398,000), $91,473,000 (2019 : $91,473,000) and $46,271,000 (2019 : $46,271,000) from subsidiaries mature in Year 2024, 2028 and 2023 respectively. The fixed interest rate for the notes is 6.0% (2019 : 6.0%) per annum, payable semi-annually.

(d) The notes receivable of $255,000,000 (2019 : $255,000,000) from a subsidiary mature in Year 2040, with fixed interest rate of 17.5% (2019 : 17.5%) per annum, payable quarterly.

The above notes are direct, unsecured and subordinated obligations of the subsidiaries, and can be redeemed at par by the subsidiaries prior to their maturity dates.

The Trustee-Manager estimates that the carrying value of the notes receivables approximate their fair value as these notes may be redeemed at par prior to their maturity dates on any interest payment date.

For the purpose of impairment assessment, the notes receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowances is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, the Trustee-Manager has taken into account the historical default experience and the financial position of the subsidiaries, adjusted for the factors that are specific to the subsidiaries and general economic conditions of the industry in which the subsidiaries operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default of each case.

Accordingly, the Trustee-Manager believes that there is no loss allowance required.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.

11. Amount Receivable from a Subsidiary

Amount receivable from a subsidiary is non-trade related, unsecured, repayable in 2024, and bears interest at margin plus 1-month SOR. The weighted average effective interest rate on the amount receivable approximates 1.29% (2019 : 2.54%) per annum. The Trustee-Manager estimates that the carrying value of the amount receivable from a subsidiary approximate its fair value as the loan amount receivable bears interest at floating rates.

For the purpose of impairment assessment, the amount receivable from a subsidiary is considered to have low credit risk as it is not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the amount receivable from a subsidiary since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowances is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, the Trustee-Manager has taken into account the historical default experience and the financial position of the subsidiary, adjusted for the factors that are specific to the subsidiary and general economic conditions of the industry in which the subsidiary operate, in estimating the probability of default of this financial asset occurring within its loss assessment time horizon, as well as the loss upon default.

Accordingly, the Trustee-Manager believes that there is no loss allowance required.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the amount receivable.

12. Service Concession Receivables

	Group	
	2020 $'000	2019 $'000
Service concession receivables	**284,501**	332,228
Less: Due within 12 months	**(49,316)**	(47,856)
Due after 12 months	**235,185**	284,372

This relates to service concession receivables from the following plants:

(a) Senoko Plant
A 15-year contract commencing on September 1, 2009 to own and operate an incinerator plant with a requirement to carry out the Flue Gas Treatment Upgrade, which has contracted incineration capacity of 2,100 tonnes per day with six incinerator-boiler units and two condensing turbine-generators with a power generation capacity of 2x28MW. On September 26, 2014, the subtrust entered into a supplemental agreement to progressively increase the incineration capacity of the plant by up to 10% and the upgrading work was completed in September 2016, increasing capacity to 2,310 tonnes per day. The subtrust has a contractual right under the concession arrangement to receive fixed and determinable amounts of payment during the concession period irrespective of usage of the plant.

(b) Tuas DBOO Plant
A 25-year Design-Build-Own-Operate ("DBOO") contract commencing on October 30, 2009 to design, build, own and operate a waste-to-energy plant, which has contracted incineration capacity of 800 tonnes per day with two incinerator-boiler units and one condensing turbine-generator with a power generation capacity of 22MW. The subtrust has a contractual right under the concession arrangement to receive fixed and determinable amounts of payment during the concession period irrespective of usage of the plant.

(c) Ulu Pandan Plant
A 20-year DBOO contract commencing on March 28, 2007 to design, build, own and operate a water treatment plant, which has the capacity to produce 148,000m3 of NEWater daily. The subtrust has a contractual right under the concession arrangement to receive fixed and determinable amounts of payment during the concession period irrespective of the output produced.

In arriving at the carrying value of the service concession arrangements as at the end of the reporting period, weighted average interest rates ranging from 2.50% to 4.68% (2019 : 2.50% to 4.68%) per annum were used to discount the future expected cash flows.

Service concession receivable balances are secured over the period of the service concession arrangements. For the purpose of impairment assessment, service concession receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, the Trustee-Manager has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

Accordingly, the Trustee-Manager believes that there is no loss allowance required.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for service concession receivables.

13. Finance Lease Receivables

Future minimum finance lease receivables under finance leases together with the present value of the net minimum finance lease receivables are as follows:

	Group	
	2020 $'000	2019 $'000
Minimum finance lease receivables:		
Not later than one year	**13,146**	13,182
Later than one year but not later than five years	**52,840**	52,622
Later than five years	**109**	12,845
Total minimum lease receivables	**66,095**	78,649
Less: Future finance income	**(7,182)**	(9,652)
Present value of minimum lease receivables	**58,913**	68,997
Unguaranteed residual value	**26,262**	26,262
Net investment in finance lease	**85,175**	95,259
Less: Present value of finance lease receivables not later than one year	**(10,867)**	(10,487)
Non-current financial lease receivables	**74,308**	84,772

The present value of the finance lease receivables is analysed as follows:

	2020 $'000	2019 $'000
Not later than one year	**10,867**	10,487
Later than one year but not later than five years	**47,947**	46,123
Later than five years	**99**	12,387
Present value of minimum lease receivables	**58,913**	68,997

The finance lease receivables relate to the lease arrangement under a Water Purchase Agreement ("WPA") and lease agreement for a food waste digestor.

A subsidiary of the Group had signed a WPA with Singapore PUB to supply treated water to PUB from a seawater desalination plant which the subsidiary owns. On the date of acquisition of the subsidiary, the WPA had a remaining term of approximately 18 years ending on December 15, 2025. The desalination plant is located on a piece of leasehold land with lease period expiring in January 2034.

During the year, another subsidiary of the Group had entered into a lease agreement for food waste digestor with lease period expiring December 31, 2026.

The interest rate inherent in the leases is fixed at the contract date for all of the lease term. The average effective interest rate was 3.91% and 15.32% (2019 : 3.91% and nil) per annum for the WPA and lease agreement for food waste digestor respectively.

In accordance with SFRS(I) 16 Leases, the WPA and lease agreement for food waste digestor are lease arrangements and are classified as finance leases.

The desalination plant is pledged for certain borrowings (Note 19).

Finance lease receivable balances are secured over the equipment leased. The Group is not permitted to sell or repledge the collateral in the absence of default by the lessee. However, in the event of default, the Group is entitled to sell the asset, and has rights to any proceeds from such a sale up to the total amount receivable from the lessee.

The loss allowance on finance lease receivables at the end of the reporting period is estimated at an amount equal to lifetime expected credit losses (ECL). None of the finance lease receivables at the end of the reporting period is past due, and taking into account the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collaterals held over these finance lease receivables, the Group considers that no finance lease receivables is impaired.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for finance lease receivables.

14. Other Assets

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Deposits	**430**	329	**-**	-
Prepayments	**155,855**	173,750	**54**	15
Others	**3,196**	6,322	**-**	-
	159,481	180,401	**54**	15
Less: Current portion	**(26,055)**	(31,308)	**(54)**	(15)
Non-current portion	**133,426**	149,093	**-**	-

Included in the prepayments balance is an amount of $148,596,000 (2019 : $164,013,000) arising from the prepaid tolling fees in relation to the Capacity Tolling Arrangement ("CTA") with a related party. The prepaid tolling fee is amortised to profit or loss over the CTA period of 15 years.

For the purpose of impairment assessment, other assets excluding prepayment are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, the Trustee-Manager has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

Accordingly, the Trustee-Manager believes that there is no loss allowance required.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

15. Cash and Bank Deposits

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Cash and bank deposits	**580,721**	470,093	**236,627**	215,275
Less: Restricted cash	**(24,785)**	(24,803)		
Cash and cash equivalents in the consolidated statement of cash flows	**555,936**	445,290		

Included in the restricted cash is the amount of cash and bank deposits to be set aside to meet interest and principal repayments for loans extended to the subsidiaries and also for secured bank guarantees for the Group and Trust.

Also included in the Group's restricted cash is the insurance proceeds in relation to Basslink cable outage, the usage of which is subject to the consent of the lenders.

Short-term deposits are made for an average period of 3 months (2019 : 2 months). The weighted average effective interest rate for the Group and Trust were 0.46% (2019 : 0.86%) and 0.70% (2019 : 0.74%) per annum respectively.

16. Trade and Other Receivables

	Group		Trust	
	2020 **$'000**	2019 $'000	**2020** **$'000**	2019 $'000
Trade receivables:				
- Third parties	**164,553**	198,760	**-**	-
- Related parties	**23,408**	4,686	**-**	-
Unbilled receivables	**17,012**	60,403	**-**	-
Less: Allowance for impairment (third parties)	**(2,101)**	(2,903)	**-**	-
Trade receivables - net	**202,872**	260,946	**-**	-
Other receivables	**8,718**	8,140	**2,970**	1,091
Interest receivable	**25**	272	**-**	-
Amounts due from related parties (non-trade)	**196**	527	**36**	520
Amounts due from subsidiaries (non-trade)	**-**	-	**15,614**	7,335
	211,811	269,885	**18,620**	8,946

Trade receivables

Trade receivables are non-interest bearing and are generally receivable on 30 to 90 (2019 : 30 to 90) days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

No interest is charged on the outstanding trade receivables. Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses ("ECL"). For the purpose of impairment assessment, the trade receivables excluding City Gas Trust's ("CGT") and Ixom's receivables, are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition.

For the trade receivables of CGT and Ixom, the ECL on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

(i) For CGT's receivables, the Group has recognised a loss allowance of 100% (2019 : 100%) against all receivables over 120 days past due because historical experience has indicated that these receivables are generally not recoverable.

(ii) For Ixom's receivables, as at December 31, 2020, expected credit loss rates vary from 0.0% (2019 : 0.0%) for receivables overdue from 0 day to 5.9% (2019 : 16.4%) for receivables overdue over 90 days.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities except for the Basslink receivables that was written off as a result of the arbitration outcome as disclosed in Note 44.

Other receivables

Included in other receivables is a portion of costs incurred to repair the Basslink Interconnector which the Group expects to recover from the insurer.

Other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL. In determining the ECL, the Trustee-Manager has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

Accordingly, the Trustee-Manager believes that there is no loss allowance required.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

16. Trade and Other Receivables (continued)

Amounts due from related parties and subsidiaries (non-trade)
These amounts are unsecured, interest-free, repayable on demand and expected to be settled in cash.

For purpose of impairment assessment, the amounts due from related parties and subsidiaries are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the amounts due from related parties and subsidiaries since initial recognition. Accordingly, for the purpose of impairment assessment for this loan, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the ECL, the Trustee-Manager has taken into account the financial position of the related parties and subsidiaries, adjusted for factors that are specific to the related parties and subsidiaries and general economic conditions of the industry in which the related parties and subsidiaries operate, in estimating the probability of default of the amounts due from related parties and subsidiaries as well as the loss upon default. The Trustee-Manager determines the amounts due from related parties and subsidiaries are subject to immaterial credit loss.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance to SFRS(I) 9:

	Lifetime ECL - credit-impaired $'000
Group	
Balance as at January 1, 2019	1,235
Acquisition of subsidiaries	2,780
Amounts written off as customers' accounts were 360 days past due as at December 31, 2019	(686)
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	(119)
Currency translation differences	(307)
Balance as at December 31, 2019	**2,903**
Acquisition of subsidiaries	**24**
Disposal of subsidiaries	**(534)**
Amounts written off as customers' accounts were 360 days past due as at December 31, 2020	**(1,348)**
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	**1,141**
Currency translation differences	**(85)**
Balance as at December 31, 2020	**2,101**
Trust	
Balance as at January 1, 2019	309
Amounts written off as customers' accounts were 360 days past due as at December 31, 2019	**(309)**
Balance as at December 31, 2019 and December 31, 2020	**-**

17. Derivative Financial Instruments

	Average contracted rate	Notional contract amount	Asset $'000	Liability $'000
Group				
2020				
Cash flow hedges:				
- Foreign currency forward	*	**$176.7 million**	**143**	**11,913**
- Interest rate swaps	**0.54% - 4.85%**	**$1,958 million**	**-**	**190,595**
			143	**202,508**
Less: Current portion			**(143)**	**(37,046)**
Non-current portion			**-**	**165,462**
Fair value through profit or loss:				
- Commodity Swap	**USD252/mt - USD340/mt**	**13,746.30mt**	**113**	**53**
Less: Current portion			**(111)**	**(53)**
Non-current portion			**2**	**-**
2019				
Cash flow hedges:				
- Foreign currency forward	*	$127.3 million*	887	2,902
- Interest rate swaps	1.43% - 4.85%	$1,901 million	-	149,717
			887	152,619
Less: Current portion			(847)	(25,589)
Non-current portion			40	127,030
Fair value through profit or loss:				
- Commodity Swap	US$340/mt	9,914.30mt	-	411
Less: Current portion			-	-
Non-current portion			-	411

* Foreign currency forward contracts are denominated in USD, GBP, JPY, NZD, EUR and AUD (2019 : AUD, USD, EUR and GBP). The notional contract amount represents total notional amounts translated to SGD.

	Average contracted rate	Notional contract amount	Asset $'000	Liability $'000
Trust				
2020				
Cash flow hedges:				
- Foreign currency forward	**A$0.94/S$1**	**$92.5 million**	**-**	**7,533**
- Interest rate swap	**1.82%**	**$100.0 million**	**-**	**1,939**
Less: Current portion			**-**	**(4,587)**
Non-current portion			**-**	**4,885**
2019				
Cash flow hedges:				
- Interest rate swap	1.82%	$100.0 million	-	1,230
Less: Current portion			-	-
Non-current portion			-	1,230

17. Derivative Financial Instruments (continued)

Interest rate swaps

Interest rate swaps including the interest rate swap contract embedded in an operating agreement acquired through a business combination, were entered into to hedge floating interest payments on borrowings. The interest rate swaps entitle the Group and Trust to receive interest at floating rates on notional principal amounts and oblige the Group and Trust to pay interest at fixed rates on the same notional principal amounts. Fair value gains and losses on the effective hedge portion of the interest rate swaps are recognised in the hedging reserve and are transferred to profit or loss when the finance cost on the borrowings is recognised in profit or loss. The fair value gain or loss on the portion not designated for hedging is recognised in profit or loss. The period when the cash flows on cash flow hedges is expected to occur or affect profit or loss is Year 2020 to Year 2031. The Group and Trust have entered into interest rate swaps to manage the Group's exposure to cash flow interest rate risk on its borrowings.

Commodity swaps

This relates to a fuel swap contract entered into by a subsidiary to hedge a fixed price contract offered to a customer. Fair value gains and losses on the fuel hedge derivative liability and derivative asset are recognised in profit or loss.

Foreign currency forward

The Group entered into foreign currency forward contracts to hedge (a) certain highly probable forecasted foreign currency denominated purchases or sales, and (b) its exposure to foreign currency cashflow risk on its foreign currency service contracts. The Group performs a qualitative assessment of effectiveness and it is expected that the value of the foreign currency forward contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying foreign exchange rates. Fair value gains and losses on the effective hedge portion of the forward contract is recognised in the hedging reserve and are transferred to profit or loss over the contract period.

18. Inventories

	Group	
	2020 $'000	2019 $'000
Fuel	**9,491**	11,454
Spare parts and accessories	**40,891**	42,050
Pipes and fittings	**111**	116
Chemical finished goods	**101,017**	125,413
Chemical raw materials	**17,461**	19,739
	168,971	198,772

Inventories written-down recognised as an expense and included in other operating expenses during the year amounted to $46,000 (2019 : $3,000).

Inventories of $110,902,000 (2019 : $139,619,000) are pledged for certain borrowings (Note 19).

19. Borrowings

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Current	**643,933**	1,318,473	**-**	-
Non-current	**1,517,090**	793,180	**99,883**	99,783
Total borrowings	**2,161,023**	2,111,653	**99,883**	99,783

The weighted average effective interest rates at the end of the reporting period were as follows:

	Group		Trust	
	2020 %	2019 %	**2020 %**	2019 %
Borrowings	**3.40**	4.53	**2.62**	2.67

(a) A subsidiary has an A$717 million five-year senior, secured loan facility, provided by a group of lenders in 2014. Pursuant to the refinancing which was completed on November 25, 2019, the maturity date was extended by a year to November 27, 2020. On November 27, 2020, the maturity date of the loan was further extended by six months to May 27, 2021, which was the second part of the original twelve plus six-month extension arranged on November 27, 2019. The bank loan is secured by a charge over all the assets of, and the units and shares in, all of the entities in the subsidiary group. The carrying amount of the loan at the end of the financial year is $635,472,000 (2019 : $610,259,000).

(b) During the year, the Group successfully refinanced its term loan of a subsidiary, which was repayable in 2020, extending the maturity date till June 30, 2027. The term loan is secured by a first ranking charge over its receivable and related rights under the Capacity Tolling Agreement. The carrying amount of the loan at the end of the financial year is $697,623,000 (2019 : $699,756,000). Repayment will commence in 2023 and will continue until 2027.

(c) Bank loans of $177,676,000 (2019 : $177,578,000) obtained by a subsidiary are unsecured and mature in February 2024.

(d) The bank loans of $32,659,000 (2019 : $41,117,000) obtained by a subsidiary are secured by a first ranking charge over its assets and business undertakings. In addition, the loan is secured by a charge over the units in the subsidiary (inclusive of the units held by the non-controlling interest) and a charge over the shares in the Trustee-Manager of the subsidiary. Repayments commenced in 2007 and will continue until 2024.

(e) The Trust has a $200 million term loan and revolving credit facility. The Trust has an outstanding unsecured bank loan of $99,883,000 (2019 : $99,783,000) as at December 31, 2020. The loan matures in February 2022.

(f) A subsidiary, Ixom, obtained an A$607.4 million five-year senior, secured loan facility from a group of lenders in February 2019. The bank loan is secured by a charge over all the assets of all of the entities in the subsidiary group. The outstanding bank loan as at December 31, 2020 was $517,710,000 (2019 : $483,160,000).

All borrowings impose certain covenants. These covenants include having to maintain sufficient funds to pay principal, interest and retention of additional amounts. Total assets of the Group with carrying amount of $2,108 million (2019 : $2,111 million) are pledged for certain borrowings.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

				Non-cash changes		
	January 1, 2020 $ '000	**Financing cash flows [1] $ '000**	**Acquisition of subsidairies $ '000**	**Foreign exchange movement $ '000**	**Other changes [2] (Note 37) $ '000**	**December 31, 2020 $ '000**
Borrowings	**2,111,653**	**(29,990)**	**-**	**73,063**	**6,297**	**2,161,023**

				Non-cash changes		
	January 1, 2019 $ '000	**Financing cash flows [1] $ '000**	**Acquisition of subsidairies (Note 46) $ '000**	**Foreign exchange movement $ '000**	**Other changes [2] (Note 37) $ '000**	**December 31, 2019 $ '000**
Borrowings	1,774,948	(7,780)	428,210	(89,340)	5,615	2,111,653

(1) The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

(2) Other changes include unamortised upfront fee.

20. Trade and Other Payables

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Trade payables:				
- Third parties	**113,346**	158,911	**-**	-
- Related parties	**4,304**	5,880	**-**	-
Other payables:				
- Third parties	**57,116**	8,773	**42**	42
- Trustee-Manager	**3,095**	5,946	**3,065**	5,918
- Subsidiaries	**-**	-	**114**	268
- Related parties	**49,714**	16,477	**-**	-
Accruals	**50,665**	43,408	**594**	378
Interest payable	**7,315**	13,076	**-**	-
Customer deposit (Note 24)	**1,511**	1,417	**-**	-
Advance payments received	**23,486**	23,947	**-**	-
Refundable customer deposits	**37,525**	40,898	**-**	-
	348,077	318,733	**3,815**	6,606

Trade and other payables are non-interest bearing and are normally settled on 30 to 60 (2019 : 30 to 60) days' terms.

Included in the other payables to third parties is an amount of $37,512,000 (2019 : $Nil) relating to the indemnification to the State of Tasmania pursuant to the Basslink arbitration awards.

21. Provisions

	Group 2020 $'000	Group 2019 $'000
Current		
Employee entitlements	**20,062**	21,656
Provision for reinstatement cost	**590**	787
Others	**9,881**	792
	30,533	23,235
Non-current		
Employee entitlements	**1,176**	903
Provision for decommissioning costs	**27,477**	18,958
Provision for reinstatement cost	**11,093**	12,526
	39,746	32,387
Total as at December 31	**70,279**	55,622

Movements in the provision are as follows:

	Employee entitlements $'000	Decommissioning costs $'000	Reinstatement cost $'000	Others $'000	Total $'000
Balance as at January 1, 2019	-	26,935	-	-	26,935
Acquisition of subsidiaries (Note 46)	24,059	-	13,464	-	37,523
Reversal (Note 6)	-	(6,997)	-	-	(6,997)
Additions	5,774	-	1,091	812	7,677
Unwinding of discounts (Note 37)	-	713	29	-	742
Reduction arising from payment	(5,724)	-	(381)	-	(6,105)
Currency translation differences	(1,550)	(1,693)	(890)	(20)	(4,153)
Balance as at December 31, 2019	**22,559**	**18,958**	**13,313**	**792**	**55,622**
Acquisition of subsidiaries (Note 46)	**83**	**-**	**-**	**-**	**83**
Disposal of subsidiaries (Note 9)	**(1,262)**	**-**	**(2,261)**	**(19)**	**(3,542)**
Adjustment (Note 6)	**-**	**6,521**	**-**	**-**	**6,521**
Additions	**16,662**	**184**	**124**	**10,132**	**27,102**
Unwinding of discounts (Note 37)	**-**	**532**	**333**	**-**	**865**
Reduction arising from payment	**(17,933)**	**-**	**(608)**	**(1,481)**	**(20,022)**
Currency translation differences	**1,129**	**1,282**	**782**	**457**	**3,650**
Balance as at December 31, 2020	**21,238**	**27,477**	**11,683**	**9,881**	**70,279**

Employee entitlements
The provision represents annual leave, other short-term employee benefits and long service leave entitlements accrued by employees.

Decommissioning costs
This relates to provision made by two subsidiaries in respect of costs to decommission, restore and rehabilitate (i) the interconnector sites, and (ii) the land where the combined cycle gas turbine generation facility operates, at the end of the operating life of the assets, based on the net present value of estimated future costs, expected to be required to settle the obligation.

Change in discount rate in provision for decommissioning costs
At the end of the reporting period, the Group conducted a review on the decommissioning costs and adjusted the discount rates used in determining the fair value of the provision to reflect the current best estimate.

The effects of the revision on depreciation charge and finance costs are as follows:

	2021 $'000	2022 $'000	2023 and beyond $'000
Increase in depreciation charge	130	130	6,262
Increase in finance costs	149	151	9,862
Total	279	281	16,124

Reinstatement cost
A provision for reinstatement cost is recognised in relation to properties held under lease. The Group recognises the provision for property leases which contain a specific clause to restore the property to a specific condition and the amount is based on the best estimate made by management.

22. Lease Liabilities

	Group	
	2020 $'000	2019 $'000
Maturity analysis:		
Year 1	**15,919**	17,416
Year 2	**10,953**	13,292
Year 3	**10,120**	11,862
Year 4	**10,118**	10,113
Year 5	**9,910**	8,724
Year 6 onwards	**71,227**	75,593
	128,247	137,000
Less: Unearned interest	**(39,991)**	(41,714)
	88,256	95,286
Analysed as:		
Current	**12,256**	13,786
Non-current	**76,000**	81,500

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's finance and treasury function.

The above represents leases for certain buildings, leasehold land, office premises and pipe rack of the Group. The weighted average incremental borrowing rate was 3.58% (2019: 3.62%) per annum.

The Group's lease does not contain variable lease payments and accordingly no expense relating to variable lease payments is included in the measurement of lease liabilities.

Certain leases of the Group contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension option. These extension options are exercisable by the Group and not by the lessor.

23. Notes Payable to Non-Controlling Interests

This relates to notes denominated in Singapore Dollars issued by subsidiaries to their non-controlling interests.

1. The notes of $15,000,000 mature in Year 2025 and bear interest payable quarterly in arrears at a fixed rate of 6.5% per annum with a one-time option for the subsidiary, on any interest payment date, to switch to a floating rate per annum equal to three-months Singapore Dollar Swap Offer Rate plus 2.5% per annum.
2. The notes of $245,000,000 mature in Year 2040, with a fixed rate of 17.5% per annum, payable quarterly.

The notes are direct, unsecured, subordinated obligations of the subsidiaries and can be redeemed at par by the subsidiaries prior to their maturity date.

The Trustee-Manager estimates that the carrying value of the notes payable to non-controlling interests approximate their fair value as these notes may be redeemed at par prior to its maturity date on any interest payment date.

24. Other Payables (Non-Current)

	Group	
	2020 $'000	2019 $'000
Long term customer deposit	**43,096**	40,289
Advance payments received	**116,401**	129,765
Other payables	**91,009**	76,319
Total	**250,506**	246,373

Long term customer deposit

Long term customer deposit represents the A$50 million (2019 : A$50 million) deposit equivalent to $49 million (2019 : $46 million) placed by a customer which has been recognised as a liability. The deposit received is interest-free and is repayable in 12 quarterly payments commencing in Year 2028.

Included in long term customer deposit is an amount of $14,213,693 (2019 : $14,574,000) which represents the difference between the fair value of this liability and the amount of the A$50 million deposit to be repaid, computed based on the present value of future payment discounted at the applicable interest rate of 5.87% (2019 : 5.87%) per annum. This is amortised to profit or loss, using the effective interest rate method, over the life of the agreement. The current portion of long term customer deposit is included in Note 20.

Advance payments received

This relates to amounts that have been received but services have not yet been rendered.

25. Defined Benefit Obligation

The Group participates in defined benefit post-employment plans that provide benefits to qualifying employees of its subsidiaries upon retirement in Australia and New Zealand. Plan funding is carried out in accordance with the requirements of trust deeds and the advice of actuaries.

The plan in Australia and New Zealand typically exposes the Group to actuarial risks such as investment risk, interest rate risk and salary risk.

Investment risk	Strong investment returns tending to improve the balance sheet position, whilst poor or negative investment return tending to weaken the position.
Interest rate risk	The defined benefit obligation calculated uses a discount rate based on bond yields. If bond yields fall, the defined benefit obligation will tend to increase.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	Higher than expected increases in salary will increase the defined benefit obligation.

The information within these financial statements has been prepared by the local plan's external actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purpose of the actuarial valuations were as follows. The sensitivity analyses have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	Assumptions on Defined Benefit Obligation			
	Assumptions used		Change of assumptions	Impact $'000
	Australia	New Zealand		
Discount rate	2.70%	0.62%	+1.00% -1.00%	(9,263) 11,559
Expected rate of salary	2.25%	2.50%	+1.00% -1.00%	1,004 (931)
Mortality	Base	Base	+1 year older -1 year younger	1,356 (1,334)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised on the statement of financial position.

The amounts recognised on the statement of financial position in respect of the Group's defined benefit retirement benefit plans are determined as follows:

	Group	
	2020 $'000	2019 $'000
Present value of the funded defined benefit obligation	**(81,295)**	(78,878)
Present value of the unfunded defined benefit obligation	**(1,512)**	(1,300)
Present value of the defined benefit obligation	**(82,807)**	(80,178)
Fair value of defined benefit plan assets	**56,683**	56,592
Deficit	**(26,124)**	(23,586)
Net liability recognised in the statement of financial position	**(26,124)**	(23,586)

The amounts recognised in the profit or loss in respect of these defined benefit plans are as follows:

	Group	
	2020 $'000	2019 $'000
Service cost		
Current service cost	**1,212**	936
Net interest expense	**551**	324
Total included in staff costs	**1,763**	1,260

The charge for the year is included in the staff costs in profit or loss.

Amounts included in other comprehensive income are as follows:

	Group	
	2020 $'000	2019 $'000
Actuarial (losses)/gains on defined benefit obligations:		
Due to changes in demographic assumptions	**(3,320)**	-
Due to changes in financial assumptions	**726**	(12,479)
Due to experience adjustments	**2,623**	(1,839)
Total	**29**	(14,318)
Return on plan assets greater than discount rate	**(888)**	2,775
Re-measurement effects recognised in Other Comprehensive Income	**(859)**	(11,543)

Changes in the present value of the defined benefit obligation are as follows:

	Group	
	2020 $'000	2019 $'000
Balance at the beginning of the year	**80,178**	-
Acquired in business combination	**-**	69,514
Current service cost	**1,212**	936
Interest cost	**1,865**	1,571
Contribution by plan participant	**298**	193
Actuarial (gain)/losses	**(29)**	14,317
Benefits paid	**(5,538)**	(1,489)
Administration expenses paid (including premiums)	**(115)**	(53)
Foreign exchange difference	**4,936**	(4,811)
Balance at the end of the year	**82,807**	80,178

Changes in the fair value of plan assets are as follows:

	Group	
	2020 $'000	2019 $'000
Balance at the beginning of the year	**56,592**	-
Acquired in business combination	**-**	56,885
Interest income on plan assets	**1,314**	1,247
Return of plan assets (lesser)/greater than discount rate	**(888)**	2,775
Contribution by employer	**1,597**	781
Contribution by plan participants	**298**	193
Benefits paid	**(5,538)**	(1,489)
Administration expenses paid	**(115)**	(53)
Foreign exchange difference	**3,423**	(3,747)
Balance at the end of the year	**56,683**	56,592

25. Defined Benefit Obligation (continued)

The fair value of the plan assets at the end of the financial year is analysed as follows:

	Group	
	2020 $'000	2019 $'000
Quoted in active markets:		
Equities	**25,507**	27,228
Debt securities	**12,527**	12,931
Property	**1,644**	6,647
Other quoted securities	**5,385**	4,982
Other:		
Cash and cash equivalents	**5,612**	4,804
Unquoted in active markets:		
Property	**6,008**	-
	56,683	56,592

The fair values of the above equity and debt securities are determined based on quoted market prices in active markets whereas the fair values of property and other unquoted securities are not based on quoted market prices in active markets.

The fair value of plan assets does not include any amounts relating to the Group's own financial instruments, property occupied by, or other assets used by, the Group.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The Group's subsidiaries fund the cost of the entitlements expected to be earned on a yearly basis. The funding requirements are based on the local actuarial measurement framework. In this framework the discount rate is set on a risk free rate. Furthermore, premiums are determined on a current salary base. Additional liabilities stemming from past service due to salary increases (back-service liabilities) are paid immediately to the fund. Apart from paying the costs of the entitlements, the Group's subsidiaries are not liable to pay additional contributions in case the fund does not hold sufficient assets. In that case, the fund would take other measures to restore its solvency, such as a reduction of the entitlements of the plan members.

During the year, the Group made employer contributions of $1.6 million (2019: $0.8 million) to the defined benefit plans. The Group's external actuaries have forecast total employer contributions to and benefit payments from defined benefit plans of $8.0 million (2019: $7.2 million) for the forthcoming financial year.

Australia
The Ixom Defined Benefit Sub-Fund is a Sub-Fund of the Flexible Benefits Super Fund and provides defined benefits to a number of members, where the benefits are defined by final average salary and period of membership. The Fund is a final average salary defined benefit fund, with accumulation underpin guarantees for pre-1992 joiners. Benefits can be taken as a lump sum or lifetime pension (or a combination). The Sub-Fund is currently closed to new members and has a total of 35 active Defined Benefit members and 18 lifetime pensioners at year end.

New Zealand
Under a special purpose deed made between Ixom Operations Pty Ltd and Orica New Zealand Limited, separate notional assets are maintained within the Orica New Zealand Plan for members of the Plan who were employed by Ixom when Orica disposed of it, as at February 27, 2015. The objective is for the notional assets to broadly match the value of the accrued liabilities using the funding assumptions.

The Sub-Fund is currently closed to new members and has a total of 14 active Defined Benefit members and nil lifetime pensioners at period end.

26. Deferred Tax Liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred taxes relate to the same fiscal authority.

	Group	
	2020 $'000	2019 $'000
Movement in deferred tax account is as follows:		
Beginning of the year	**18,542**	15,612
Acquisition of subsidiaries (Note 46)	**(1,601)**	21,009
Disposal of subsidiaries (Note 9)	**813**	-
(Credited)/Charged to:		
- Profit or loss (Note 40)	**(6,772)**	(11,932)
- Equity (Note 40)	**(1,169)**	(3,498)
Currency translation differences	**1,359**	(2,649)
End of the year	**11,172**	18,542

The movements in deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year were as follows:

Deferred tax liabilities

	Accelerated tax depreciation $'000	Fair value of intangible assets $'000	Others $'000	Tax $'000
At January 1, 2019	22,317	17,704	16,963	56,984
Currency translation differences	(2,961)	(2,610)	(227)	(5,798)
Acquisition of subsidiaries	-	26,692	2,757	29,449
Charged/(Credited) to:				
Profit or loss	2,500	(6,338)	(1,723)	(5,561)
At December 31, 2019	**21,856**	**35,448**	**17,770**	**75,074**
Currency translation differences	**1,651**	**510**	**1,411**	**3,572**
Charged/(Credited) to:				
- Profit or loss	**6,074**	**(1,480)**	**(9,762)**	**(5,168)**
- Equity	**-**	**-**	**(258)**	**(258)**
At December 31, 2020	**29,581**	**34,478**	**9,161**	**73,220**

Deferred tax assets

	Allowance against assets $'000	Derivative financial instruments $'000	Recognised unutilised tax losses $'000	Others $'000	Total $'000
At January 1, 2019	(87)	(1,035)	(33,090)	(7,160)	(41,372)
Currency translation differences	947	-	2,278	(76)	3,149
Acquisition of subsidiaries	(13,999)	-	(3,341)	8,900	(8,440)
(Credited)/Charged to:					
- Profit or loss	(887)	-	(6,573)	1,089	(6,371)
- Equity	(3,350)	(148)	-	-	(3,498)
At December 31, 2019	**(17,376)**	**(1,183)**	**(40,726)**	**2,753**	**(56,532)**
Currency translation differences	**(504)**	**-**	**(1,182)**	**(527)**	**(2,213)**
Acquisition of subsidiaries (Note 46)	**-**	**-**	**-**	**(1,601)**	**(1,601)**
Disposal of subsidiaries (Note 9)	**-**	**-**	**813**	**-**	**813**
(Credited)/Charged to:					
- Profit or loss	**(47)**	**-**	**(4,420)**	**2,863**	**(1,604)**
- Equity	**-**	**(911)**	**-**	**-**	**(911)**
At December 31, 2020	**(17,927)**	**(2,094)**	**(45,515)**	**3,488**	**(62,048)**

Net deferred tax liabilities

December 31, 2019	18,542
December 31, 2020	**11,172**

Unrecognised tax losses
The Group has unrecognised tax losses of approximately $372,901,000 (2019 : $341,024,000) to set off against future taxable income, for which no deferred tax is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to meeting certain statutory requirements by those subsidiaries with unrecognised tax losses in their respective countries of incorporation. The tax losses have no expiry dates.

Tax consequences of proposed distributions
There are no income tax consequences attached to the distributions to the unitholders declared by the Trust after the financial year end but not recognised as a liability in the financial statements for both 2020 and 2019 (Note 32).

27. Units in Issue

	Group and Trust			
	2020 Units	2019 Units	**2020 $'000**	2019 $'000
Beginning of year	**4,994,391,069**	3,858,298,065	**2,630,307**	2,138,066
Units issued for cash[1]	**-**	1,135,583,997	**-**	492,002
Units issued to the Trustee-Manager[2]	**796,717**	509,007	**398**	239
Purchase and subsequent cancellation of treasury units[3]	**(4,750,000)**	-	**(1,944)**	-
End of year	**4,990,437,786**	4,994,391,069	**2,628,761**	2,630,307

[1] On April 15, 2019, the Trust completed its equity fund raising ("Equity Fund Raising") to raise gross proceeds of $500,793,000 for the partial repayment of the facility agreement entered into by the Trustee-Manager to fund the Ixom Group Acquisition. The issuance cost was $8,791,000.
The Equity Fund Raising comprised (a) a placement of approximately 680.3 million new Units to institutional and other investors and (b) a non-renounceable underwritten preferential offering of approximately 455.3 million new Units to entitled Unitholders. The offering price was $0.441 per new unit.

[2] These units were issued to the Trustee-Manager as part of the payment for management and performance fees.

[3] During the year, pursuant to the Unit buy-back mandate given to the Trustee-Manager, 4,750,000 units were purchased at unit price ranging from $0.40 to $0.42 from the open market and subsequently cancelled.

a) Each unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

   (i) Receive income and other distributions attributable to the units held;

   (ii) Participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust; and

   (iii) Receive audited accounts and the annual reports of the Trust.

b) The restrictions of a Unitholder include the following:

   (i) A Unitholder has no right to request the Trustee-Manager to transfer to him any asset of the Trust; and

   (ii) A Unitholder cannot give any directions to the Trustee-Manager (whether at a meeting of Unitholders or otherwise) if it would require the Trustee-Manager to do or omit doing anything which may result in:

   - the Trust ceasing to comply with applicable laws and regulations; or
   - the exercise of any discretion expressly conferred to the Trustee-Manager by the Trust Deed.

c) A Unitholder's liability is limited to the amount paid or payable for any units in the Trust. The provisions of the Trust Deed provide that no Unitholder will be personally liable to indemnify the Trustee-Manager or any creditor of the Trustee-Manager in the event the liabilities of the Trust exceeded its assets.

28. Hedging Reserve

Hedging reserve records the portion of the fair value changes on derivatives that are designated as hedging instruments in cash flow hedges that are determined to be effective.

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Beginning of the year	**(239,613)**	(200,226)	**(1,230)**	31
Fair value loss:				
Fair value loss	**(60,309)**	(58,708)	**(8,241)**	(1,261)
Tax on fair value loss	**1,930**	629	**-**	-
	(58,379)	(58,079)	**(8,241)**	(1,261)
Transfer to profit or loss:				
Finance cost (Note 37)	**28,418**	19,980	**-**	-
Tax on transfers	**(524)**	(481)	**-**	-
	27,894	19,499	**-**	-
Non-controlling interests (net of tax)	**350**	(807)	**-**	-
	(269,748)	(239,613)	**(9,471)**	(1,230)

29. Capital Reserve

In prior years, the Group's subsidiary, City Gas Trust, disposed 49% of its equity interest in City-OG Gas Energy Services Pte Ltd ("City-OG Gas") to Osaka Gas Co., Ltd ("Osaka Gas") for a consideration of $39.2 million. The Group retained control in the remaining 51% equity interest in City-OG Gas. With the disposal of the equity interest in City-OG Gas, the Group recorded a capital reserve of $38.7 million.

30. Share Based Payment Reserve

The Group has the following share option schemes for some of its employees based in Australia:

Restricted equity plan

Under the restricted equity plan ("REP"), Ixom Group, at its discretion, offers share options in Ix Infrastructure Pty Ltd ("Ix Infra") to certain key management personnel and eligible employees of the Ixom Group. The share options vest on a change in ownership or control of Ix Infra, or sale of substantially all of the Ixom Group's assets, and providing the participant remaining in the Ixom Group's employ at vesting. The fair value of share options granted is estimated at the date of grant using a binomial pricing model, taking into account the terms and conditions on which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

The exercise price of the share options is equal to the market price of the underlying shares on the date of grant. The contractual term of the share options is five years and there are no cash settlement alternatives for the employees. The Group does not have a past practice of cash settlement for these awards.

Long-term incentive plan

Under the long-term incentive plan ("LTI"), Ixom Group may offer share options in Ix Infra to key management personnel and eligible employees of the Ixom Group. The exercise price of the share options is equal to or greater than the fair market value of the underlying shares on the date of grant. The share options vest if and when the fair market value of an ordinary share (market condition), at the end of a performance period, exceeds $1.42 and the participant remains employed on such date. The share options granted may also vest on a change in ownership or control of the Company, or sale of substantially all of the Ixom Group's assets, prior to September 30, 2023.

The fair value of share options granted is estimated at the date of grant using a Monte-Carlo simulation model, taking into account the terms and conditions on which the share options were granted. The model simulates the share price taking into account historical and expected dividends, and estimated share price volatility of the Ixom Group, so as to predict the share performance.

The share options may be exercised after vesting until expiry, providing it is after the first anniversary of the date of grant of the option. The contractual term of each option granted is five years. There are no cash settlement alternatives, and Ixom Group does not have a past practice of cash settlement for these share options. The Ixom Group accounts for the LTI as an equity-settled plan.

There has been no alteration to the terms and conditions of the above share-based payment arrangements since grant date.

30. Share Based Payment Reserve (continued)

Fair value of share options grants during the year

	2020	
	REP	LTI
Inputs into the model		
Weighted average fair values at the measurement date	A$0.04	A$0.01
Exercise price	A$0.89	A$1.01
Expected volatility (%)	30.0%	30.0%
Expected life of options	4.25 years	5 years
Expected dividend yield (%)	Nil	9.9%
Risk-free interest rate (%)	0.35%	0.43%

Movements in share option grants during the year

	2020			
	REP		LTI	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Balance at beginning of year	-	-	-	-
Granted during the year	44,077,900	A$0.89	33,976,900	A$1.01
Balance at end of year	44,077,900	A$0.89	33,976,900	A$1.01
Exercisable at end of the year	-	-	-	-

The options were granted on August 19, 2020.

The options outstanding at the end of the financial year have a weighted average remaining contractual life of 7.51 years.

Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market condition attached to the option), and behavioural considerations.

31. Perpetual Securities

On June 12, 2019, the Trust issued subordinated perpetual securities (the "Series 001 Tranche 001 Securities") with principal amount of $200,000,000 bearing distributions at a rate of 4.75% per annum under the $1,000,000,000 Multicurrency Debt Issuance Programme ("Programme").

On June 25, 2019, the Trust issued subordinated perpetual securities (the "Series 001 Tranche 002 Securities") with principal amount of $100,000,000 bearing distributions at a rate of 4.75% per annum (to be consolidated and forming a single series with the existing $200,000,000 subordinated perpetual securities issued on June 12, 2019, under the Programme).

A total of $298,190,000, net of issuance costs of $1,810,000, was recognised in equity in relation to the two tranches of the Series 001 Securities. The rate of 4.75% per annum is subject to reset every ten years and a one-time step-up from and including the first reset date, being June 12, 2029 (the "First Reset Date").

The perpetual securities do not have a maturity date and bear distributions which are payable semi-annually. Subject to the terms and conditions of the perpetual securities, the Trust may, at its full discretion, elect to defer making distributions on the perpetual securities, and is not subject to any limits as to the number of times a distribution can be deferred. Accordingly, the perpetual securities do not meet the definition for classification as a financial liability under SFRS(I) 1-32 Financial Instruments: Presentation. The whole instrument is presented within equity, and distributions are treated as dividends.

These perpetual securities were issued for the Trust's general corporate purposes as well as investing activities.

Details of the distributions to the perpetual securities holders are as follows:

	2020 $'000	2019 $'000
Profit for the year attributable to the perpetual securities holders	14,289	7,757
Distributions paid during the year	(14,289)	(6,976)
Amount unpaid as at December 31	-	781

32. Distributions Paid to the Unitholders of the Trust

Tax exempt distributions paid during the financial year are as follows:

	Group and Trust	
	2020 $'000	2019 $'000
For the period from October 1, 2018 to December 31, 2018 - 0.93 cents per unit	**-**	35,883
For the period from January 1, 2019 to March 24, 2019 - 0.86 cents per unit	**-**	33,094
For the period from March 25, 2019 to March 31, 2019 - 0.0723 cents per unit	**-**	3,611
For the period from April 1, 2019 to June 30, 2019 - 0.93 cents per unit	**-**	46,448
For the period from July 1, 2019 to September 30, 2019 - 0.93 cents per unit	**-**	46,448
For the period from October 1, 2019 to December 31, 2019 - 0.93 cents per unit	**46,448**	-
For the period from January 1, 2020 to March 31, 2020 - 0.93 cents per unit	**46,408**	-
For the period from April 1, 2020 to June 30, 2020 - 0.93 cents per unit	**46,411**	-
	139,267	165,484
The following distributions have been declared after the financial year end but not recognised as a liability		
Distribution of 0.93 cents per unit for the period from October 1, 2019 to December 31, 2019	-	46,448
Distribution of 1.86 cents per unit for the period from July 1, 2020 to December 31, 2020	92,822	-

33. Revenue

	Group			
	Distribution & Network $'000	**Waste & Water $'000**	**Energy $'000**	**Total $'000**
2020				
Segment Revenue				
Sale of goods	**1,239,643**	**-**	**-**	**1,239,643**
Service income	**71,255**	**10,433**	**103,543**	**185,231**
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**
	1,327,259	**95,880**	**128,761**	**1,551,900**
2019				
Segment Revenue				
Sale of goods	1,222,053	-	-	1,222,053
Service income	102,493	10,208	100,598	213,299
Finance income from service concession arrangements	-	12,289	-	12,289
Finance lease income	-	2,904	-	2,904
Operation and maintenance income	16,030	74,922	25,218	116,170
	1,340,576	100,323	125,816	1,566,715

33. Revenue

	Group			
	Distribution & Network $'000	Waste & Water $'000	Energy $'000	Total $'000
2020				
Timing of revenue recognition				
At a point in time:				
Sale of goods	**1,239,643**	**-**	**-**	**1,239,643**
Over time:				
Service income	**71,255**	**10,433**	**103,543**	**185,231**
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**
	1,327,259	**95,880**	**128,761**	**1,551,900**
2019				
Timing of revenue recognition				
At a point in time:				
Sale of goods	1,222,053	-	-	1,222,053
Over time:				
Service income	102,493	10,208	100,598	213,299
Finance income from service concession arrangements	-	12,289	-	12,289
Finance lease income	-	2,904	-	2,904
Operation and maintenance income	16,030	74,922	25,218	116,170
	1,340,576	100,323	125,816	1,566,715

There are no performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period.

34. Other Income

	Group	
	2020 $'000	2019 $'000
Interest income	**2,646**	4,027
Other miscellaneous income	**7,830**	4,127
	10,476	8,154

35. Other (Losses)/Gains – Net

	Group	
	2020 $'000	2019 $'000
Fair value loss on derivative financial instruments	**(8,520)**	(5,787)
Exchange differences	**4,330**	(1,485)
Gain on disposal of joint venture	**-**	44,796
Loss on disposal of subsidiaries	**(12,972)**	-
Others	**10**	21
	(17,152)	37,545

36. Staff Costs

	Group 2020 $'000	Group 2019 $'000
Salaries and wages	**133,780**	115,724
Employer's contribution to defined contribution plans, including Central Provident Fund	**4,188**	7,240
Defined benefit plans (Note 25)	**1,763**	1,260
Other short-term benefits	**7,250**	9,687
	146,981	133,911

Salaries and wages is net of approximately $3,210,000 received in relation to the Jobs Support Scheme, announced as part of the Singapore Government's Budget Statement for Financial Year 2020 to address the impact of the COVID-19 pandemic.

37. Finance Costs

	Group 2020 $'000	Group 2019 $'000
Interest expense:		
- Bank borrowings	**50,396**	69,606
- Notes payable to non-controlling interests	**43,970**	43,850
Unwinding of discounts:		
- Provision for decommissioning costs and reinstatement cost (Note 21)	**865**	742
- Interest-free customer deposits	**1,578**	1,493
Cash flow hedges, transfer from hedging reserve (Note 28)	**28,418**	19,980
Debt amortisation (Note 19)	**6,297**	5,615
Others	**6,513**	4,578
	138,037	145,864

38. Trustee-Manager's Fees

	Group 2020 $'000	Group 2019 $'000
Base fee	**2,289**	2,276
Performance fee	**9,583**	12,618
Acquisition fee	**-**	10,663
Divestment fee	**98**	-
	11,970	25,557

The Trustee-Manager's fees comprise:

1) 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.

2) 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).

3) 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 Acquistion Fee and Divestment Fee are charged at 1% and 0.5% on the enterprise value of the investment acquired and investment divested respectively.

In 2019, pursuant to the Group's divestment of its 51% interest in the joint venture, a divestment fee of $515,000 was incurred and offsetted against "Gain on disposal of joint venture" in Note 35.

39. (Loss)/Profit Before Tax

The following items have been included in arriving at (loss)/profit before tax:

	Group	
	2020 $'000	2019 $'000
Auditors' remuneration of the Group and its subsidiaries:		
- auditors of the Group	1,011	1,098
- other auditors	171	89
Non-audit fees to:		
- auditors of the Group	297	188
Cost of inventories recognised as an expense	579,170	585,913
Short-term leases and leases of low value assets	3,393	1,725
Property, plant and equipment written off (Note 6)	1,263	-
Impairment loss/(Reversal of impairment loss) on financial assets	1,141	(119)
Receivables written off against revenue	29,226	-
Provision for Basslink arbitration loss	46,982	-
Legal and other related professional fee	15,937	18,615

40. Income Tax Expense

Major components of income tax expense

The major components of income tax expense for the years ended December 31, 2020 and 2019 are:

	Group	
	2020 $'000	2019 $'000
Consolidated profit or loss:		
Current tax	27,564	18,569
Deferred tax (Note 26)	(6,772)	(11,932)
Income tax expense recognised in profit or loss	20,792	6,637
Consolidated statement of other comprehensive income:		
Deferred tax expense related to other comprehensive income:		
- Fair value loss and reclassification adjustments on cash flow hedges (Note 26)	(1,169)	(3,498)

Relationship between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the year ended December 31, 2020 and 2019 are as follows:

	Group	
	2020 $'000	2019 $'000
(Loss)/Profit before tax	(31,370)	16,831
Tax calculated at a tax rate of 17%	(5,333)	2,861
Effect of:		
- Different tax rates in other countries	8,502	1,907
- Expenses not deductible for tax purposes	19,298	18,110
- Income not subject to tax	(757)	(19,506)
- Deferred tax assets not recognised	2,880	3,635
- Recognition of future deductible amounts allowable under overseas tax regime	(348)	(554)
- Adjustment recognised in the current year in relation to the current tax for prior year	(3,447)	1,390
- Others	(3)	(1,206)
	20,792	6,637

41. (Loss)/earnings Per Unit

The calculation of basic and diluted (loss)/earnings per unit is based on the weighted average number of units outstanding during the financial year and (loss)/profit after tax attributable to the unitholders of the Trust.

	Group	
	2020	2019
(Loss)/Profit for the financial year attributable to unitholders of the Trust ($'000)	**(34,452)**	38,578
Weighted average number of units during the financial year	**4,991,430,849**	4,708,579,744
Basic and diluted (loss)/earnings per unit (cents)	**(0.69)**	0.82

Diluted loss per unit is the same as the basic loss per unit as there are no dilutive instruments in issue during the financial year.

42. Operating Lease Arrangements and Capital Commitments

Operating lease arrangements

Group as a lessee

Disclosure required by SFRS(I) 16
At December 31, 2019, the Group is committed to approximately $1,700,000 for short-term leases.

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	2020 $'000	2019 $'000
Property, plant and equipment	**3,958**	7,203

43. Segment Information

The Trustee-Manager monitors the results of the Trust based on the following reportable segments for the purpose of making decisions in resource allocation and performance assessment:

- Distribution & Network: production and retailing of town gas and retailing of natural gas in Singapore, operator of subsea electricity interconnector in Australia and leasing of a data centre, manufacturing and distribution of chemical products and related services in Australia and New Zealand;
- Waste & Water: concessions in relation to the desalination plant, water treatment plant and waste-to-energy plants in Singapore;
- Energy: tolling arrangement for the power plant in Singapore; and
- Corporate: investment holding, asset management and business development.

43. Segment Information (continued)

Information regarding the Trust's reportable segments for the years ended December 31, 2020 and December 31, 2019 are set out below:

	Energy		Distribution & Network		Waste & Water	Corporate	Total
	KMC	City Gas	Basslink	Ixom			Group
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2020							
Revenue	128,761	293,319	52,719	981,221	95,880	-	1,551,900
(Loss)/Profit before tax	(29,112)	49,600	(89,746)	33,964	20,339	(16,415)	(31,370)
Funds from operations[1]	46,133	47,047	10,989	88,962	79,056	(29,592)	242,595
Other segment items:							
Depreciation and amortisation	(77,128)	(3,744)	(16,536)	(73,312)	(7,425)	-	(178,145)
Fair value gain/(loss) on derivative financial instruments	-	487	(9,007)	-	-	-	(8,520)
Impairment loss on trade and other receivables (net)	-	321	-	-	-	-	321
Finance costs[2]	(58,184)	(5,278)	(44,924)	(24,549)	(2,176)	(2,926)	(138,037)

A reconciliation of funds from operations to loss before tax is provided as follows:

	2020 $'000
Funds from operations	242,595
Reduction in concession/lease receivables	(58,283)
Non-cash finance cost	(8,772)
Other non-cash items and transaction costs	(73,941)
Depreciation and amortisation	(178,145)
Maintenance capital expenditure	22,085
Finance cost attributable to NCI	(43,970)
Funds from operations attributable to NCI	52,772
Distribution to perpetual securities holders	14,289
Loss before tax	(31,370)

	Energy		Distribution & Network		Waste & Water	Corporate	Total
	KMC	City Gas	Basslink	Ixom			Group
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2020							
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							
Additions to non-current assets[3]	703	2,191	11,863	20,613	201	-	35,571

	Energy KMC $'000	City Gas $'000	Distribution & Network Basslink $'000	Ixom $'000	DC One $'000	Waste & Water $'000	Corporate $'000	Total Group $'000
2019								
Revenue	125,816	343,189	82,202	915,185	-	100,323	-	1,566,715
(Loss)/Profit before tax	(40,171)	47,648	(8,989)	(11,775)	-	21,586	8,532	16,831
Funds from operations[1]	41,699	45,982	7,931	49,281	6,383	79,287	(25,947)	204,616
Other segment items:								
Depreciation and amortisation	(76,948)	(3,975)	(16,874)	(68,121)	-	(7,149)	-	(173,067)
Fair value gain/(loss) on derivative financial instruments	-	(427)	(5,360)	-	-	-	-	(5,787)
Impairment loss on financial assets	-	(241)	-	-	-	-	14	(227)
Share of results of joint venture	-	-	-		3,342	-	-	3,342
Finance costs[2]	(64,438)	(5,302)	(43,925)	(23,854)	-	(2,589)	(5,756)	(145,864)

A reconciliation of funds from operations to profit before tax is provided as follows:

	2019 $'000
Funds from operations	**204,616**
Reduction in concession/lease receivables	(55,894)
Non-cash finance cost	(7,820)
Other non-cash items and transaction costs	17,093
Depreciation and amortisation	(173,067)
Maintenance capital expenditure	26,010
Finance cost attributable to NCI	(43,850)
Funds from operations of joint venture	(6,383)
Funds from operations attributable to NCI	48,369
Distribution to perpetual securities holders	7,757
Profit before tax	**16,831**

	Energy KMC $'000	City Gas $'000	Distribution & Network Basslink $'000	Ixom $'000	DC One $'000	Waste & Water $'000	Corporate $'000	Total Group $'000
2019								
Segment and consolidated total assets	1,562,915	588,278	850,486	1,244,775	-	533,816	223,005	5,003,275
Segment liabilities	1,155,435	347,384	840,836	746,130	-	77,214	97,284	3,264,283
Unallocated liabilities:								
Current tax liabilities								6,281
Deferred tax liabilities								18,542
Consolidated total liabilities								3,289,106
Other segment items								
Additions to non-current assets[3]	42,527	4,018	4,613	24,330	-	2,359	-	77,847

[1] Funds from operations is defined as profit after tax 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 the Trust.

[3] Comprises additions to property, plant and equipment, right-of-use assets and intangible assets.

43. Segment Information (continued)

The Group's Waste & Water, Energy and Corporate business segments operate in Singapore whilst the Distribution & Network segment mainly operates in both Singapore and Australia. Revenue is based on the country in which the customer is located. Total non-current assets are shown by the geographical area where the assets are located.

	Revenue		Non-current assets[1]	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Singapore	**517,960**	521,765	**1,652,002**	1,788,099
Australia	**654,175**	686,169	**1,515,944**	1,422,873
New Zealand	**203,586**	173,392	**126,182**	97,385
Others	**176,179**	185,389	**31,739**	31,797
	1,551,900	1,566,715	**3,325,867**	3,340,154

[1] Comprise property, plant and equipment, intangibles and investment in and advances to joint venture.

Revenue from Waste & Water segment of $95,880,000 (2019 : $100,323,000) was solely derived from the only customer of the respective subtrusts. For the Energy segment, revenue of $128,761,000 (2019 : $125,816,000) was derived from its only customer. For Distribution & Network segment, revenue from its major customer was $79,517,000 (2019 : $79,912,000).

44. Legal Proceedings and Arbitration Outcome

Basslink Pty Ltd ("Basslink"), a wholly-owned subsidiary of the Group, operates a subsea electricity interconnector ("Interconnector") between the electricity grids of the States of Tasmania and Victoria in Australia.

On December 20, 2015, the Interconnector was taken out of service due to a cable fault incident. The cable returned to service on June 13, 2016. The customer, Hydro Tasmania ("HT"), has not paid Basslink full facility fees from September 2016 to August 2017 as HT disagrees with Basslink that the outage was a "force majeure" event. In December 2016, an independent investigation undertaken by Cable Consulting International ("CCI"), one of the world's leading submarine power cable experts, was completed and CCI concluded that the cause of the cable fault is "cause unknown".

In December 2017, based on the reports from DNV GL, an international engineering consultancy firm, HT alleged that the outage was caused by the interconnector exceeding its design limit. Under the Basslink Services Agreement ("BSA"), an unknown cause of the cable fault falls under the definition of a "force majeure" event. As such, the Trustee-Manager is of the view that the outage investigation report supported Basslink's claim that the cause of the cable fault was a "force majeure" event.

In March 2018, the State of Tasmania (the "State") issued a Notice of Dispute to Basslink, which was referred to arbitration, under the Basslink Operations Agreement ("BOA") and alleged that Basslink should indemnify the State for its losses which amounts to over A$100.0 million ($93.0 million).

In September 2018, Basslink issued a Notice of Dispute to HT, which was referred to arbitration, under the BSA, to recover the withheld receivables from HT.

In October 2018, HT issued a Notice of Dispute to Basslink, which was referred to arbitration, under the BSA based upon the allegations in the DNV GL reports commissioned by the lawyers for HT.

Further to the State's claim against Basslink, Basslink engaged CCI to perform a further investigation. In November 2018, CCI concluded in its report (the "CCI report"), amongst others, that the cause of the cable outage continues to be unknown.

On December 3, 2020, the arbitrator awarded the State an amount of A$38.5 million and determined that Basslink was liable to indemnify the State of Tasmania as the 2015 outage was not a "force majeure event" under the Basslink Operations Agreement. As at December 31, 2020, a provision of A$38.5 million ($38.0 million) has been recognised to indemnify the State for its losses.

The arbitrator has also declared that Basslink's claim for outstanding receivables of A$30.9 million against HT relating to the period of the outage under the BSA is not recoverable. As at December 31, 2020, the outstanding receivables amounting to A$30.9 million ($29.2 million) has been written off against revenue.

The arbitrator has called for a procedural hearing to determine the award of costs to be claimed from Basslink that was incurred by the State and HT in relation to the arbitration proceedings. The date of the procedural hearing has yet to be fixed. As at December 31, 2020, a provision of A$10.0 million ($9.9 million) has been recognised for legal costs and other professional fees incurred as a result of the arbitration. In arriving at the provision amount, management considered the quantum of the other parties' costs claimed, Basslink's own expenses and the grounds of decision rendered by the arbitrator on the disputes.

45. Contingent Liability

Certain entities within the Group are the subject to actions for product specification and performance issues in the ordinary course of business.

In January 2020, the Australian Border Force ("ABF") issued a notice of audit identifying four matters where it considered certain subsidiaries of the Ixom sub-group had underpaid duty. Three of the four matters have been resolved without net cost. The remaining issue relates to the classification of a product imported and the rate of duty applicable. Ixom has retained counsel and filed an application for review at the Administrative Appeal Tribunal. The ABF has confirmed that it will not pursue the duty until this process is resolved. The value of the possible duty is approximately A$7.5 million (equivalent to approximately $7.4 million), which the Group does not believe is probable. Accordingly, no provision for any liability has been made in these financial statements.

At the date of this report, no other actions against the Group that would result in a material impact have been identified or would be considered probable.

46. Acquisition of Subsidiaries

For the Financial Year Ended December 31, 2020

On January 31, 2020, Keppel Infrastructure Fund Management Pte Ltd ("Trustee-Manager"), through its Ixom sub-group, completed the acquisition of 100% of the shareholdings in Medora source water management solutions business ("Medora") in the United States of America for a cash consideration of A$32.4 million ($29.6 million). The acquisition has been accounted for by the acquisition method of accounting.

The principal activities of Medora is sale of water treatment infrastructure and facilities and related services.

The fair values of identifiable net assets and the cash outflow at the date of acquisition were as follows:

	2020 $'000
Property, plant and equipment	1,369
Right-of-use assets	2,732
Identifiable intangible assets	5,771
Deferred tax assets	1,601
Inventories	2,765
Financial assets	1,855
Financial liabilities	(1,878)
Lease liabilities	(2,730)
Provisions	(83)
Total identifiable assets acquired and liabilities assumed	11,402
Goodwill	18,189
Total consideration transferred in cash	29,591
Net cash outflow arising on acquisition:	
Cash consideration	29,591
Transaction cost	845
Less: Deferred cash consideration	(7,421)
	23,015

The accounting for the acquisition of Medora has been finally determined at the end of the financial year. The fair value of other plant and equipment and intangible assets (customer contracts) were valuated by independent valuators. The fair value of working capital balances (trade receivables, inventory and trade payables) were internally valuated.

Goodwill arose on the acquisition because the cost of the investments included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable assets.

The goodwill arising on the acquisition of Medora is not expected to be deductible for tax purposes.

The revenue and profit or loss for the year of the Group, attributable to the additional business generated by Medora is as follows:

	2020 $'000
Revenue	18,425
Profit for the year	1,538*

* Profit for the year includes non-recurring transaction cost of $845,000 which was recognised in other operating expenses.

45. Acquisition of Subsidiaries (continued)

Had the business combination during the year been effected at January 1, 2020, the revenue and loss for the year of the Group, without adjusting for the transaction cost and fair value adjustment, which are non-recurring in future periods, arising from the acquisition, would have been as follows:

	From January 1, 2020 to December 31, 2020 $'000
Revenue	1,553,575
Loss for the year	(52,162)
Effect of business combination assumed to be completed on January 1, 2020	140
Adjusted loss for the year	(52,022)

The Trustee-Manager considers these 'pro-forma' numbers to represent an approximate measure of the performance of the combined Group on an annualised basis, without adjusting for the transaction cost and fair value adjustment, and to provide a reference point for comparison in future periods.

In determining the 'pro-forma' revenue and loss of the Group had Medora been acquired at the beginning of the current reporting period, the Trustee-Manager has factored in the amortisation of the intangible assets, depreciation of uplift in fair value of property, plant and equipment and inventory and deferred tax adjustments arising from the acquisition.

For the Financial Year Ended December 31, 2019
On February 19, 2019, Keppel Infrastructure Fund Management Pte Ltd ("Trustee-Manager") in its capacity as Trustee-manager of Keppel Infrastructure Trust ("KIT") completed the acquisition of 100% of the shareholdings in Ixom HoldCo Pty Ltd and its subsidiaries ("Ixom Group") ("Acquisition") for a cash consideration of A$770 million ($763 million). The acquisition has been accounted for by the acquisition method of accounting.

The principal activities of Ixom Group includes manufacturing, importing and trading of chemicals for agriculture, building and construction, oil and gas, food and beverage, pharmaceutical and personal care, plastics, pulp and paper and water treatment industries. Ixom Group predominantly operates in Australia and New Zealand, whilst also having a presence in Asia, Latin America, the United Kingdom and the United States of America.

The fair values of identifiable net assets and the cash outflow at the date of acquisition were as follows:

	2019 $'000
Property, plant and equipment	398,269
Right-of-use assets	87,797
Identifiable intangible assets	103,394
Prepayments	3,420
Inventories	202,001
Financial assets	287,749
Borrowings	(428,210)
Lease liabilities	(64,005)
Provisions	(37,523)
Defined benefit obligation	(12,629)
Trade and other payables	(182,739)
Deferred tax liabilities	(21,009)
Total identifiable assets acquired and liabilities assumed	336,515
Non-controlling interest	(5,307)
Goodwill	431,465
Total consideration transferred in cash	762,673
Net cash outflow arising on acquisition:	
Cash consideration	762,673
Transaction cost	38,075
Less: cash and cash equivalent balances acquired	(54,528)
	746,220

The accounting for the acquisition of Ixom has been finally determined at the end of the financial year. The fair value of land, buildings and plant and equipment and intangible assets (customer contracts) were valuated by independent valuators. The fair value of working capital balances (trade receivables, inventory and trade payables) were internally valuated.

For tax purposes, the tax values of the assets of Ixom Holdco Pty Ltd and its subsidiaries were reset based on market value of the assets.

The Group incurred acquisition transaction cost of $38,075,000 which was recognised in other operating expenses.

Goodwill arose on the Acquisition because the cost of the investments included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and assembled workforce of Ixom Group. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable assets.

The goodwill arising on the Acquisition is not expected to be deductible for tax purposes.

Non-controlling interest recognised at acquisition date pertains to a 51% ownership interest held by the non-controlling interest of Bronson & Jacobs International Company Ltd (Thailand) (Note 9) amounted to $5,307,000, which was determined using its proportionate share of the acquisition date fair value of the identifiable net assets of the subsidiary.

The revenue and profit or loss for the year of the Group, attributable to the additional business generated by Ixom Group are as follows:

	2019 $'000
Revenue	915,185
Loss for the year	(17,699)*

* Loss for the year includes non-recurring transaction cost and fair value adjustment arising from the acquisition of $31,860,000.

Had the business combination during the year been effected at January 1, 2019, the revenue and profit for the year of the Group, without adjusting for the transaction cost and fair value adjustment, which are non-recurring in future periods, arising from the acquisition, would have been as follows:

	From January 1, 2019 to December 31, 2019 $'000
Revenue	1,734,202
Profit for the year	10,194
Effect of business combination assumed to be completed on January 1, 2019	3,758
Adjusted profit for the year	13,952

The Trustee-Manager considers these 'pro-forma' numbers to represent an approximate measure of the performance of the combined Group on an annualised basis, without adjusting for the transaction cost and fair value adjustment, and to provide a reference point for comparison in future periods.

In determining the 'pro-forma' revenue and profit of the Group had Ixom Group been acquired at the beginning of the current reporting period, the Trustee-Manager has factored in the amortisation of the intangible assets, depreciation of uplift in fair value of property, plant and equipment and inventory and deferred tax adjustments arising from the acquisition.

47. Events After the Reporting Period

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, 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 equal shareholding in PTSI ("Net Acquisition"). The purchase consideration for the Net Acquisition was approximately US$166.9 million (equivalent to approximately $223.5 million) which was funded mainly by debt. The Group's aquisition of PTSI will be accounted for as an Investment in Joint Venture under the equity method of accounting.

48. Statement of Profit and Loss - Trust

The Statement of Profit or Loss of the Trust, which is for information purpose only, is as follows:

	2020 $'000	2019 $'000
Revenue	**154,997**	201,811
Other income	**1,824**	1,962
Other gains/(losses) - net	**140,461**	(67,986)
Expenses		
Finance costs	**(2,926)**	(5,756)
Trustee-Manager's fees	**(11,970)**	(14,894)
Other operating expenses	**(3,854)**	(2,550)
Total expenses	**(18,750)**	(23,200)
Profit before tax	**278,532**	112,587
Income tax expense	**(23)**	(86)
Profit for the year	**278,509**	112,501
Interest cover ratio*	**198x**	69x

* Computed based on adjusted EBITDA/net interest expense.

CORPORATE GOVERNANCE

The Board of Directors (Board) and management (Management) of Keppel Infrastructure Fund Management Pte. Ltd. (KIFM), as the Trustee-Manager of Keppel Infrastructure Trust (KIT), are fully committed to good corporate governance as they firmly believe that it is essential in protecting the interests of the unitholders of KIT (Unitholders).

The Business Trusts Act, Chapter 31A of Singapore (BTA) sets out the requirements and obligations in respect of corporate governance. The Business Trusts Regulations (BTR) set out the requirements for, amongst other matters, the board composition of a trustee-manager, the independence of its directors, and the audit committee composition of a trustee-manager.

In addition, the Trustee-Manager adopts the Code of Corporate Governance 2018[1] (the 2018 Code) as its benchmark for corporate governance policies and practices. The following describes the Trustee-Manager's main corporate governance policies and practices with specific reference to the 2018 Code and its accompanying Practice Guidance. The Trustee-Manager is pleased to share that KIT has complied with the principles of the 2018 Code and complied in all material aspacts with the provisions and practices in the 2018 Code. Where there are deviations from the provisions of the 2018 Code, appropriate explanations will be provided in this report.

BOARD MATTERS: BOARD'S CONDUCT OF AFFAIRS

PRINCIPLE 1:

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

PRINCIPLE 3:

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Board is responsible for the overall management and the corporate governance of KIT, including establishing goals for Management and monitoring the achievement of these goals.

Role: The principal functions of the Board are to:

- Provide entrepreneurial leadership and decide on matters in relation to KIT's activities which are of a significant nature, including decisions on strategic directions and guidelines and the approval of periodic plans and major investments and divestments;
- Oversee the business and affairs of KIT, establish, with the Management, the strategies and financial objectives (including appropriate focus on value creation, innovation and sustainability) to be implemented by Management, and monitor the performance of Management and ensure that the Company has necessary resources to meet its strategic objectives;
- Hold Management accountable for performance and ensure proper accountability within KIT;
- Oversee processes for evaluating the adequacy and effectiveness of internal controls, risk management, financial reporting and compliance, and satisfy itself as to the adequacy and effectiveness of such processes;
- Be responsible for the governance of risk and ensure that Management maintains a sound system of risk management and internal controls, to safeguard the interests of KIT and its stakeholders; and
- Assume responsibility for corporate governance and ensure transparency and accountability to key stakeholder groups.

Internal Limits of Authority: The Trustee-Manager has adopted a set of internal guidelines which sets out the level of authorisation and financial authority limits for investment/business acquisition, operating/capital expenditure, leasing, disposal of assets and various corporate matters. Transactions and matters which require the approval of the Board are clearly set out in the internal guidelines. Appropriate delegations of authority and approval sub-limits are also provided at the Management level to facilitate operational efficiency.

Independent Judgment: All directors of the Trustee-Manager (the Directors) are expected to exercise independent judgment in the best interests of KIT, and all Directors have discharged this duty consistently well.

Board Committees: To assist the Board in the discharge of its oversight function, the Audit and Risk Committee, the Nominating and Remuneration Committee, the Conflicts Resolution Committee and the Board Safety Committee have been constituted with clear written terms of reference. All the Board committees are actively engaged and play an important role in ensuring good corporate governance, and the Board is kept updated on discussions of the committees via circulation of minutes and regular updates by the respective chairman of the committees at Board meetings. The terms of reference of the respective Board committees are disclosed in the Appendix to this report at pages 169 to 172.

[1] The Code of Corporate Governance 2018 issued by the Monetary Authority of Singapore on 6 August 2018.

Meetings: The Board meets at least four times a year and as warranted by particular circumstances to discuss and review the Trustee-Manager's key activities, including its business strategies and policies for KIT, proposed acquisitions and disposals, the annual budget, review the performance of the business and the financial performance of KIT and the Trustee-Manager. The Board also reviews and approves the release of the financial results. In addition, the Board reviews the risks to the assets of KIT, and acts upon any comments from the auditors of KIT. Board meetings are scheduled and circulated to the Directors prior to the start of the financial year to allow Directors to plan ahead to attend such meetings, so as to maximise participation.

The Trustee-Manager's Constitution permits Board meetings to be held by way of conference by telephone or any other electronic means of communication by which all persons participating are able, contemporaneously, to hear and be heard by all other participants. Further, the Directors meet without the presence of Management on a need-be basis.

The Directors' appointments and details of membership on Board committees, number of Board and Board committee meetings held during the year under review (FY 2020), as well as the attendance of each Board member at these meetings, are disclosed below.

BOARD AND BOARD COMMITTEE MEETINGS FOR FY 2020

	Board Meetings	Audit and Risk Committee Meetings	Nominating & Remuneration Committee Meetings	Conflicts Resolution Committee Meetings	Board Safety Committee Meetings	Non-Executive Directors' Meeting (without presence of Management)
Koh Ban Heng[1]	14	4	2	-	-	1
Thio Shen Yi	10	-	2	1	-	1
Daniel Cuthbert Ee Hock Huat[2]	13	4	-	1	-	1
Mark Andrew Yeo Kah Chong	14	4	-	-	4	1
Kunnasagaran Chinniah	14	-	2	1	4	1
Christina Tan Hua Mui	14	-	2	-	-	1
Number of Meetings Held in FY 2020	**14**	**4**	**2**	**1**	**4**	**1**

Notes

1 Mr Koh Ban Heng stepped down as Non-Executive Chairman of the Board on 1 February 2021 due to health reasons and ceased to be a member of the Audit and Risk Committee and the Nominating and Remuneration Committee on the same date.

2 Mr Daniel Cuthbert Ee Hock Huat was appointed as Non-Executive Chairman of the Board with effect from 1 February 2021.

NATURE OF CURRENT DIRECTORS' APPOINTMENTS ON THE BOARD AND THE DETAILS OF THEIR MEMBERSHIP ON BOARD COMMITTEES

	Board Membership	Audit and Risk Committee	Nominating & Remuneration Committee	Conflicts Resolution Committee	Board Safety Commitee
Daniel Cuthbert Ee Hock Huat[1]	Non-Executive Independent Chairman	Member	Member	Chairman	-
Thio Shen Yi[2]	Non-Executive Independent	-	Chairman	Member	Member
Mark Andrew Yeo Kah Chong[3]	Non-Executive Independent	Chairman	Member	-	-
Kunnasagaran Chinniah[4]	Non-Executive Independent	Member	-	-	Chairman
Chong Suk Shien[5]	Non-Executive Independent	-	-	-	Member
Christina Tan Hua Mui	Non-Executive Non-Independent	-	Member	-	-

Notes

1 Mr Daniel Cuthbert Ee Hock Huat was appointed as Non-Executive Chairman of the Board with effect from 1 February 2021. With effect from 5 March 2021, Mr Daniel Cuthbert Ee Hock Huat was appointed as a member of the Nominating and Remuneration Committee.

2 With effect from 5 March 2021, Mr Thio Shen Yi was appointed as a member of the Board Safety Committee.

3 With effect from 5 March 2021, Mr Mark Andrew Yeo Kah Chong ceased to be a member of the Board Safety Committee and was appointed as a member of the Nominating and Remuneration Committee.

4 With effect from 5 March 2021, Mr Kunnasagaran Chinniah ceased to be a member of the Conflicts Resolution Committee and the Nominating and Remuneration Committee and was appointed as a member of the Audit and Risk Committee.

5 With effect from 5 March 2021, Ms Chong Suk Shien was appointed to the Board as a Non-Executive Independent Director and a member of the Board Safety Committee.

If a Director were unable to attend a Board or Board committee meeting, he or she would still receive all the papers and materials for discussion at that meeting. He or she would review them and advise the Chairman of the Board or the Board committee chairman of his or her views and comments on the matters to be discussed so that they may be conveyed to other members at the meeting.

Closed Door Directors' Meetings: The Directors meet on a need-be basis without the presence of Management to discuss matters such as Board processes, corporate governance initiatives, succession planning, and performance management and remuneration matters.

Company Secretaries: The Company Secretaries administer, attend and prepare minutes of Board proceedings. They assist the Chairman to ensure that Board procedures (including but not limited to assisting the Chairman to ensure timely and good information flow to the Board and its Board committees, and between Management and the Directors) are followed and regularly reviewed to ensure effective functioning of the Board and that the Trustee-Manager's Constitution and relevant rules and regulations are complied with. They also assist the Chairman and the Board to implement corporate governance practices and processes with a view to enhancing long-term Unitholder value. They are also the primary channel of communication between KIT and the Singapore Exchange Securities Trading Limited (SGX).

The appointment and removal of each of the Company Secretaries are subject to the approval of the Board as a whole.

Access to Information: The Board and Management fully appreciate that fundamental to good corporate governance is an effective and robust Board whose members engage in open and constructive debate and challenge Management on its assumptions and proposals and that for this to happen, the Board must be kept well informed of KIT's businesses and affairs and be knowledgeable about the industry in which the businesses operate.

Management provides the Board with relevant and accurate information in a timely manner relating to matters to be brought before the Board, prior to Board meetings and on an ongoing basis. The information provided to the Board includes financial results, market and business developments, and business and operational information. Such reports keep the Board informed, on a balanced and understandable basis, of KIT's business, performance, business and financial environment, risk and prospects. The financial results are also compared against the budgets, together with explanations given for significant variances for the reporting period. Management also surfaces key risk issues for discussion and confers with the Audit and Risk Committee and the Board regularly.

As a general rule, Board papers are required to be distributed to Directors at least seven days before the Board meeting so that the Directors may better understand the matters prior to the Board meeting and discussions may be focused on questions that the Directors may have. Directors are provided with tablet devices to facilitate their access to and review of board materials. However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed. Managers who can provide additional insight into the matters at hand would be present at the relevant time during the Board meeting. The Directors are also provided with the names and contact details of senior management and the Company Secretaries to facilitate direct access to senior management and the Company Secretaries. Directors are entitled to request from Management, and would be provided with, such additional information as may be needed from time to time in order to make informed decisions.

Subject to the approval of the Chairman, the Directors, whether as a group or individually, may seek and obtain independent professional advice to assist them in their duties, at the expense of KIT.

The Board reviews the budget on an annual basis, and any material variance between the projections and actual results would be disclosed and explained. A Board strategy meeting is organised annually for in-depth discussion on strategic issues and direction of KIT, to give the Directors a better understanding of KIT and its businesses, and to provide an opportunity for the Directors to familiarise themselves with Management so as to facilitate the Board's review of KIT's succession planning.

Director Orientation: A formal letter is sent to newly-appointed Directors upon their appointment explaining their roles, duties, obligations and responsibilities as a board director. All newly-appointed Directors receive a director tool-kit and undergo a comprehensive orientation programme which includes sites visits and management presentations on KIT's businesses, strategic plans and objectives.

Training: Changes to laws, regulations, policies, accounting standards and industry-related matters are monitored closely. Where the changes have an important and significant bearing on KIT and its disclosure obligations, the Directors are briefed either during Board meetings, at specially convened sessions or via circulation of Board papers. The Directors are also provided with continuing education in areas such as directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, changes in the Companies Act, Chapter 50 of Singapore (Companies Act), or other applicable legislation and industry-related matters, continuing listing obligations and industry-related matters, so as to update and refresh them on matters that affect or may enhance their performance as Board or Board committee members. All induction, training and development costs are at the Trustee-Manager's expense.

Chairman and CEO: The positions of Chairman and Chief Executive Officer (CEO) are held by two separate persons to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. The Chairman and the CEO are not immediate family members.

The Chairman, with the assistance of the Company Secretaries, schedules meetings and prepares meeting agendas to enable the Board to perform its duties responsibly having regard to the flow of KIT's operations.

He sets guidelines on and monitors the flow of information from Management to the Board to ensure that all material information is provided in a timely manner to the Board for the Board to make good decisions. He also encourages constructive relations between the Board and Management. At Board meetings, the Chairman encourages a full and frank exchange of views, drawing out contributions from all Directors so that the debate benefits from the full diversity of views, in a robust yet collegiate setting.

At annual general meetings (AGM) and other Unitholders' meetings, the Chairman ensures constructive dialogue between Unitholders, the Board and Management. The Chairman sets the right ethical and behavioural tone and takes a leading role in KIT's drive to achieve and maintain a high standard of corporate governance with the full support of the Directors, Company Secretaries and Management.

The CEO, assisted by Management, makes strategic proposals to the Board and after robust and constructive Board discussion, executes the agreed strategy, manages and develops KIT's businesses and implements the Board's decisions.

The clear separation of roles of the Chairman and the CEO provides a healthy professional relationship between the Board and Management with clarity of roles and robust deliberation on the business activities of KIT.

BOARD MATTERS: BOARD COMPOSITION AND GUIDANCE

PRINCIPLE 2:

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

PRINCIPLE 4:

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Nominating and Remuneration Committee

The Trustee-Manager has established a Nominating and Remuneration Committee (NRC) to, among other things, make recommendations to the Board on all Board appointments and oversee the Board and senior management's succession and conducting annual review of board diversity, board size, board independence and directors' commitment. In FY 2020, the NRC comprises four Directors, majority of whom are independent, namely:

Mr Thio Shen Yi	Chairman
Mr Koh Ban Heng	Member
Mr Kunnasagaran Chinniah	Member
Ms Christina Tan Hua Mui	Member

Following Mr Koh Ban Heng's stepping down from the Board on 1 February 2021, Mr Koh Ban Heng ceased to be a member of the Nominating and Remuneration Committee on the same date. On 5 March 2021, Mr Kunnasagaran Chinniah ceased to be a member of the Nominating and Remuneration Committee and Mr Daniel Cuthbert Ee Hock Huat and Mr Mark Andrew Yeo Kah Chong were appointed as members of the Nominating and Remuneration Committee. The detailed responsibilities of the NRC are disclosed at pages 170 to 171 of the Appendix hereto.

Process for appointment of new Directors and Board succession planning

The NRC is responsible for reviewing the succession plans for the Board. In this regard, it has put in place a formal process for the renewal of the Board and the selection of new Directors so that the experience of longer serving Directors can be drawn upon while tapping into the new external perspectives and insights which more recent appointees bring to the Board's deliberation.

The NRC leads the process and makes recommendations to the Board as follows:

(a) the NRC reviews annually the balance and diversity of skills, experience, gender and knowledge required by the Board and the size of the Board which would facilitate decision-making. In this review, the NRC will also take into account the needs of KIT and the collective skills and competencies of the Board;
(b) in light of such review and in consultation with Management, the NRC assesses if there is any inadequate representation in respect of any of those attributes and if so, determines the role and the desirable competencies for a particular appointment;
(c) external help (for example, Singapore Institute of Directors, search consultants, open advertisement) to be used to source for potential candidates if need be. Directors and Management may also make suggestions;
(d) the NRC meets with the short-listed candidate(s) to assess suitability and to ensure that the candidate(s) is/are aware of the expectations and the level of commitment required; and
(e) the NRC makes recommendations to the Board for approval.

Criteria for appointment of new Directors

All new appointments are subject to the recommendation of the NRC based on the following objective criteria:

(1) integrity
(2) independent mindedness
(3) diversity – possess core competencies that meet the current needs of KIT and the Trustee-Manager and complement the skills and competencies of the current Directors on the Board
(4) able to commit time and effort to carry out duties and responsibilities effectively
(5) track record of making good decisions
(6) experience in high-performing corporations or infrastructure funds
(7) financial literacy

Endorsement by Unitholders of appointment of Directors
Keppel Capital Holdings Pte. Ltd. (Keppel Capital) has on 1 March 2020 provided an undertaking to the Trustee-Manager (Undertaking) to provide Unitholders with the right to endorse the appointment of the persons who are Directors as of 1 March 2020 (existing Directors) by way of an ordinary resolution at the AGM of Unitholders. Pursuant to the Undertaking, Keppel Capital undertakes to the Trustee-Manager:

(i) to procure the Trustee-Manager to seek Unitholders' endorsement for the appointment of existing Directors no later than the AGM to be held in 2022, provided that the Trustee-Manger shall seek Unitholders' endorsement for at least one-third of the existing Directors (or if their number is not a multiple of three then the number nearest to one-third) at each of the AGMs in 2020 and 2021;

(ii) to procure the Trustee-Manager to seek Unitholders' re-endorsement for the appointment of each Director no later than every third AGM after the relevant general meeting at which such Director's appointment was last endorsed or re-endorsed, as the case may be;

(iii) (where a person is appointed as Director, either to fill a vacancy or as an addition to the existing Directors, at any time) to procure the Trustee-Manager to seek Unitholders' endorsement for his or her appointment as a Director at the next AGM immediately following his or her appointment; and

(iv) to procure any person whose appointment as a Director has not been endorsed or re-endorsed (as the case may be) by the Unitholders at the relevant general meeting where the endorsement or re-endorsement (as the case may be) for his or her appointment was sought, to resign or otherwise be removed from the Board either (i) within 21 days from the date of the relevant general meeting or (ii) in the event that the Board determines that a replacement Director has to be appointed, no later than the date when such replacement Director is appointed, and the regulatory approval for such appointment (if any) has been obtained.

As the appointments of Mr Koh Ban Heng and Mr Thio Shen Yi as Directors were endorsed by Unitholders at the AGM held in 2020, accordingly, for the AGM to be held in 2021, the Trustee-Manager has included in the agenda, the resolutions to endorse the appointment of Mr. Daniel Cuthbert Ee Hock Huat and Mr. Mark Andrew Yeo Kah Chong. In addition, as Ms Chong Suk Shien was appointed as Non-Executive Independent Director on 5 March 2021, the Trustee-Manager has also included in the agenda, the resolution to endorse the appointment of Ms Chong Suk Shien at the AGM to be held in 2021.

The endorsement or re-endorsement from Unitholders of any appointment of any person as a Director shall be by way of an ordinary resolution passed at the relevant general meeting. The Undertaking shall not restrict the Trustee-Manager or Keppel Capital from appointing or procuring the appointment of any Director from time to time in accordance with applicable laws and regulations (including any applicable rule of the SGX) and the constitution of the Trustee-Manager.

The Undertaking shall remain in force for so long as:

1. Keppel Capital continues to hold a majority of the shares in the Trustee-Manager; and
2. Keppel Infrastructure Fund Management Pte. Ltd. remains as the trustee-manager of Keppel Infrastructure Trust.

Alternate Director
The Trustee-Manager has no alternate directors on the Board.

Board Diversity
The Trustee-Manager recognises that diversity in relation to composition of the Board provides a range of perspectives, insights and challenge needed to support good decision-making for the benefit of KIT, and is committed to ensuring that the Board comprises Directors who, as a group, provide an appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity (such as gender and age) so as to promote the inclusion of different perspectives and ideas, mitigate against groupthink and ensure that KIT has the opportunity to benefit from all available talent.

It is paramount that the Trustee-Manager continues to maintain the appropriate balance and mix of skills, knowledge and experience on the Board to support the needs and long-term sustainability of KIT's and the Trustee-Manager's businesses. When assessing Board composition or identifying suitable candidates for appointment or re-endorsement to the Board, the Trustee-Manager will consider candidates on merit against objective criteria set by the Board after having given due regard to the benefits of diversity and the needs of the Board.

The Trustee-Manager has in place a Board Diversity Policy that sets out the framework and approach for the Board to set its qualitative and measurable quantitative objectives for achieving diversity, and to annually assess the progress in achieving these objectives.

The Board will, taking into consideration the recommendations of the NRC, review and agree annually the qualitative and measurable quantitative objectives for achieving diversity on the Board. The objectives identified in 2021, and the progress towards achieving such objectives, are set out below:

Objectives for 2021

Objectives	Progress
Improve gender diversity by ensuring that at least 20% of the Board will comprise female directors by the end of FY 2021.	With Ms Chong Suk Shien's appointment on 5 March 2021 and Ms Christina Tan Hua Mui already appointed to the Board, 33.3% of the Board comprise female directors.

At the recommendation of the NRC and in recognition of the merits of gender diversity, the Board has committed to ensuring that at least 20% of the Board will comprise female directors by the end of FY 2021 and as at the date of this Annual Report, there were two female Directors out of a total of six Directors on the Board.

Annual review of Board size and composition
In FY 2020, the Board consists of six members, five of whom are independent non-executive Directors and the Chairman of the Board is Mr Koh Ban Heng who is an independent non-executive Director. Following Mr Koh Ban Heng's stepping down from the Board on 1 February 2021, Mr. Daniel Cuthbert Ee Hock Huat was appointed as the Chairman of the Board with effect from 1 February 2021. Following a review of the Board and composition of the Board committees, on 5 March 2021:

(a) Mr Daniel Cuthbert Ee Hock Huat was appointed as a member of the Nominating and Remuneration Committee;

(b) Mr Kunnasagaran Chinniah ceased to be a member of each of the Conflicts Resolution Committee and Nominating and Remuneration Committee and was appointed as a member of the Audit and Risk Committee;

(c) Mr Mark Andrew Yeo Kah Chong ceased to be a member of the Board Safety Committee and was appointed as a Member of the Nominating and Remuneration Committee;

(d) Mr Thio Shen Yi was appointed as a member of the Board Safety Committee; and

(e) Ms Chong Suk Shien was appointed as a Non-Executive Independent Director and member of the Board Safety Committee.

The Board, in concurrence with the NRC was of the view the current Board size of six members was appropriate, but would revisit the size and skill set mix from time to time. This is considering the nature, scope and requirements of KIT's businesses and the need to avoid disruptions from changes to the composition of the Board and Board committees. No individual or small group of individuals dominate the Board's decision making.

The nature of the Directors' appointments on the Board and details of their Board committee membership are set out on page 149. The NRC has recently conducted its assessment in January 2021 and is satisfied that the Board and the Board committees comprise Directors who as a group provide an appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age. The NRC is also satisfied that the Directors, as a group, possess core competencies including accounting or finance, legal and regulatory, business or management experience, industry knowledge, engineering strategic planning experience and customer-based experience or knowledge, required for the Board and the Board committees to be effective.

Board Independence
The NRC is also charged with determining the "independence" status of the directors annually.

The composition of the Board complies with the BTR and comprises:

(a) at least a majority of the directors who are independent from management and business relationships with the Trustee-Manager;

(b) at least one-third of the directors who are independent from management and business relationships with the Trustee-Manager and from every substantial shareholder of the Trustee-Manager; and

(c) at least a majority of the directors who are independent from any single substantial shareholder of the Trustee-Manager.

To be considered to be independent from management and business relationships with the Trustee-Manager (whether or not the Trustee-Manager is acting for or on behalf of KIT), a Director must not have any:

(a) management relationships with the Trustee-Manager or with any of its subsidiaries; and

(b) business relationships with the Trustee-Manager or with any of its related corporations, or with any officer of the Trustee-Manager or any of its related corporations,

that could interfere with the exercise of his or her independent judgment with regard to the interests of all the Unitholders as a whole.

To be considered to be independent from a substantial shareholder of the Trustee-Manager, a Director must not be a substantial shareholder of the Trustee-Manager and is not connected to the substantial shareholder of the Trustee-Manager as provided under the BTR.

Under the 2018 Code, a Director who has no relationship with the Manager, its related companies, its 5% shareholders/unitholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of KIT, is considered to be independent.

The Trustee-Manager is wholly-owned by Keppel Capital which is in turn wholly-owned by Keppel Corporation Limited (Keppel Corporation). Keppel Infrastructure Holdings Pte. Ltd. (KI), a wholly-owned subsidiary of Keppel Corporation remains a sponsor of KIT and is the largest unitholder of KIT. Keppel Corporation and its related and associated companies have extensive business activities in offshore and marine, infrastructure, property sectors and investments. Temasek Holdings (Private) Limited (Temasek), by virtue of their interest in Keppel Corporation, is deemed a substantial shareholder of the Trustee-Manager.

The NRC carried out the review on the independence of each non-executive Director for FY 2020 in January 2021 based on the respective Directors' self-declaration in the Directors' Independence Checklist and their actual performance on the Board and Board committees, taking into account the BTR, listing rules on the circumstances in which a director will not be deemed independent and guidance in the 2018 Code as to the circumstances in which a director should not be deemed independent.

Taking into account the views of the NRC, the Board has determined that:

(a) although Mr Koh Ban Heng is strictly not considered to be independent from Keppel Corporation, the indirect substantial shareholder of the Trustee-Manager, and business relationships with the Trustee-Manager according to the BTR, nonetheless, the Board considers that Mr Koh is an independent Director. Mr Koh was an independent non-executive director of KI, a wholly-owned subsidiary of Keppel Corporation, and stepped down from the board of KI on 30 December 2019. KI's related corporations received payments in the immediately preceding financial year from the Trustee-Manager and its related corporations for operations and maintenance and other services provided to KIT. After review, the Board is satisfied that the above relationships will not interfere with Mr Koh's independent judgment and ability to act with regard to the interests of all the Unitholders as a whole. The Board reached its conclusion on the basis that (i) Mr Koh was an independent non-executive director of KI, and (ii) Mr Koh has declared that he does not derive any compensation from KI other than remuneration received for his service as a director of KI. Mr Koh has also consistently shown independent judgment in his deliberation of the interests of KIT. The Board notes that Mr Koh has stepped down from the Board on 1 February 2021 due to health reasons.

(b) Mr Thio Shen Yi is independent from management and business relationships with the Trustee-Manager and independent from Keppel Corporation and Temasek.

(c) although Mr Daniel Cuthbert Ee Hock Huat is strictly not considered to be independent from Temasek, a deemed substantial shareholder of the Trustee-Manager according to the BTR, nonetheless, the Board considers that Mr Ee is an independent Director. Mr Ee is a director of Ascendas Funds Management (S) Limited (Ascendas), a subsidiary of Temasek. After review, the Board is satisfied that the above relationship will not interfere with Mr Ee's independent judgment and ability to act with regard to the interests of all the Unitholders as a whole. The Board reached its conclusion on the basis that (i) Mr Ee is an independent non-executive director of Ascendas, (ii) Mr Ee serves on the Board in his personal capacity, not as Temasek's representative, (iii) Mr Ee has declared he does not act in accordance with the instructions of Temasek, and (iv) Mr Ee has declared that he does not derive any compensation from Ascendas or Temasek other than remuneration received for his service as a director of Ascendas. Mr Ee has also consistently shown independent judgment in his deliberation of the interests of KIT. Mr Ee's participation in the Board will benefit KIT given his expertise. Mr Ee will however, abstain from the Board's decisions in relation to any matter which involves Temasek and its subsidiaries. The Board notes that Mr Ee had been appointed as Non-Executive Chairman of the Board on 1 February 2021.

(d) Mr Mark Andrew Yeo Kah Chong is independent from management and business relationships with the Trustee-Manager and independent from Keppel Corporation and Temasek.

(e) although Mr Kunnasagaran Chinniah is strictly not considered to be independent from Temasek, a deemed substantial shareholder of the Trustee-Manager according to the BTR, nonetheless, the Board considers that Mr Chinniah is an independent Director. Mr Chinniah is a director of certain subsidiaries of Temasek, including Azalea Asset Management Pte Ltd, Azalea Investment Management Pte Ltd, Astrea III Pte Ltd, Astrea IV Pte Ltd and Astrea V Pte Ltd. Mr Chinniah is also consultant to Pavilion Capital International Pte Ltd, a subsidiary of Temasek. After review, the Board is satisfied that the above relationships will not interfere with Mr Chinniah's independent judgment and ability to act with regard to the interests of all the Unitholders as a whole. The Board reached its conclusion on the basis that (i) Mr Chinniah is an independent non-executive director or consultant of certain subsidiaries of Temasek, (ii) Mr Chinniah serves on the Board in his personal capacity, not as Temasek's representative, (iii) Mr Chinniah has declared that he does not act in accordance with the instructions of Temasek, and (iv) Mr Chinniah has declared that he does not derive any compensation from Temasek other than remuneration received for his service as a director, advisor or consultant to certain subsidiaries of Temasek. Mr Chinniah is also an investment committee member of Keppel Asia Infra Fund (GP) Pte. Ltd. (KAIF), a wholly-owned subsidiary of Keppel Capital. After review, the Board is satisfied that the above relationship will not interfere with Mr Chinniah's independent judgment and ability to act with regard to the interests of all the Unitholders as a whole. The Board reached its conclusion on the basis that (i) Mr Chinniah's investment committee member role on KAIF is an independent non-executive role, (ii) he serves on the Board in his personal capacity, not as Keppel Capital's representative; (iii) Mr Chinniah is not an employee of Keppel Capital and does not act in accordance with the instructions of Keppel Capital, and (iv) Mr Chinniah does not derive any compensation from Keppel Capital other than remuneration received for his service as an investment committee member of KAIF.

    The Board is of the view that Mr Chinniah has consistently shown independent judgment in his deliberation of the interests of KIT. Mr Chinniah's participation in the Board will benefit KIT given his expertise. Mr Chinniah will however, abstain from the Board's decisions in relation to any matter which involves Temasek and its subsidiaries and/or Keppel Capital.

(f) Ms Christina Tan Hua Mui is not considered to be independent from Keppel Corporation. Ms Tan is the Chief Executive Officer and a director of Keppel Capital and a director of several other companies within the Keppel Group, including Alpha Investment Partners Limited, Keppel REIT Management Limited and Keppel DC REIT Management Pte. Ltd..

In relation to the appointment of Ms Chong Suk Shien as a Non-Executive Independent Director on 5 March 2021, the NRC carried out the review on Ms Chong Suk Shien's independence based on her self-declaration in the Directors' Independence Checklist, taking into account the BTR, listing rules on the circumstances in which a director will not be deemed independent and guidance in the 2018 Code as to the circumstances in which a director should not be deemed independent. Taking into account the views of the NRC, the Board has determined that Ms Chong Suk Shien is independent from management and business relationships with the Trustee-Manager and independent from Keppel Corporation and Temasek.

The Chairman and CEO are separate persons, independent Directors currently comprise more than a majority of the Board, and the various Board committees are chaired by and comprise a majority of independent Directors. If the Chairman is conflicted, the chairman of the Audit and Risk Committee will lead the Board. There is also a Conflicts Resolution Committee looking into matters of conflict. In addition, the Whistle-Blower Policy provides an independent mechanism for employees and other persons to raise any concerns, and matters under the policy are reported directly to the chairman of the Audit and Risk Committee. In light of the foregoing, the Board is of the view that it is not necessary, for the time being, to appoint a lead independent Director.

Taking into account the independence and diversity of the Board, the NRC is of the view that the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of KIT.

Annual review of Directors' time commitments
The NRC assesses annually whether a Director is able to and has been adequately carrying out his or her duties as a Director. The NRC assesses holistically whether a director is able to and has been adequately carrying out his or her duties as a Director, taking into account the results of the assessment of the effectiveness of the individual Director, the level of commitment required of the Director's listed company board representations and/or other principal commitments, and the director's actual conduct and participation on the Board and board committees, including availability and attendance at regular scheduled meetings and ad-hoc meetings. The NRC is of the view that such an assessment is sufficiently robust to detect and address, on a timely basis, any time commitment issues that may hinder the effectiveness of the directors.

Taking into account the abovementioned factors, the NRC was of the view that each director has given sufficient time and attention to the affairs of KIT and the Trustee-Manager and has been able to discharge his or her duties as director effectively.

Key information regarding Directors
The following key information regarding the Directors is set out in the following pages of this Annual Report:

Pages 12 to 13: Academic and professional qualifications, Board committees served on (as a member or Chairman), date of first appointment as a Director, directorships or chairmanships both present and past held over the preceding five years in other listed companies and other major appointments, whether appointment is executive or non-executive; and

Page 183: unitholding in KIT as at 21 January 2021.

BOARD MATTERS: BOARD PERFORMANCE

PRINCIPLE 5:

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Board has implemented formal processes for assessing the effectiveness of the Board as a whole and its Board committees, and the contribution by each individual Director to the effectiveness of the Board.

Independent Coordinator: To ensure that assessments are done promptly and fairly, the Board has appointed an independent third party (Independent Coordinator) to assist in collating and analysing the returns of the Board members. A Tax Advisor Pte Ltd, was appointed for this role. A Tax Advisor Pte Ltd does not have any business relationships or any other connections with KIT or any of the Directors which may affect its independent judgment.

The evaluation of the Board and of the individual Directors was carried out by the Independent Coordinator in the last quarter of 2020 and presented to the Board in January 2021.

Formal Process and Performance Criteria:
The evaluation processes are disclosed on page 173.

Objectives and Benefits: The Board assessment exercise provided an opportunity to obtain constructive feedback from each Director on whether the Board's procedures and processes allow him or her to discharge his or her duties effectively and the changes which should be made to enhance the effectiveness of the Board and/or Board committees. The assessment exercise also helped the Directors to focus on their key responsibilities. The individual director assessment exercise allowed for peer review with a view to raising the quality of Board members. It also assisted the NRC in evaluating the skills required by the Board, the size and the effectiveness of the Board as a whole, and in determining whether Directors with multiple listed board representations and other principal commitments were nevertheless able to and had adequately discharged their duties as Directors.

REMUNERATION REPORT

PRINCIPLE 6:

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

PRINCIPLE 7:

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

PRINCIPLE 8:

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The composition of the NRC has been set out on page 151. The NRC's responsibilities are set out at pages 170 to 171. The NRC currently comprises entirely of non-executive Directors, a majority of whom are independent Directors.

The NRC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration and for determining the remuneration packages of individual Directors and key management personnel. The NRC assists the Board to ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive, and thereby maximise Unitholder value. The NRC recommends to the Board for endorsement a framework of remuneration (which covers all aspects of remuneration including Directors' fees, salaries, allowances, bonuses, grant of units) and the specific remuneration packages for each Director and the key management personnel. The NRC also reviews the remuneration of the key management personnel of the Trustee-Manager and administers the Trustee-Manager's Unit-based incentive plans. In addition, the NRC reviews the Trustee-Manager's obligations arising in the event of termination of key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The NRC has access to expert advice from external remuneration consultants where required. The external remuneration consultants had no relationships with the Manager which would affect their independence and objectivity.

ANNUAL REMUNERATION REPORT

Although the remuneration of the Directors and employees of the Trustee-Manager is paid by the Trustee-Manager, and not by KIT, the Trustee-Manager is disclosing information on the remuneration of its Directors, CEO and key management personnel.

Policy in respect of Non-Executive Directors' remuneration

Each non-executive Director's remuneration comprises a basic fee and an additional fee for services performed on Board committees. The Chairman of the Board and of each Board committee are paid a higher fee compared with members of the Board and of each Board committee in view of the greater responsibility carried by that office. The non-executive Directors participated in additional ad-hoc meetings with Management during the year and are not paid for attending such meetings.

In 2019, the NRC, in consultation with Aon Hewitt, conducted a review of the 2019/2020 non-executive Directors' fees. The review took into account a variety of factors, including prevailing market practices and referencing Directors' fees against comparable benchmarks as well as the roles and responsibilities of the Board and Board committees. The Directors' fee includes payment of units in KIT (KIT Units) to Directors. The incorporation of an equity component in the total remuneration of the Directors is intended to achieve the objective of aligning the interests of the Directors with those of Unitholders and the long term interests of KIT.

The Directors' fee structure is as follows:

Main Board	Chairman	S$90,000 per annum
	Director	S$55,000 per annum
Audit and Risk Committee	Chairman	S$36,000 per annum
	Member	S$17,000 per annum
Nominating and Remuneration Committee	Chairman	S$17,000 per annum
	Member	S$9,000 per annum
Conflicts Resolution Committee	Chairman	S$14,500 per annum
	Member	S$7,500 per annum
Board Safety Committee[1]	Chairman	S$14,500 per annum
	Member	S$7,500 per annum

In FY 2020, each Director will receive additional attendance fee of S$2,000 per Board Meeting. This attendance fee shall apply after 7 Board Meetings have been attended, which is in consideration of the amount of time committed by the Directors. Each of the Directors (including Chairman) will receive 70% of his/her total Director's fees in cash and the balance 30% in the form of KIT Units. The Director's fees for Ms Christina Tan will be paid in cash to Keppel Capital and the director's fees for Ms Cindy Lim will be paid in cash to Keppel Corporation.

[1] The Board Safety Committee was constituted on 15 July 2019.

Remuneration policy in respect of CEO and Key Management Personnel

The Trustee-Manager advocates a performance-based remuneration system that is flexible and responsive to the market, KIT's and the individual employee's performance.

In designing the remuneration structure, the NRC seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in achieving a balance between current versus long-term remuneration and between cash versus equity incentive remuneration.

The current total remuneration structure reflects four key objectives:

(a) Unitholder Alignment: To incorporate performance measures that are aligned to Unitholders' interest
(b) Long-term Orientation: To motivate employees to drive sustainable long-term growth
(c) Simplicity: To ensure that the remuneration structure is easy to understand and communicate to stakeholders
(d) Synergy: To facilitate talent mobility and enhance collaboration across businesses

The total remuneration mix comprises three components; that is – annual fixed cash, annual performance bonus, and KIFM Unit Plans. The annual fixed cash component comprises the annual basic salary plus any other fixed allowances which the Trustee-Manager benchmarks against the relevant industry market median. The size of the Trustee-Manager's annual performance bonus pot is tied to KIT's financial and non-financial performance, and is distributed to employees based on their individual performance. The KIFM Unit Plans are in the form of two unit plans, the KIFM Restricted Unit Plan (RUP) and KIFM Performance Unit Plan (PUP). A portion of the annual performance bonus is granted in the form of deferred units that are awarded under the KIFM RUP. The KIFM PUP comprises performance targets determined on an annual basis which vests over a longer term horizon. The KIFM RUP and KIFM PUP are long-term incentive plans. Executives who have a greater ability to influence group outcomes have a greater proportion of their overall remuneration at risk.

The NRC exercises broad discretion and independent judgment in ensuring that the amount and mix of compensation are aligned with the interests of Unitholders and promote the long-term success of KIT. The mix of fixed and variable rewards is considered appropriate for the Trustee-Manager and for each individual role.

The remuneration structure is directly linked to corporate and individual performance, both in terms of financial and non-financial performance. This link is achieved in the following ways:

1. by placing a significant portion of executive's remuneration at risk (at-risk component) and in some cases, subject to a vesting schedule;
2. by incorporating appropriate key performance indicators (KPIs) for awarding annual cash incentives:

    (a) there are four scorecard areas that the Trustee-Manager has identified as key to measuring its performance:

        (i) Financial;
        (ii) Process;
        (iii) Customers & Stakeholders; and
        (iv) People.

    Some of the key-sub-targets within each of the scorecard areas include key financial indicators, safety goals, risk management, compliance and controls measures, corporate social responsibility activities, employee engagement, talent development and succession planning;

    (b) the four scorecard areas have been chosen because they support how the Trustee-Manager achieves its strategic objectives. The framework provides a link for staff in understanding how they contribute to each area of the scorecard, and therefore to the Trustee-Manager's overall strategic goals;

3. by selecting performance conditions for the KIFM PUP such as cashflow available for distribution, asset under management growth, and total unitholder returns for equity awards that are aligned with Unitholders' interests;
4. by requiring those KPIs or conditions to be met in order for the at-risk component of remuneration to be awarded or to vest; and
5. forfeiture of the at-risk component of remuneration when those KPIs or conditions are not met at a satisfactory level.

The NRC also recognises the need for a reasonable alignment between risk and remuneration to discourage excessive risk taking. Therefore in determining the remuneration structure, the NRC had taken into account the risk policies and risk tolerance of the Trustee-Manager as well as the time horizon of risks, and incorporated risk-adjustments into the remuneration structure through several initiatives, including but not limited to:

(a) prudent funding of annual performance bonus;
(b) granting a portion of the annual performance bonus in the form of deferred units, to be awarded under the KIFM RUP;
(c) vesting of contingent unit award under the KIFM PUP being subject to KPIs and/or performance conditions being met; and
(d) potential forfeiture of variable incentives in any year due to misconduct.

In determining the actual quantum of the variable component of remuneration, the NRC had taken into account the extent to which the performance conditions, set forth above, have been met. The NRC is of the view that remuneration is aligned to performance during FY 2020.

In order to align the interests of the CEO and key management personnel with that of the Unitholders, the CEO and key management personnel are remunerated partially in the form of Units owned by the Trustee-Manager and are encouraged to hold such Units while they remain in the employment of the Trustee-Manager.

The Directors, the CEO and the key management personnel (who are not Directors or the CEO) are remunerated on an earned basis and there are no termination, retirement and post-employment benefits that are granted over and above what have been disclosed.

In order not to hamper the Trustee-Manager's efforts to retain and nurture its talent pool and given the highly competitive conditions in the industry where poaching of senior management is commonplace, the Trustee-Manager is disclosing the remuneration of the CEO and key management personnel (who are not Directors or the CEO) in bands of S$250,000, and is not disclosing the aggregate total remuneration paid to the top five key management personnel. The Trustee-Manager is of the view that such disclosure or non-disclosure (as the case may be) will not be prejudicial to the interests of the Unitholders as sufficient information is provided on the Trustee-Manager's remuneration framework to enable Unitholders to understand the link between the remuneration paid to the CEO and its key management personnel, and performance as set out on pages 156 to 159.

Long-Term Incentive Plans – KIFM Unit Plans
The KIFM RUP and the KIFM PUP (the KIFM Unit Plans) are long-term incentive schemes implemented by the Trustee-Manager in 2015. No employee share option schemes or share schemes have been implemented by KIT.

The KIFM Unit Plans are put in place to increase the Trustee-Manager's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve superior performance and to motivate them to continue to strive for long-term Unitholder value. The KIFM Unit Plans also aim to strengthen the Trustee-Manager's competitiveness in attracting and retaining talented key management personnel and employees. The KIFM RUP applies to a broader base of employees while the KIFM PUP applies to a selected group of key management personnel. The range of performance targets to be set under the KIFM PUP emphasise stretched targets aimed at sustaining longer-term growth.

The NRC has the discretion not to award variable incentives in any year if an executive is directly involved in a material restatement of financial statements, in misconduct resulting in restatement of financial statements or financial losses to KIT or the Trustee-Manager. Outstanding performance bonuses under the KIFM Unit Plans are also subject to the NRC's discretion before further payment or vesting can occur.

Level and mix of remuneration of Directors, CEO and Key Management Personnel for FY 2020

The level and mix of each of the Directors' remuneration are set out below:

Remuneration & Names of Directors	Base/Fixed Salary (S$)	Variable or Performance-related Income/ Bonuses (S$)	Directors' Fees[1] [2] (S$)	Benefits-in-Kind (S$)
Koh Ban Heng[3]	-	-	120,720	-
Thio Shen Yi	-	-	79,140	-
Daniel Cuthbert Ee Hock Huat[4]	-	-	91,580	-
Mark Andrew Yeo Kah Chong	-	-	104,620	-
Kunnasagaran Chinniah	-	-	93,047	-
Christina Tan Hua Mui[5]	-	-	78,000	-
Cindy Lim Joo Ling[6]	-	-	350	-

Notes
1 Each of the Directors will receive 70% of his/her total Director's fee in cash and the balance 30% in the form of KIT Units.
2 The directors' fees exclude the 8% contribution to Keppel's COVID-19 package announced in March 2020 to help the Singapore community weather COVID-19. For Ms Christina Tan Hua Mui, as she holds another directorship within Keppel Group, there is no 8% contribution from her director's fee.
3 Mr Koh Ban Heng stepped down from the Board on 1 February 2021.
4 Mr Daniel Cuthbert Ee Hock Huat was appointed as Non-Executive Chairman of the Board on 1 February 2021.
5 Ms Christina Tan Hua Mui's Director's fee will be paid 100% in cash to Keppel Capital.
6 Ms Cindy Lim Joo Ling's Director's fee will be paid 100% in cash to Keppel Corporation.

The level and mix of the remuneration of the CEO and each of the other key management personnel, in bands of S$250,000, are set out below:

Remuneration Band and Names of CEO and Key Management Personnel [1]	Base/Fixed Salary	Variable or Performance-related Income/ Bonuses[2]	Benefits-in-kind	Contingent award of units/shares		
				PUP[3]	RUP[3]	PSP-TIP[4]
Above S$1,000,000 to S$1,250,000						
Matthew Rupert Pollard	45%[5]	18%	n.m[6]	15%	17%	5%[7]
Above S$250,000 to S$500,000						
Apurv Choudhary	76%[5]	15%	n.m[6]	-	9%	-
Liu Lei, Marc	64%	28%	n.m[6]	-	8%	-
Ng Tiang Poh, Eric	69%	24%	n.m[6]	-	7%	-

Notes

(1) The Trustee-Manager has less than five key management personnel other than the CEO.

(2) The NRC is satisfied that the quantum of performance-related bonuses earned by the CEO and key management personnel of the Trustee-Manager was fair and appropriate taking into account the extent to which their KPIs for FY 2020 were met.

(3) Units awarded under the KIFM PUP are subject to pre-determined performance targets set over a three-year performance period. As at 30 April 2020 (being the grant date), the estimated value of each unit granted in respect of the contingent awards under the KIFM PUP was S$0.34. As at 15 February 2021 (being the grant date for the contingent deferred units under the KIFM RUP), the estimated value of each unit granted in respect of the contingent awards under the KIFM RUP was S$0.50. For the KIFM PUP, the figures were based on the value of the PUP units at 100% of the award and the figures may not be indicative of the actual value at vesting which can range from 0% to 150% of the award.

(4) The PSP-TIP is a transformation incentive plan under the Keppel Corporation Limited ("KCL") Performance Share Plan ("PSP") scheme with a six-year performance period and is subject to pre-determined stretched performance targets set by KCL Board for 2021. The plan seeks to motivate and reward the executives towards a successful transformation of Keppel Group's business. Executives will only benefit from the plan if Keppel Group meets the pre-determined stretched financial and non-financial targets, and if the executives meet or exceed their individual performance targets. As at 28 February 2020 (being the grant date), the estimated value of each KCL share granted in respect of the contingent award under the PSP-TIP was S$0.96. The figures are based on the value of the KCL shares at 100% of the award and the figures may not be indicative of the actual value at vesting, which can range from 0% to 150% of the award.

(5) The base/fixed salary consists of half a month of base salary contributed to Keppel's COVID-19 package announced in March 2020 to help the Singapore community weather COVID-19

(6) "n.m." means not material.

(7) After taking into consideration that (1) Mr Matthew Rupert Pollard remains remunerated through the remuneration policy of the Manager where the performance-related bonuses and long term incentive awards under the PUP and RUP are based on the results achieved by KIT and Mr Matthew Rupert Pollard's performance is assessed by the NRC; (2) the potential advantages to KIT of a successful transformation of Keppel Group's business entailing broader collaboration within the Keppel Group of companies with the aim of producing benefits such as (i) enhancing talent pipeline, providing broader exposure and capabilities development for employees; (ii) achieving economies of scale through collective bargaining; and (iii) the building of an innovative culture through sharing of ideas and networks; and (3) the immateriality of the KCL PSP-TIP vis-à-vis the other pay components that form the total remuneration of Mr Matthew Rupert Pollard, the NRC was satisfied that any potential conflict of interest in relation to Mr Matthew Rupert Pollard having been granted an award under the KCL PSP-TIP is mitigated.

Remuneration of employees who are substantial shareholders/Unitholders or immediate family members of a Director, CEO or a substantial shareholder/Unitholder

No employee of the Trustee-Manager was a substantial shareholder of the Trustee-Manager or a substantial unitholder of Keppel Infrastructure Trust or an immediate family member of a Director, the CEO, a substantial shareholder of the Trustee-Manager or a substantial unitholder of Keppel Infrastructure Trust and whose remuneration exceeded S$100,000 during FY 2020. "Immediate family member" means the spouse, child, adopted child, step-child, brother, sister and parent.

AUDIT COMMITTEE

PRINCIPLE 10:

The Board has an Audit Committee which discharges its duties objectively.

The Board is responsible to Unitholders for providing a balanced and understandable assessment of KIT's performance, position and prospects, including interim and other price-sensitive public reports, and reports to regulators, if required.

The Board has embraced openness and transparency in the conduct of KIT's affairs, whilst preserving the commercial interests of KIT. Financial reports and other price-sensitive information are disseminated to Unitholders through announcements via SGXNet, press releases, KIT's website as well as media and analyst briefings.

KIT's Annual Report is accessible on KIT's website. In line with KIT's drive towards sustainable development, KIT encourages Unitholders to read the Annual Report on KIT's website. Unitholders may however request for a physical copy at no cost.

Management provides all members of the Board with management accounts which present a balanced and understandable assessment of KIT's performance, position and prospects on a periodic basis and as the Board may require from time to time. Such reports keep the Board members informed of KIT's performance, position and prospects.

Audit and Risk Committee

The Audit and Risk Committee (ARC) has been appointed by the Board from among its members and in FY 2020, comprises the following non-executive Directors, all of whom are independent:

Mr Mark Andrew Yeo Kah Chong	Chairman
Mr Koh Ban Heng	Member
Mr Daniel Cuthbert Ee Hock Huat	Member

Following Mr Koh Ban Heng's stepping down from the Board on 1 February 2021, Mr Koh Ban Heng ceased to be a member of the Audit and Risk Committee on the same date. Mr Kunnasagaran Chinniah was appointed as a member of the Audit and Risk Committee on 5 March 2021. All members of the ARC have accounting or related financial management expertise or experience. Thus, the Board is of the view that all members of the ARC are suitably qualified to assist the Board in areas of internal controls, financial and accounting matters, compliance and risk management, including oversight over management in the design, implementation and monitoring of risk management and internal control systems.

None of the ARC members were former partners or directors of the external auditor of KIT, Deloitte & Touche LLP, within the last 2 years or hold any financial interest in Deloitte & Touche LLP.

The ARC's primary role is to assist the Board to ensure integrity of financial reporting and that a sound internal control and risk management system is in place. The ARC's responsibilities are set out on pages 169 to 170 of the Appendix hereto.

The ARC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources (including access to external consultants) to enable it to discharge its functions properly. For FY 2020, the internal audit functions of KIT and the Trustee-Manager were performed by Keppel Corporation's Group Internal Audit department (Internal Audit). Internal Audit, together with the external auditor, reported their findings and recommendations independently to the ARC. KIT had obtained Unitholders' approval on 3 June 2020 to re-appoint Deloitte & Touche LLP as the external auditor of KIT to hold office until the conclusion of the next AGM of KIT.

A total of four ARC meetings were held in 2020. In addition, the ARC met with the external auditor and internal auditor at least once during the year without the presence of Management. The ARC reviewed and approved the internal auditor's and external auditor's plans to ensure that the scope of audit was sufficient for the purposes of reviewing the significant internal controls and the financial statement audits of KIT and the Trustee-Manager. Such significant controls comprise financial, operational, compliance and information technology controls, and risk management. All audit findings and recommendations put up by the internal auditor and external auditor were forwarded to the ARC. Significant issues were discussed at these meetings.

In addition, the ARC undertook a review of the independence and objectivity of the external auditor through discussions with the external auditor as well as reviewing the non-audit fees paid or payable to them, and has confirmed that the non-audit services performed by the external auditor would not affect their independence.

For FY 2020, aggregate fees of approximately S$1,308,000, comprising audit fees of approximately S$1,011,000 and non-audit fees of S$297,000 were paid or payable to the external auditor.

KIT has complied with Rule 712, and Rule 715 read with Rule 716 of the Listing Manual in relation to the appointment of its auditing firms.

The ARC also performed independent review of the financial statements of KIT before the announcement of KIT's 1st quarter FY 2020 results, half year results and full year results. In the process, the ARC reviewed the key areas of management judgment applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have had a material impact on the financial statements.

In its review of the financial statements of KIT for FY 2020, the ARC reviewed the key areas of Management's estimates and judgment applied for key financial issues, including (i) valuation and assessment of impairment of assets; and (ii) application of judgement and use of assumptions by Management for arriving at the provision of cost claims by State of Tasmania and Hydro Tasmania (Provision of Cost Claim) pursuant to the Basslink Pty Ltd's (Basslink) arbitration awards issued, that might affect the integrity of the financial statements. The ARC also considered the report from the external auditor, including their findings on the key audit matters as set out in the independent auditor's report for FY 2020.

Key Audit Matters	Review by ARC
Impairment of Assets – property, plant and equipment, finite-life intangible assets, investments in and advances to subsidiaries and goodwill	The ARC considered the methodology applied in determining the valuation and value-in-use of different asset classes, including the reasonableness of the estimates and key assumptions used. The ARC concurs with Management's assessment.
Provision of Cost Claim	The ARC reviewed the application of judgement and use of assumptions by the Management to estimate the provision amount for the cost claims. In arriving at the provision amount, the Management considered the quantum of the other parties' cost claimed, Basslink's own legal expenses and the grounds of decision rendered by the arbitrator on the disputes. . The ARC concurs with Management's assessment and estimation of the provision amount, as well as the appropriateness of the disclosures made in the financial statements.

Changes to accounting standards and issues which have a direct impact on the financial statements were reported to the ARC by the Trustee-Manager and highlighted by the external auditor in their report to the ARC. In addition, the ARC members were also invited to the annual finance seminars hosted by Keppel Corporation's Group Control & Accounts where relevant changes to the accounting standards that will impact the Keppel Group of companies were shared by, and discussed with accounting practitioners from one of the leading accounting firms.

The ARC reviewed the "Whistle-Blower Policy" which provides the mechanisms by which employees and other persons may, in confidence, raise concerns about possible improprieties in financial reporting or other matters, and was satisfied that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action.

To facilitate the management of incidences of alleged fraud or other misconduct, the ARC follows a set of guidelines to ensure proper conduct of investigations and appropriate closure actions following completion of the investigations, including administrative, disciplinary, civil and/or criminal actions, and remediation of control weaknesses that perpetrated the fraud or misconduct so as to prevent a recurrence.

In addition, the ARC reviews the Whistle-Blower Policy annually to ensure that it remains current. The details of the Whistle-Blower Policy are set out on pages 173 to 174.

On a quarterly basis, Management reported to the ARC the interested person transactions (IPTs) in accordance with KIT's Unitholders' Mandate (as defined below) for IPTs. The IPTs were reviewed by the internal auditor and all findings, if any, were reported during the ARC meetings.

RISK MANAGEMENT AND INTERNAL CONTROLS

PRINCIPLE 9:

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board, supported by the ARC, oversees the Trustee-Manager's and KIT's system of risk management and internal controls. It is guided by a set of Risk Tolerance Guiding Principles as detailed under the "Risk Management" section at pages 181 to 182 of this Annual Report.

The ARC assists the Board in the effective discharge of its responsibilities in ensuring that the Trustee-Manager and KIT maintain a sound system of risk management and internal controls to safeguard KIT's assets and Unitholders' interests. The ARC reviews and guides the Trustee-Manager in the formulation of risk policies and processes to effectively identify, evaluate and manage significant risks, and ensures that the Trustee-Manager has put in place internal control policies and procedures in areas such as financial, operational, compliance and information technology controls, and risk management.

Recognising and managing risk timely and effectively are essential to the business of KIT and to protecting Unitholders' interests and value. KIT operates within overall guidelines and specific parameters set by the Board. Responsibility for managing risk lies with the Trustee-Manager, working within the overall strategy outlined by the Board. The Trustee-Manager has appointed experienced and well-qualified Operation and Maintenance (O&M) teams and contractors to handle KIT's assets' day-to-day operations.

The Trustee-Manager's internal auditor and external auditor also conduct an annual review of the adequacy and effectiveness of KIT's and the Trustee-Manager's material internal controls, including financial, operational, compliance and information technology controls, and risk management. Any material non-compliance or failures in internal controls and significant risk matters, and recommendations for improvements are reported to the ARC. The ARC also reviews the effectiveness of the actions taken by the Management on the recommendations made by the internal auditor and external auditor.

The Board met four times in FY 2020 to review the financial performance of KIT during FY 2020. During FY 2020, the Board also discussed the key business risks in KIT and the risk management policies and procedures that Management had put in place.

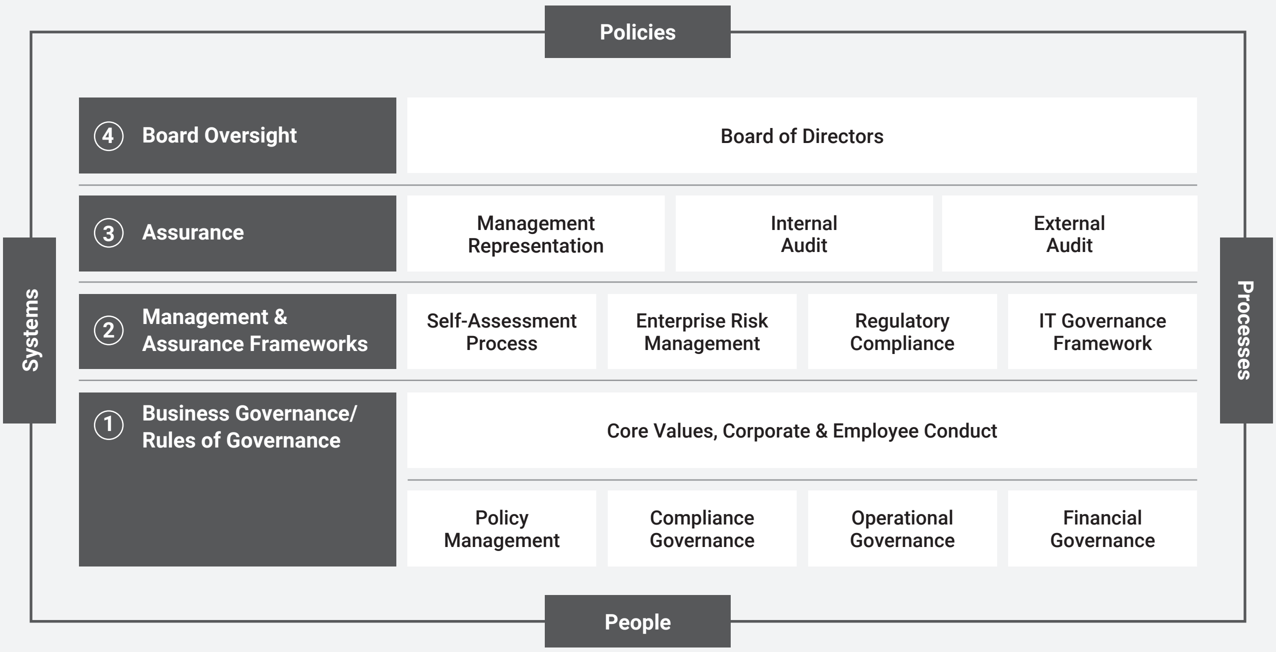
In assessing business risks, the Board takes into consideration the economic environment, the risks relevant to the infrastructure industry, the risks particular to KIT and the procedures put in place by the O&M teams and contractors. The Trustee-Manager has implemented a systematic risk assessment process to identify business risks and mitigating actions. The Trustee-Manager's approach to risk management and internal control and the management of key business risks is set out in the "Risk Management" section at pages 181 to 182 of this Annual Report.

The Trustee-Manager uses an assessment framework to facilitate the Board's assessment on the adequacy and effectiveness of the Trustee-Manager's and KIT's risk management systems (the Assessment Framework). The Assessment Framework identifies the governing policies, processes and systems (collectively, systems) pertaining to each of the identified business risk areas; assessments are made on the adequacy and effectiveness of each of these systems in addressing and managing the identified risk areas. The Board reviews both the assessments and the framework and opines on any gaps or areas of improvement.

The Risk Tolerance Guiding Principles and the Assessment Framework are reviewed and updated annually.

In addition, the Trustee-Manager and KIT have also put in place the KIT's System of Management Controls Framework (the KSMC Framework) outlining its internal control and risk management processes and procedures. The KSMC Framework comprises of a three lines model to ensure the adequacy and effectiveness of the Trustee-Manager's and KIT's system of internal controls and risk management.

KIT's System of Management Controls



Under the first Line, the Trustee-Manager is required to ensure good corporate governance through the implementation and management of policies and procedures relevant to the Trustee-Manager's and KIT's business scope and environment. Such policies and procedures govern financial, the Trustee-Manager's operational (including information technology) regulatory compliance matters and are reviewed and updated periodically. Compliance governance is governed by the regulatory compliance management committee and working team.

Employees are also guided by the KIT Group's Core Values and expected to comply strictly with KIT's Enhanced Code of Conduct.

Under the second Line, the Trustee-Manager is required to conduct a self-assessment exercise on an annual basis ("CSA") to assess the status of the risk management processes and internal controls. Where required, action plans would then be drawn up to remedy identified control gaps. The CSA programme was enhanced in FY2020 through the refresh of group baseline controls, optimisation of controls automation, continuous monitoring and digitalisation of CSA. Under KIT's Enterprise Risk Management Framework, significant risks areas were also identified and assessed, with systems, policies and processes put in place to manage and mitigate the identified risks. Regulatory compliance supports and works alongside business management to ensure relevant policies, processes and controls are effectively designed, managed and implemented to ensure compliance risks and controls are effectively managed. The IT Governance Framework aims to strengthen IT controls and manage IT risks by providing the necessary security and resiliency towards effective business continuity. The framework was further strengthened in January 2021 through the formalisation of a Keppel Cybersecurity governance structure and the establishment of a Keppel Cybersecurity Service Centre.

Under the third Line, the CEO and Head, Finance are required to provide KIT with written assurance as to the adequacy and effectiveness of the Trustee-Manager's and KIT's system of internal controls and risk management. The internal auditor and external auditor provide added assurance based on their independent assessments of the overall control environment.

The Board has received assurance from the CEO and Head, Finance that, amongst others:

(a) the financial records of KIT have been properly maintained and the financial statements give a true and fair view of the operations and finances of the Trustee-Manager and KIT;

(b) the internal controls of the Trustee-Manager and KIT are adequate and effective to address the financial, operational, compliance and information technology risks which the Trustee-Manager considers relevant and material to its current business scope and environment and that they are not aware of any material weakness in the system of internal controls; and

(c) they are of the view that the Trustee-Manager's and KIT's risk management system is adequate and effective.

Based on the review of the Trustee-Manager's and KIT's governing framework, systems, policies and processes in addressing the key risks under KIT's Enterprise Risk Management Framework, the monitoring and review of KIT's overall performance and representation from Management, the Board, with the concurrence of the ARC, is of the view that, as at 31 December 2020, the Trustee-Manager's and KIT's risk management system is adequate and effective.

Based on the Trustee-Manager's and KIT's framework of management control, the internal control policies and procedures established and maintained by the Trustee-Manager, and the regular audits, monitoring and reviews performed by the internal auditor and external auditor, the Board, with the concurrence of the ARC, is of the opinion that, as at 31 December 2020, the Trustee-Manager's and KIT's internal controls are adequate and effective to address the financial, operational, compliance and information technology risks which the Trustee-Manager considers relevant and material to its current business scope and environment.

The system of internal controls and risk management established by the Trustee-Manager provides reasonable, but not absolute, assurance that the Trustee-Manager and KIT will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

INTERNAL AUDIT

The internal audit function of the Trustee-Manager and KIT is performed by Internal Audit. The role of the internal auditor is to provide independent assurance to the ARC that the Trustee-Manager and KIT maintain a sound system of internal controls by performing risk based reviews of key controls and procedures and their effectiveness, undertaking investigations as directed by the ARC, and conducting regular in-depth audits of high risk areas.

Staffed by suitably qualified executives, Internal Audit has unrestricted access to the ARC and to all of the Trustee- Manager's and KIT's documents, records, properties and personnel. The Head of Internal Audit's primary line of reporting is to the Chairman of the ARC.

As a member of the Institute of Internal Auditors (IIA), Internal Audit is guided by the International Standards for the Professional Practices of Internal Auditing set by the IIA. External quality assessment reviews are carried out at least once every 5 years by qualified professionals, with the last assessment conducted in 2016. The results reaffirmed that the internal audit activity conforms to the International Standards for the Professional Practice of Internal Auditing.

The professional competence of Internal Audit is maintained through its continuing professional development programme for its staff which includes sending auditors to attend professional courses conducted by external accredited organisations to enhance their knowledge on auditing techniques, as well as auditing and accounting pronouncements.

During the year, Internal Audit adopted a risk-based approach to audit planning and execution that focuses on significant risks, including financial, operational, compliance and information technology risks. An annual audit plan is developed using a structured risk and control assessment framework. Internal Audit's reports are submitted to the ARC for deliberation with copies of these reports extended to the relevant senior management personnel. A summary of findings and recommendations are discussed at the ARC meetings. To ensure timely and proper closure of audit findings, the status of implementation of the actions agreed by Management is tracked and discussed with the ARC.

The ARC reviewed and is satisfied that Internal Audit is independent, adequately resourced and effective in performing its functions and has appropriate standing within KIT and the Trustee-Manager.

Board Safety Committee
The Board has formed a Board Safety Committee (BSC) to oversee KIT's efforts in Health, Safety, Security and Environment, and in FY 2020, comprised of two independent Directors:

Mr Kunnasagaran Chinniah	Chairman
Mr Mark Andrew Yeo Kah Chong	Member

On 5 March 2021, Mr Mark Andrew Yeo Kah Chong ceased to be a member of the Board Safety Committee and Mr Thio Shen Yi and Ms Chong Suk Shien were both appointed as members of the Board Safety Committee. The detailed responsibilities of the BSC are disclosed at page 172.

UNITHOLDER RIGHTS, CONDUCT OF UNITHOLDER MEETINGS AND ENGAGEMENT WITH UNITHOLDERS AND STAKEHOLDERS

PRINCIPLE 11:

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

PRINCIPLE 12:

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

PRINCIPLE 13:

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

In addition to the matters mentioned above in relation to "Access to Information/Accountability", the Trustee-Manager regularly communicates with Unitholders, as well as receives and attends to their queries.

All Unitholders are treated fairly and equitably, and the Trustee-Manager strives to provide timely corporate updates to its Unitholders and stakeholders, including changes in KIT and/or its businesses, which may have material impact to the price or value of its Units.

The Trustee-Manager has in place an Investor Relations (IR) Policy which sets out the principles and practices that it applies when providing Unitholders and prospective investors with information necessary to make well-informed investment decisions and to ensure a level playing field. The IR Policy is published on KIT's website at www.kepinfratrust.com, and is reviewed regularly to ensure relevance and effectiveness.

Material information is disclosed in a comprehensive, accurate and timely manner through the SGX via SGXNet and/or media releases, as well as via KIT's website. The Trustee-Manager ensures that unpublished price-sensitive and trade-sensitive information is not selectively disclosed, and on the rare occasion when such information is inadvertently disclosed, it is immediately released to the public through the SGX via SGXNet and/or media releases, as well as via KIT's website.

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 as set out in KIT's trust deed. This is unlike companies, which are governed by the Companies Act, and can only make dividend payments out of accounting profits.

Unitholders are kept abreast of the latest announcements and updates on KIT via its corporate website. The Trustee-Manager also keeps the investment community apprised of corporate developments through regular meetings and conference calls. In addition, the Trustee-Manager engages with investors regularly to update them on the performance and prospects of KIT, thereby building trust, rapport and ensuring effective two-way communication with the investment community. In 2020, the Trustee-Manager engaged more than 280 global investors and analysts through virtual platforms including webinars, online conferences and meetings, as well as conference calls. The Trustee-Manager also continued its engagement with the retail investment community through online dialogue sessions and virtual events.

The Trustee-Manager also participated widely in local and global conferences to engage with investors and understand their views. More details on the Trustee Manager's investor relations activities are found on pages 30 to 31 of this Annual Report.

The Trustee-Manager ensures that Unitholders have the opportunity to participate effectively and vote at Unitholders' meetings. Unitholders are informed of such meetings through annual reports or circulars sent to all Unitholders and/or notices published in the newspapers, KIT's website and through the SGX via SGXNet. Unitholders are invited to such meetings to put forth any questions they may have on the motions to be debated and decided upon. Unitholders are also informed of the rules, including voting procedures, governing such meetings.

In accordance with the BTA and the KIT trust deed, if any Unitholder is unable to attend, he or she is allowed to appoint up to two proxies to vote on his or her behalf at the meeting through proxy forms sent in advance.

In compliance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and the Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation issued on the conduct of general meetings, KIT's AGM was held virtually on 3 June 2020. To facilitate Unitholders participation, Unitholders were encouraged to submit their questions and proxy votes ahead of the AGM and register to view the live webcast of the AGM proceedings. All resolutions were polled in advance and an independent scrutineer was appointed to verify the votes, validate the voting procedures and oversee the process. Responses to relevant and substantial questions from Unitholders were subsequently published on SGX and made available on KIT's website at www.kepinfratrust.com.

Where possible, all the Directors will attend Unitholders' meetings. In particular, the chairmen of the Board and the Board committees are required to be present to address questions at general meetings. The external auditor is also present at such meetings to assist the Directors to address Unitholders' queries, if necessary. The number of Unitholders' meetings held in FY 2020, as well as the attendance of each Board member, are disclosed in the following table:

Director	Unitholders' Meetings Attended
Koh Ban Heng	1
Thio Shen Yi	1
Daniel Cuthbert Ee Hock Huat	1
Mark Andrew Yeo Kah Chong	1
Kunnasagaran Chinniah	1
Christina Tan Hua Mui	1
No. of Meetings held in FY 2020	**1**

The Trustee-Manager will not be implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved.

The Company Secretaries prepare minutes of Unitholders' meetings, which incorporate substantial comments or queries from Unitholders and responses from the Board and Management. These minutes are uploaded on SGX via SGXNET and published on KIT's website.

SECURITIES TRANSACTIONS

Insider Trading Policy
The Trustee-Manager has a formal insider trading policy on dealings in the securities of KIT, which sets out the implications of insider trading and guidance on such dealings, including the prohibition on dealing with KIT's securities on short-term considerations. The policy has been distributed by the Trustee-Manager to its Directors and officers. In FY 2020, the Trustee-Manager issued circulars to its Directors and officers informing that the Trustee-Manager and its officers must not deal in listed securities of KIT one month before the release of the full-year results and two weeks before the release of quarterly business and operational updates and half-year results, and if they are in possession of unpublished price-sensitive information.

CONFLICTS OF INTERESTS

General
The Board has formed a Conflicts Resolution Committee (CRC), and in FY 2020, it consisted entirely of independent Directors:

Mr Daniel Cuthbert Ee Hock Huat	Chairman
Mr Thio Shen Yi	Member
Mr Kunnasagaran Chinniah	Member

On 5 March 2021, Mr Kunnasagaran Chinniah ceased to be member of the CRC.

The CRC's primary role is to review conflicts or potential conflicts of interest that may arise from time to time in the course of KIT's business or operations between (i) KIT and (ii) any Director or officer of the Trustee-Manager, any controlling Unitholder (as defined in the Listing Manual), or any controlling shareholder of the Trustee-Manager (as defined in the Listing Manual). The CRC's responsibilities are set out on pages 171 to 172.

The CRC has adopted the following framework to resolve such conflicts or potential conflicts of interest:

(a) first, to identify the conflict or potential conflict and then assess and evaluate its nature and extent; and

(b) then, to develop and implement one or more appropriate measures with the aim of controlling, avoiding or mitigating such conflict or potential conflict.

The CRC will apply this framework both in the course of day-to-day conduct of business, as well as in the specific instances when a particular acquisition or disposal is contemplated. In the course of day-to-day conduct of business, all Directors, officers and employees of the Trustee-Manager are obliged to keep strictly confidential all matters received by them in the course of their service to the Trustee-Manager (including without limitation information relating to potential acquisition or disposal opportunities) and not disclose any such matter to any other person.

As an example, when the Trustee-Manager identifies an acquisition or disposal target and seeks the approval of the Board to pursue the transaction:

(a) Each Director and officer of the Trustee-Manager will be obliged to disclose to the CRC whether he or she, as far as he or she is aware, his or her affiliates (including family members, companies of which he or she is a significant shareholder, director or employee) have an interest in pursuing the same target (Potential Conflict of Interest);

(b) If any Director or officer of the Trustee-Manager discloses to the CRC that he or she or his or her affiliates have a Potential Conflict of Interest, the CRC will consider the nature and extent of the Potential Conflict of Interest and develop such measures as may be appropriate to address these issues (including, where material, disclosure of such measures to Unitholders at the appropriate time);

(c) As part of such measures, the CRC may require the relevant Director or officer of the Trustee-Manager to either abstain from participating in the deliberations of the Board on the transaction, or abstain from voting in the transaction, or both;

(d) The CRC will monitor the implementation by the Trustee-Manager of the measures imposed by the CRC in order to resolve or mitigate the Potential Conflict of Interest; and

(e) The obligation on the Director and officer of the Trustee-Manager to make disclosures to the CRC, and on the CRC to review, a Potential Conflict of Interest in relation to any particular transaction is an ongoing obligation and lasts for so long as that transaction is still on-going. This obligation is not imposed only at the start of the transaction. Thus, if in the course of considering the transaction, a Director or officer of the Trustee-Manager should learn of a Potential Conflict of Interest, then that Director or officer of the Trustee- Manager is required as soon as practicable to make the necessary disclosure to the CRC so that the CRC may consider such matters and take the necessary actions.

The CRC will periodically review the framework to ascertain how it has worked out in practice and, where appropriate, will consider and implement further measures to fine-tune the framework so as to make it better suited to the potential conflict issues that the Trustee-Manager may face, including procedures to ensure that no controlling Unitholder or controlling shareholder of the Trustee-Manager would be able to influence the evaluation of potential acquisitions, disposals or other transactions in a manner contrary to the interests of Unitholders as a whole.

The CRC will have the power to appoint an independent adviser to advise on and recommend procedures to resolve or mitigate such conflict or potential conflict of interests, so as to enable the CRC to discharge its duties to the Unitholders. The independent adviser may also be called on to provide an opinion as to whether the procedures recommended by the CRC to resolve or mitigate conflicts or potential conflicts are carried out in an appropriate and effective manner.

The CRC and the framework will be in place for so long as (i) the Trustee-Manager remains as the Trustee-Manager of KIT; (ii) Keppel Capital, its related corporations and/or any of its associates remain as controlling shareholders (as defined in the Listing Manual) of the Trustee-Manager or in fact exercise control (as defined in the Listing Manual) over the Trustee-Manager; and (iii) KI remains as a controlling Unitholder of KIT.

The CRC also adopted additional guidelines as set out at page 172.

Specific potential conflict of interest
There may be potential conflict of interests between KIT, Keppel Capital, Keppel Capital group entities (ie. a subsidiary entity, trust or undertaking of Keppel Capital, excluding for the avoidance of doubt each of the Trustee-Manager and its subsidiary entities, trusts and undertakings), KI and other KI group entities (ie. a subsidiary entity, trust or undertaking of KI).

Although the Trustee-Manager is a wholly-owned subsidiary of Keppel Capital, its Board composition includes five independent Directors which make up more than the majority of the Board. All the Directors and officers of the Trustee-Manager have a duty to disclose their interests in respect of any transaction in which they have any personal material interest or any actual or potential conflicts of interest (including a conflict that arises from their directorship or employment or personal investment in any corporation). Upon such disclosure, such Directors will not participate in any proceeding of the Board unless expressly invited to by the Board and shall abstain from voting in respect of any such transaction where the conflict arises, unless the ARC (in the case of interested person transactions) or the CRC (in the case of a conflict of interests) has determined that there is no such interest or conflict of interest.

In respect of matters of KIT which Keppel Corporation, Keppel Capital, KI and/or their subsidiaries have an interest, direct or indirect, Ms Christina Tan shall abstain from voting in view of her directorship or employment (where applicable) with Keppel Corporation, Keppel Capital and/or their subsidiaries. In respect of matters of KIT which Keppel Capital have an interest, direct or indirect, Mr Kunnasagaran Chinniah shall abstain from voting in view of his role as an investment committee member of Keppel Asia Infra Fund (GP) Pte. Ltd., a wholly-owned subsidiary of Keppel Capital. In respect of matters of KIT which Temasek and/or its subsidiaries have an interest, direct or indirect, Mr Daniel Ee shall abstain from voting in view of his directorship on a subsidiary of Temasek and Mr Kunnasagaran Chinniah shall also abstain from voting in view of his directorship with and in his capacity as advisor or consultant to certain subsidiaries of Temasek. In such matters, the quorum will comprise a majority of the rest of the independent Directors of the Trustee-Manager. Such matters will fall also within the purview of the ARC.

KI and its associates cannot vote their Units at, or be part of a quorum for, any meeting of Unitholders convened to approve any matter in which KI or any of its associates has a material interest in the business to be conducted.

In addition, if the Trustee-Manager is required to decide whether to take action against any person in relation to a breach of any agreement entered into by the Trustee-Manager for and on behalf of KIT with an interested party of the Trustee-Manager, the Trustee-Manager shall consult with a reputable law firm for legal advice on the matter. For example, if there is a breach of an O&M agreement, the Trustee-Manager will be required to consult a reputable law firm for legal advice on the matter.

Disclosure of conflicts or potential conflicts of interest
During the year, the CRC reviewed conflicts or potential conflicts of interest in the course of KIT's business or operations between (i) KIT and any (ii) Director or officer of the Trustee-Manager, controlling Unitholder, or controlling shareholder of the Trustee-Manager.

INTERESTED PERSON TRANSACTIONS

The Trustee-Manager's Internal Control System
The Trustee-Manager has established an internal control system to ensure that all IPTs are undertaken on normal commercial terms and are not prejudicial to the interests of KIT and its minority Unitholders.

On 3 June 2020, the Trustee-Manager obtained a general mandate from KIT's Unitholders pursuant to Chapter 9 of the Listing Manual (Unitholders' Mandate) to enable KIT, a subsidiary of KIT or an associated company of KIT (collectively the Entities at Risk or EAR Group), as the term is used in the Listing Manual, in the ordinary course of their business, to enter into IPTs with interested persons which are necessary for the day-to-day operations of KIT, provided that such transactions are made on normal commercial terms and are not prejudicial to KIT and its minority Unitholders. The Unitholders' Mandate remains in force until the next AGM.

In view of the time-sensitive nature of commercial transactions and the frequency of commercial transactions between members in the EAR Group and KIT's interested persons, it would be advantageous to KIT to renew the above Unitholders' Mandate and the Trustee-Manager will seek Unitholders' approval for the same during the forthcoming AGM.

The IPTs transacted for FY 2020 (and its comparison against the previous financial year) are as follows.

Name of Interested Person/ Nature of Transaction	Nature of relationship	Aggregate value of all interested person transactions during FY 2020 under review (excluding transactions less than S$100,000 and transactions conducted under unitholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted during FY 2020 under unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)	
		FY20 SS$'000	**FY19 SS$'000**	**FY20 SS$'000**	**FY19 SS$'000**
1. **Temasek Holdings (Private) Limited and its Associates("Temasek")**	Temasek is an indirect controlling unitholder of KIT and a controlling shareholder of the Trustee-Manager				
General Transaction					
(a) Sales of Goods and Services		**-**	-	**1,526**	12,337
(b) Purchases		**-**	1,044	**144,060**	171,564
(c) Rental Expense		**-**	-	**562**	2,834
Total		**-**	1,044	**146,168**	186,735
2. **Keppel Corporation Group ("KCL")**	KCL is an indirect controlling unitholder of KIT and a controlling shareholder of the Trustee-Manager				
General Transaction					
(a) Sales of Goods and Services		**300**	260	**822**	1,090
(b) Management Fee Expense		**-**	-	**12,744**	26,431
(c) Purchases		**-**	-	**40,351**	36,696
(d) Reimbursement of expenses		**-**	-	**1,906**	136
(e) Treasury Transactions		**-**	-	**448,337**	480,426
(f) Investment or Divestment		**-**	104,255	**-**	-
Total		**300**	104,515	**504,160**	544,779

MATERIAL CONTRACTS

For FY 2020, there was no material contract that was not in the ordinary course of business, entered into by KIT or any of its subsidiaries involving the interest of the CEO, any Director, or controlling Unitholder.

STATEMENT OF POLICIES AND PRACTICES

The Trustee-Manager has established policies and practices in relation to its management and governance of KIT to ensure that KIT is managed in the interest of the Unitholders. These policies and practices include:

(a) the trust property of KIT is properly accounted for and trust property is kept distinct from the property of the Trustee-Manager in its own capacity. The Trustee-Manager maintains different bank accounts in its personal capacity and in its capacity as the Trustee-Manager of KIT;

(b) the Board reviews and approves all investments, acquisitions and divestments by KIT in accordance with the business objectives and investment scope as set out in KIT's trust deed;

(c) the Board has set up the Conflicts Resolution Committee, consisting entirely of independent Directors, to deal with conflicts or potential conflicts of interest between KIT and the Trustee-Manager. The details of the measures taken are as set out at pages 165, 166, 171 and 172;

(d) the Trustee-Manager has established internal control systems to ensure that all IPTs are undertaken on normal commercial terms and are not prejudicial to the interests of KIT and its minority Unitholders. The internal auditor carries out a review of IPTs and submit a report to the ARC (comprising entirely of independent Directors). The ARC reviews the report submitted and ensures compliance with applicable legislation and the relevant provisions of the Listing Manual. The details of the IPTs for FY 2020 are set out at page 167;

(e) the Trustee-Manager has adopted a Whistle-Blower Policy, KIT's Enhanced Code of Conduct, a Code of Practice on Safeguarding Information and an Insider Trading Policy which reflect the Management's commitment to conduct its business within a framework that fosters the highest ethical and legal standards;

(f) the expense and cost allocations (if any) payable to the Trustee-Manager in its capacity as Trustee-Manager of KIT out of the trust property of KIT are reviewed and approved by the Board, to ensure that the fees and expenses charged to KIT are appropriate and in accordance with the KIT trust deed. The fees and expenses paid to the Trustee-Manager relate to Management Fees and Performance Fees disclosed at page 139;

(g) the Trustee-Manager has engaged the services of and obtained advice from professional advisers and consultants from time to time, and in particular when dealing with acquisitions and capital raising, to ensure compliance with the requirements of the BTA, BTR and the Listing Manual.

APPENDIX
BOARD COMMITTEES – TERMS OF REFERENCE

A. Audit and Risk Committee

(1) Review and report to the Board at least annually the adequacy and effectiveness of the Trustee-Manager's internal control system, including financial, operational, compliance and information technology controls, and risk management systems (such review can be carried out internally or with the assistance of any competent third parties);

(2) Perform a review of KIT financial statements and announcements relating to financial performance, and review significant financial reporting issues and judgments contained in them, for assurance of the integrity of such statements and announcements;

(3) Review audit plans and reports of the external auditor and internal auditor, and consider the effectiveness of actions or policies taken by Management on the recommendations and observations;

(4) Monitor the procedures established to regulate interested person transactions, including reviewing any interested person transactions entered into from time to time and ensuring compliance with applicable legislation and the relevant provisions of the Listing Manual (this review will exclude conflicts of interest, which are dealt with by the Conflicts Resolution Committee);

(5) Monitor the implementation of the foreign exchange hedging policy approved by the Board as well as review and recommend to the Board all other hedging policies and instruments before implementation by KIT;

(6) Review the independence and objectivity of the external auditor and internal auditor annually and as part of the review of independence, to review the nature and extent of non-audit services performed by the external auditor;

(7) Meet with external auditor and internal auditor, without the presence of Management, at least annually;

(8) Review the adequacy and effectiveness of the Trustee-Manager's internal audit function, at least annually and report the Audit and Risk Committee's assessment to the Board;

(9) Review and ensure at least annually that the internal audit function is adequately resourced and has appropriate standing within the Trustee-Manager;

(10) Approve the hiring, removal, evaluation and compensation of the accounting / auditing firm or corporation to which the internal audit function is outsourced;

(11) Recommend to the Board on the proposal to the Unitholders on the appointment, re-appointment and removal of the external auditor;

(12) Approve the remuneration of the external auditor;

(13) Review the audit quality indicators in relation to the external auditor;

(14) Investigate any matters within the Audit and Risk Committee's terms of reference, whenever it deems necessary;

(15) Obtain, at the Trustee-Manager's or KIT's expense, external professional advice on any matter within its terms of reference;

(16) Report to the Board on critical risk issues, material matters, findings and recommendations;

(17) Obtain recommendations on risk tolerance and strategy from Management, and where appropriate, report and recommend to the Board for its determination:

i. the nature and extent of significant risks which the Trustee-Manager and KIT may take in achieving its strategic objectives; and
ii. the overall level of risk tolerance, risk parameters and risk policies;

(18) Review and discuss, as and when appropriate, with Management the Trustee-Manager and KIT's risk governance structure and framework including risk policies, risk strategy, risk culture, risk assessment, mitigation and monitoring processes and procedures;

(19) Review the Information Technology (IT) governance and cybersecurity framework to ascertain alignment with business strategy and the Trustee-Manager's and KIT's risk tolerance including monitoring the adequacy of IT capability and capacity to ensure business objectives are well-supported with adequate measures to safeguard corporate information, operating assets, and effectively monitor the performance, quality and integrity of IT service delivery;

(20) Receive and review quarterly reports from Management on the Trustee-Manager's and KIT's risk profile and major risk exposures and the steps taken to monitor, control and mitigate such risks;

(21) Review the Trustee-Manager's risk management capabilities including capacity, resourcing, systems, training, communication channels as well as competencies in identifying and managing new risk types;

(22) Review and monitor Management's responsiveness to the critical risk and compliance issues and material matters identified and recommendations of the Audit and Risk Committee;

(23) Review the assurance from the CEO and Head, Finance on the financial records and financial statements and the assurance and steps taken by the CEO and other key management personnel for their relevant areas of responsibilities, regarding the adequacy and effectiveness of the Trustee-Manager's internal controls and risk management system;

(24) Receive and review updates from Management to assess the adequacy and effectiveness of the Trustee-Manager's compliance framework in line with relevant laws, regulations and best practices;

(25) Through interactions with the Compliance Lead who has a direct reporting line to the Audit and Risk Committee, review and oversee performance of the Trustee-Manager's implementation of compliance programmes;

(26) Review and monitor the Trustee-Manager's approach to ensuring compliance with regulatory commitments, including progress of remedial actions where applicable;

(27) Review the adequacy, effectiveness and independence of the Trustee-Manager's Risk and Compliance function, at least annually, and report the Audit and Risk Committee's assessment to the Board;

(28) Review the policy and arrangements (such as whistle-blower policy) and the Trustee-Manager's procedures for detecting and preventing fraud, and other arrangements by which staff of the company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The objective should be to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken;

(29) Report significant matters raised through the whistle-blowing channel to the Board;

(30) Review and report to the Board annually on the adequacy and effectiveness of the Trustee-Manager's and KIT's risk management and internal controls systems, including financial, operational, compliance and information technology controls so that the Board may form an opinion on the adequacy of the risk management system and internal controls;

(31) Review the Board's opinion on the adequacy and effectiveness of the Trustee-Manager's risk management systems and internal controls and state whether it concurs with the Board's opinion;

(32) Where there are material weaknesses identified in the Trustee-Manager's risk management systems and internal controls, to consider and recommend the necessary steps to be taken to address them;

(33) Ensure that the Compliance Lead have direct and unrestricted access to the Chairman of the Audit and Risk Committee;

(34) Sub-delegate any of its powers within its terms of reference as listed above from time to time as the Audit and Risk Committee may deem fit;

(35) Review the Audit and Risk Committee's terms of reference and constitution annually and recommend any proposed changes to the Board to ensure that it is operating effectively and remain consistent with the Board's objectives and responsibilities;

(36) Carry out all other functions of the Audit and Risk Committee in accordance with Regulation 13(6) of the Singapore Business Trusts Regulations; and

(37) Perform such other functions as the Board may determine.

B. Nominating and Remuneration Committee

(1) Recommend to the Board the appointment and re-appointment of Directors on Trustee-Manager's Board and KIT's subsidiaries (including alternate directors, if any);

(2) Re-nomination for re-election of the Directors on the Trustee-Manager's Board and KIT's subsidiaries in accordance with the Trustee-Manager's Constitution, having regard to the Director's contribution and performance;

(3) Review annually the structure size and composition of the Board and Board committees of the Trustee-Manager and conduct an annual review of balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age;

(4) Recommend to the Board a Board Diversity Policy (including the qualitative, and measurable quantitative, objectives (as appropriate) for achieving board diversity), and conduct an annual review of the progress towards achieving these objectives;

(5) Determine annually whether or not a Director of the Trustee-Manager is independent in the manner provided in the Business Trust Regulations.

(6) Ensure that the Board of the Trustee-Manager comprises:
  (a) at least a majority of the Directors who shall be independent from management and business relationships with the Trustee-Manager;
  (b) at least one-third of the Directors who shall be independent from management and business relationships with the Trustee-Manager and from every substantial shareholder of the Trustee-Manager; and
  (c) at least a majority of the Directors who shall be independent from any single substantial shareholder of the Trustee-Manager;

(7) Assess, where a Director has other listed company board representation and/or other principal commitments, whether the Director is able to and has been adequately carrying out his duties as Director of the Trustee-Manager;

(8) Recommend to the Board the process for the evaluation of the performance of the Board, the Board Committees and individual Directors, and propose objective performance criteria to assess the effectiveness of the Board as a whole, the Board Committees and the contribution of the Chairman and each Director;

(9) Annual assessment of the effectiveness of the Board as a whole, the Board Committees and the contribution of the Chairman and individual directors;

(10) Review the succession plans for the Board (in particular, the Chairman) and other key management personnel;

(11) Review talent development plans;

(12) Review the training and professional development programs for Board members;

(13) Review and recommend to the Board a framework of remuneration for Board members and key management personnel, and the specific remuneration packages for each Director as well as for the key management personnel; including review of all long-term and short-term incentive plans, with a view to aligning the level and structure of remuneration to the Trustee-Manager's long-term strategy and performance;

(14) Consider all aspects of remuneration to ensure that they are fair, and review the Trustee-Manager's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that such clauses are fair and reasonable and not overly generous;

(15) Consider whether Directors should be eligible for benefits under long-term incentive schemes (including weighing the use of share schemes against the other types of long-term incentive scheme);

(16) Review the ongoing appropriateness and relevance of the remuneration policy to ensure that the level and structure of the remuneration are appropriate and proportionate to the sustained performance and value creation of the Trustee-Manager, taking into account the strategic objectives of the Trustee-Manager;

(17) Review the level and structure of remuneration for directors and key management personnel relative to the internal and external peers and competitors to ensure that the remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the Trustee-Manager for the long term;

(18) Set performance measures and determine targets for any performance-related pay schemes;

(19) Administer the Trustee-Manager's long-term incentive schemes in accordance with the rules of such schemes;

(20) Report to the Board on material matters and recommendations;

(21) Review the Nominating and Remuneration Committee's terms of reference annually and recommend any proposed changes to the Board for approval;

(22) Perform such other functions as the Board may determine; and

(23) Sub-delegate any of its powers within its terms of reference as listed above, from time to time as the Nominating and Remuneration Committee may deem fit.

Save that a member of the Nominating and Remuneration Committee shall not be involved in the deliberations in respect of any matter in which he or she has a personal interest in. Where a member of the Nominating and Remuneration Committee is asked to consider remuneration or a form of benefits that applies generally to the Board or committee members as a whole rather than specific to that member, then the member shall be deemed not to have a personal interest in the matter.

C. Conflicts Resolution Committee

(1) Review conflicts or potential conflicts of interest that may arise from time to time in the course of KIT's business or operations between (i) KIT and (ii) any Director or officer of the Trustee-Manager, any controlling Unitholder (as defined in the Listing Manual), or any controlling shareholder of the Trustee-Manager (as defined in the Listing Manual);

(2) Consider declarations made by a Director and/or officer of the Trustee-Manager when they declare a potential conflict of interest, identify conflict or potential conflict of interest issues and then assess and evaluate its nature and extent;

(3) Develop and implement one or more appropriate measures with the aim of controlling, avoiding or mitigating such conflict or potential conflict (including, where material, disclosure of such measures to Unitholders at the appropriate time);

(4) Monitor the implementation by the Trustee-Manager of the measures imposed by the Conflicts Resolution Committee in order to resolve or mitigate conflict or potential conflict of interest;

(5) Periodically review the framework to resolve conflict or potential conflict of interest and ascertain how it has worked out in practice and, where appropriate, to consider and implement further measures to fine-tune the framework so as to make it better suited to the potential conflict issues that the Trustee-Manager may face, including procedures to ensure that no controlling Unitholder or controlling shareholder of the Trustee-Manager would be able to influence the evaluation of potential acquisitions or disposals in a manner contrary to the interests of Unitholders as a whole; and

(6) Where appropriate, appoint an independent adviser to advise on and recommend procedures to resolve or mitigate such conflict or potential conflict of interests, so as to enable the Conflicts Resolution Committee to discharge its duties to the Unitholders.

Save that the terms of reference of the Conflicts Resolution Committee would exclude review of interested person transactions which fall within the purview of the Audit and Risk Committee.

Additional Guidelines to the Conflicts Resolution Committee framework

(1) A conflict of interest situation that arises should be brought to the attention of the Conflicts Resolution Committee immediately, which will consider the situation against the guidelines and if the Conflicts Resolution Committee is of the view that the compliance with the guidelines are not adequate to control, avoid or mitigate the conflict of interest, a Conflicts Resolution Committee meeting will be convened to discuss the conflict.

(2) A distinction is to be made between the processes of participation in deliberation and the voting in the transaction as a Director on the Board. An interested Director will be required to abstain from voting on the transaction where there exists a conflict of interest but it should not prohibit the interested Director from participating in the deliberations of the relevant transaction.

(3) However, if an interested Director is also a direct counterparty (for example, if the Director is an officer or sits on the board of directors of the counterparty), such a Director will be required to not only abstain from voting, but also abstain from deliberation of the transaction. The Board may nonetheless invite such an interested Director, on a case by case basis, particularly where he or she has the relevant expertise in the subject matter of the transaction, to attend Board meetings and discussions to assist the Board in its deliberation of the transaction, and in such event, the Board should excuse the interested Director who is also a counterparty from deliberations which involves sensitive information of the transaction.

(4) It is acknowledged that a Director has a right to information but the decision whether to disclose such sensitive information (for instance, where the transaction is that of a competitive bid between interested persons) must be made in the best interests of KIT and this is to be decided on a case-by-case basis. Management should consult the Conflicts Resolution Committee in this respect.

D. Board Safety Committee

(1) Review the nature and scale of hazards and risks associated with the businesses and operations of the various operating assets.

(2) Ensure the operating assets have the resources, systems and processes to eliminate, minimise or manage the risks to health, safety, security and environment, including personal safety, process safety, major hazard risks, and plant physical security.

(3) Ensure Keppel Health, Safety, Security and Environment ("HSSE") requirements such as policies, procedures, strategies and standards are communicated, implemented and reviewed.

(4) Monitor HSSE performance of the operating assets, analyse trends and incident root causes, and recommend or propose initiatives for improvement where appropriate to ensure robust HSSE management systems are well maintained.

(5) Review all reportable and high-potential near miss incidents to understand underlying root causes and recommend initiatives or remedial measures where appropriate.

(6) Monitor the compliance with local HSSE legislation in the country in which it operates as a minimum and review any emerging or new legislations that may potentially impact the operating assets.

(7) Keep abreast of developments in the HSSE world, discuss such developments and best practices and consider the desirability of implementation in KIT.

(8) Review the significant changes to HSSE risk profile of the operating assets that has changed or will change as a result of new business, new market, new product, etc. and the steps taken to monitor, control and mitigate such risks.

(9) Report to the Board on HSSE performance, material matters, incident investigation findings and recommendations.

(10) Carry out such investigations into HSSE-related matters as the Committee deems fit.

(11) Ensure on the effectiveness of the HSSE management systems and how the risks are being managed / mitigated on the ground.

(12) Introduce actions to enhance safety awareness and culture within KIT.

(13) Perform such other functions as the Committee may determine.

(14) Sub-delegate any of its powers within its terms of reference as listed above from time to time as the Committee may deem fit.

BOARD ASSESSMENT

Evaluation Processes
Each Board member is required to complete questionnaires relating to the Board's and individual Board member's performance and send these questionnaires direct to the Independent Coordinator. Based on the returns of each Director, the Independent Coordinator prepares a consolidated report to brief the chairman of the NRC and the Board Chairman on the report. The Independent Coordinator will thereafter present the report to the Board for discussion on the changes which should be made to help the Board discharge its duties more effectively.

Performance Criteria
The performance criteria adopted for the evaluation process have been consistently applied from year to year, and updated from time to time to account for amendments to the SGX Listing Rules and Code of Corporate Governance.

The performance criteria for the Board evaluation are in respect of board size and composition, board independence, board processes, composition and effectiveness of board committees, board information and accountability, board performance in relation to discharging its principal functions, and performance of board and board committees in relation to discharging their responsibilities. Based on the responses received, the Board continues to perform and fulfill its duties and responsibilities duly in accordance with the established Board processes.

The individual Director's performance criteria are categorised into five segments; namely, (1) interactive skills (under which factors as to whether a Director works well with other Directors, and participates actively, are taken into account); (2) knowledge (under which factors as to the Director's industry and business knowledge, his or her ability to analyse, and contribute to the productivity of meetings are taken into consideration); (3) Director's duties (under which factors as to the Director's Board committee work contribution (where relevant), whether the Director takes his or her role of director seriously, and meeting preparation are taken into consideration); (4) availability (under which the Director's attendance at Board and Board committee meetings, whether he or she is available when needed etc are considered); and (5) overall contribution, bearing in mind that each Director was appointed for his or her strength in certain areas which, taken together with the skill sets of the other Directors, provides the Board with the required mix of skills and competencies.

WHISTLE-BLOWER POLICY

Whistle-Blower Policy
The Whistle-Blower Policy was established to encourage reporting in good faith of suspected Reportable Conduct (as defined below) by establishing clearly defined processes and reporting channels through which such reports may be made with confidence that employees of the Trustee-Manager and other persons making such reports will be treated fairly and, to the extent possible, protected from reprisal.

Reportable Conduct refers to any act or omission by an employee of the Trustee-Manager or KIT or contract worker appointed by the Trustee-Manager, which occurred in the course of his or her work (whether or not the act is within the scope of his or her employment) which in the view of a Whistle-Blower acting in good faith is:

a. dishonest, including but not limited to theft or misuse of the resources owned by or under the management of the Trustee-Manager;
b. fraudulent;
c. corrupt;
d. illegal;
e. other serious improper conduct;
f. an unsafe work practice; or
g. any other conduct which may cause financial or non-financial loss to the Trustee-Manager or KIT or damage to the Trustee-Manager's or KIT's reputation.

A person who files a report or provides evidence which he or she knows to be false, or without a reasonable belief in the truth and accuracy of such information, will not be protected by the Policy and may be subject to administrative and/or disciplinary action.

Similarly, a person may be subject to administrative and/or disciplinary action if he or she subjects (i) a person who has made or intends to make a report in accordance with the Whistle-Blower Policy, or (ii) a person who was called or who may be called as a witness, to any form of reprisal which would not have occurred if he or she did not intend to, or had not made the report or be a witness.

The Head of Internal Audit is the Receiving Officer for the purposes of the Whistle-Blower Policy, and is responsible for the administration, implementation and overseeing ongoing compliance with the Whistle-Blower Policy. She reports directly to the ARC Chairman on all matters arising under the Whistle-Blower Policy.

Reporting Mechanism
The Whistle-Blower Policy emphasises that the role of the Whistle-Blower is a reporting party, and that Whistle-Blowers are not to investigate, or determine the appropriate corrective or remedial actions that may be warranted.

Employees of the Trustee-Manager are encouraged to report suspected Reportable Conduct to their respective supervisors who are responsible for promptly informing the Receiving Officer, who in turn is required to promptly report to the ARC Chairman, of any such report. The supervisor shall not upon receiving or becoming aware of any report, take any independent action or start any investigation in connection the report unless otherwise directed by the ARC Chairman or the Receiving Officer. If any of the persons in the reporting line prefer not to disclose the matter to the supervisor and/or Receiving Officer (as the case may be via the established reporting channels), he or she may make the report directly to the ARC Chairman.

Other Whistle-Blowers (other than employees) may report a suspected Reportable Conduct to either the Receiving Officer or the ARC Chairman via the established reporting channels.

All reports and related communications will be documented by the person first receiving the report. The information disclosed should be as precise as possible so as to allow for proper assessment of the nature, extent and urgency of preliminary investigative procedures to be undertaken.

INVESTIGATION

Every report received (whether oral or written, and anonymous or otherwise) will be assessed by the Receiving Officer, who will review the information disclosed, interview the Whistle-Blower(s) when required and if contactable and, either exercising his or her own discretion or in consultation with the Investigation Advisory Committee, make recommendations to the ARC Chairman as to whether the circumstances warrant an investigation. If the ARC Chairman or, if the ARC Chairman consults the ARC, the ARC, determines that an investigation should be carried out, the ARC Chairman or, as the case may be, the ARC, shall determine the appropriate investigative process to be employed. The ARC Chairman will use his best endeavours to ensure that there is no conflict of interests on the part of any person involved in the investigations. The Investigation Advisory Committee assists the ARC Chairman with overseeing the investigation process and any other matters arising therefrom.

All employees of the Trustee-Manager have a duty to cooperate with investigations initiated under the Whistle-Blower Policy. An employee may be placed on administrative leave or investigatory leave when it is determined by the ARC Chairman that it would be in the best interests of the employee, the Trustee-Manager or both. Such leave is not to be interpreted as an accusation or a conclusion of guilt or innocence of any employee, including the employee on leave. All participants in the investigation must also refrain from discussing or disclosing the investigation or their testimony with anyone not connected to the investigation. In no circumstance should such persons discuss matters relating to the investigation with the person(s) who is/are subject(s) of the investigation (Investigation Subject(s)).

Identities of Whistle-Blowers, participants of the investigations and the Investigation Subject(s) will be kept confidential to the extent possible.

NO REPRISAL

No person will be subject to any reprisal for having made a report in accordance with the Whistle-Blower Policy or having participated in an investigation. A reprisal means personal disadvantage by:

a. dismissal;
b. demotion;
c. suspension;
d. termination of employment/ contract;
e. any form of harassment or threatened harassment;
f. discrimination; or
g. current or future bias.

Any reprisal suffered may be reported to the Receiving Officer (who shall refer the matter to the ARC Chairman) or directly to the ARC Chairman. The ARC Chairman shall review the matter and determine the appropriate actions to be taken. Any protection does not extend to situations where the Whistle-Blower or witness has committed or abetted the Reportable Conduct that is the subject of allegation. However, the ARC Chairman will take into account the fact that he or she has cooperated as a Whistle-Blower or a witness in determining whether, and to what extent, the disciplinary measure to be taken against him or her.

Rule 720(6) of the Listing Manual of the SGX

The information required under Rule 720(6) read with Appendix 7.4.1 of the Listing Manual in respect of Directors whom the Trustee-Manager is seeking endorsement by Unitholders at the AGM to be held in 2021 is set out below.

Name of Director	Mr Daniel Cuthbert Ee Hock Huat	Mr Mark Andrew Yeo Kah Chong	Ms Chong Suk Shien
Date of Appointment	1 May 2015	11 February 2010	5 March 2021
Date of last re-appointment (if applicable)	N.A	N.A	N.A
Age	68	58	51
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The process for succession planning for the Board, appointment of directors, and the seeking of endorsement or re-endorsement of Directors to the Board, is set out at pages 151 to 155 of this Annual Report.		
Whether the appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chairman of Board, Chairman of Conflicts Resolution Committee and member of Audit & Risk Committee	Independent Director, Chairman of Audit & Risk Committee and member of Board Safety Committee	Independent Director and Member of Board Safety Committee
Professional qualifications	Bachelor of Science (Systems Engineering) (First Class Honours), University of Bath, UK; Master of Science (Industrial Engineering), National University of Singapore	Master of Arts, Oxford University; Master of Laws, National University of Singapore; Advanced Management Programme, INSEAD	Harvard Business School Owner/President Management Programme; Executive Master of Business Administration, National University of Singapore
Working experience and occupation(s) during the past 10 years	From January 2001 - November 2013: Director of Surface Mount Technology (Holdings) Limited From June 2005 - June 2015: Director of Citibank Singapore Limited From July 2010 - May 2015: Chairman of CitySpring Infrastructure Management Pte. Ltd. (as trustee-manager of CitySpring Infrastructure Trust) From April 2010 - May 2015: Independent Director of CitySpring Infrastructure Management Pte. Ltd. (as trustee-manager of CitySpring Infrastructure Trust) From July 2006 - March 2012: Director of National Environment Agency	CitySpring Infrastructure Management Pte Ltd. (the Trustee-Manager of CitySpring Infrastructure Trust)	2002 till present: Chief Executive Officer of Greenpac (S) Pte Ltd
Shareholding interest in the listed issuer and its subsidiaries	131,692 units in Keppel Infrastructure Trust 20,000 units in Keppel Corporation Limited	138,263 units in Keppel Infrastructure Trust	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments including Directorships **- Past (for the last 5 years)**	Singapore Institute of Directors	Nil	Nil

Name of Director	Mr Daniel Cuthbert Ee Hock Huat	Mr Mark Andrew Yeo Kah Chong	Ms Chong Suk Shien
Other Principal Commitments including Directorships - Present	Olive Tree Estates Limited; Ascendas Funds Management (S) Limited (the Manager of Ascendas REIT); Singapore Mediation Centre	Chairman, Changi Airports International Pte Ltd	Chief Executive Officer, Greenpac (S) Pte Ltd; Chief Executive Officer, Greenphyto Pte Ltd; Director, Singapore Gardens By The Bay; Director, Singapore Institute of Management (SIM) Group Limited; Director, Singapore Business Federation Foundation; Board Member, Board Finance Committee Member and Re-Imagining Hawker Centres Board Working Committee Member, Ministry of the Environment & Water Resources, National Environment Agency; Board Member (Lifelong Learning Endowment Fund Advisory Council) and Audit & Risk Committee Member, Ministry of Education, SkillsFuture Singapore Agency; Council Member, A*STAR, Science and Engineering Advisory Council;
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No

Name of Director	Mr Daniel Cuthbert Ee Hock Huat	Mr Mark Andrew Yeo Kah Chong	Ms Chong Suk Shien
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

Name of Director	Mr Daniel Cuthbert Ee Hock Huat	Mr Mark Andrew Yeo Kah Chong	Ms Chong Suk Shien
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :	No		No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
Any prior experience as a director of an issuer listed on the Exchange?	Yes	Yes	No
If yes, please provide details of prior experience.	CitySpring Infrastructure Management Pte Ltd (the Trustee-Manager of CitySpring Infrastructure Trust) Ascendas Fund Management (S) Limited (the Manager of Ascendas REIT)	CitySpring Infrastructure Management Pte Ltd (the Trustee-Manager of CitySpring Infrastructure Trust)	N.A
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A	N.A	Ms Chong Suk Shien has attended the training courses prescribed by the Exchange in 2020.

SUMMARY OF DISCLOSURES OF 2018 CG CODE

Rule 710 of the SGX Listing Manual requires Singapore listed companies to describe their corporate governance practices with specific reference to the 2018 CG Code in their annual reports for financial years commencing on or after 1 January 2019. This summary of disclosures describes our corporate governance practices with specific reference to the disclosure requirement under the 2018 CG Code.

PRINCIPLES

BOARD MATTERS

The Board's Conduct of Affairs
Principle 1

Provision 1.1	Pages 148, 162, 165 to 168, 171 and 172
Provision 1.2	Page 150
Provision 1.3	Page 148
Provision 1.4	Pages 149, 151 to 166, 169 to 172
Provision 1.5	Pages 149 and 155
Provision 1.6	Page 150
Provision 1.7	Page 150

Board Composition and Guidance
Principle 2

Provision 2.1	Pages 153 to 155
Provision 2.2	Pages 149 to 153
Provision 2.3	Pages 149 to 153
Provision 2.4	Pages 152 to 153
Provision 2.5	Page 149

Chairman and Chief Executive Officer
Principle 3

Provision 3.1	Pages 150 to 151
Provision 3.2	Pages 150 to 151
Provision 3.3	Pages 153 and 155

Board Membership
Principle 4

Provision 4.1	Pages 170 to 171
Provision 4.2	Page 151
Provision 4.3	Page 151
Provision 4.4	Pages 153 to 154
Provision 4.5	Pages 12, 13 and 155

Board Performance
Principle 5

Provision 5.1	Pages 155 and 173
Provision 5.2	Pages 155 and 173

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies
Principle 6

Provision 6.1	Pages 156 to 159
Provision 6.2	Page 151
Provision 6.3	Pages 156 to 158
Provision 6.4	Page 156

Level and Mix of Remuneration **Principle 7**	
Provision 7.1	Pages 156 to 159
Provision 7.2	Pages 156 to 159
Provision 7.3	Pages 156 to 159
Disclosure on Remuneration **Principle 8**	
Provision 8.1	Pages 156 to 159
Provision 8.2	Page 159
Provision 8.3	Pages 156 to 159
ACCOUNTABILITY AND AUDIT	
Risk Management and Internal Controls **Principle 9**	
Provision 9.1	Page 161
Provision 9.2	Pages 162 to 163
Audit Committee **Principle 10**	
Provision 10.1	Pages 159 to 163, 169 to 170, 173 to 174
Provision 10.2	Page 159
Provision 10.3	Page 160
Provision 10.4	Pages 160 and 163
Provision 10.5	Page 160
SHAREHOLDER RIGHTS AND ENGAGEMENT	
Shareholder Rights and Conduct of General Meetings **Principle 11**	
Provision 11.1	Page 164
Provision 11.2	Page 164
Provision 11.3	Page 164
Provision 11.4	Page 164
Provision 11.5	Page 164
Provision 11.6	Page 164
Engagement with Shareholders **Principle 12**	
Provision 12.1	Pages 163 to 164
Provision 12.2	Page 164
Provision 12.3	Page 164
MANAGING STAKEHOLDERS RELATIONSHIP	
Engagement with Stakeholders **Principle 13**	
Provision 13.1	Page 164
Provision 13.2	Page 164
Provision 13.3	Page 164

Strengthening Enterprise Risk Management
Keppel Infrastructure Trust's (KIT) Enterprise Risk Management (ERM) framework, which is a component of KIT's System of Management Controls provides a holistic and structured approach towards assessing, monitoring and mitigating risks. The Board has in place three Risk Tolerance Guiding Principles for the Trustee-Manager and KIT. The Risk Tolerance Guiding Principles serve to determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The three Risk Tolerance Guiding Principles are:

1. Risk taken should be carefully evaluated, commensurate with rewards and in line with the Trustee-Manager's and KIT's core strengths and strategic objectives.
2. No risk arising from a single area of operation, investment or undertaking should be so huge as to endanger the Trustee-Manager and KIT.
3. The Trustee-Manager does not condone safety breaches or lapses, non-compliance with laws and regulations, as well as acts such as fraud, bribery and corruption.

Robust ERM Framework
The Trustee-Manager adopts a five-step risk management process comprising risk identification, risk assessment, formulation of risk mitigation measures, communication and implementation as well as monitoring and review. A robust ERM framework enables the Trustee-Manager and KIT to manage risks systematically and remain nimble in capitalising on opportunities.

The risk assessment takes into account both the impact and likelihood of occurrence, and covers the investment, financial, operational and reputational aspects of KIT's business. Tools deployed include risk rating matrices, key risk indicators and risk registers to assist the Trustee-Manager in its risk management process.

The Board, supported by ARC, is responsible for the governance of risk and ensures that the Trustee-Manager maintains a sound system of risk management and internal controls to safeguard Unitholders' interests and KIT's assets. The Board and ARC provide valuable advice to the Trustee-Manager in formulating various risk policies and guidelines. For FY 2020, the Board, with the concurrence of ARC, is of the opinion that KIT's risk management system is adequate and effective, in addressing the key risks identified.

The Trustee-Manager's risk governance is set out in pages 161 to 163 under Principle 9 (Risk Management and Internal Controls).

The risk management assessment framework also determines the adequacy and effectiveness of the risk management system within KIT. In 2020, the Board has assessed and deemed KIT's risk management system to be adequate and effective in addressing the key risks identified below:

Investment Risk
Distribution growth is dependent on KIT's ability to grow its asset base. Timing of new acquisitions is dependent on market opportunities and funding environment. The Trustee-Manager evaluates all investment opportunities according to KIT's stated investment criteria and investment mandate. Investment evaluation includes analysing the asset quality, expected returns, sustainability of asset performance and security of the cash flows.

The Trustee-Manager aims to manage and mitigate risks by diversifying the asset classes and geographic regions in which KIT will invest. KIT has a global investment mandate so as to mitigate country concentration risks.

KIT's current portfolio includes assets with contracted cash flows based on availability that are not sensitive to fluctuations in utilisation. This provides stable and predictable cashflows to support KIT's distributions to Unitholders. The Trustee-Manager intends to pursue further acquisitions that provide regular and/or predictable cash flows, and/or backed by long-term contracts with creditworthy and reputable off-takers.

Interest Rate Risk
KIT's exposure to interest rate risk is minimal, as the majority of its floating rate borrowings have been hedged. In the event KIT is exposed to interest rate risk on the loans drawn under the working capital facility or additional loans that it may undertake, the risk is managed by maintaining an appropriate level of borrowings and mix between fixed and floating rate borrowings. The Trustee-Manager will also monitor the interest rate exposure of KIT and will consider restructuring KIT's credit facilities or use derivative financial instruments to hedge interest rate risks should the need arise.

Foreign Exchange Risk
KIT constantly monitors its exposure to foreign exchange risk. Currency exposure to the net assets in Australia is managed predominantly by having a significant amount of borrowings denominated in the functional currency.

KIT pays distributions to its unitholders in Singapore dollars whilst its Australian subsidiaries' distribution to KIT is in Australian dollars.

To manage the currency exposure, KIT utilises appropriate financial instruments to forward-hedge distribution income from its Australian subsidiaries, in compliance with its foreign exchange risk management policy.

Credit Risk
This is an area of review given the widespread economic slowdown in 2020 due to the COVID-19 pandemic. The Trustee-Manager will actively monitor this to ensure mitigation measures are in place should the risk impact become material.

KIT's credit risk is mainly on a few customers, the Singapore and Australian Governments, and a related Keppel entity, which are of good credit standing. Credit risk is also mitigated by the diversified customer base of City Gas and Ixom. The Trustee-Manager monitors the credit risk by ensuring payments are received by the contracted date.

Liquidity Risk
The Trustee-Manager monitors and maintains adequate cash and cash equivalents to finance KIT's operations and mitigate the effects of cash flow fluctuations. The Trustee-Manager manages liquidity risk by maintaining adequate reserves, monitoring cash flows and matching the maturity profiles of financial assets and liabilities.

Operational Risk
KIT's assets are built to operate within certain design specifications. Deviations from the specifications may affect the performance of the assets or the production processes. Each asset is also subject to wear and tear and there may be periodic downtime for repairs and maintenance. If downtime exceeds the contractual allowance, affecting availability or production, cashflows may be affected.

Each asset has a set of standard operating procedures including the implementation of various quality management systems such as ISO9001 and Hazard Analysis Critical Control Point (HACCP) that are for the day-to-day operations and regular maintenance of the assets to ensure that the assets are performing at optimal efficiency. The Trustee-Manager monitors, reviews and manages, with the Operations & Maintenance (O&M) contractor or appointed contract professionals, the operational risks of these assets regularly.

The Trustee-Manager, together with the O&M contractor or appointed contract professionals, continues to review and assess threats that could disrupt operations. The Trustee-Manager reviews the insurance plans and considers any necessary insurable risks are insured where commercial coverage plans are available. Business continuity plans are tested, reviewed and refined regularly to ensure the assets are ready to respond to these threats. In 2020, various drills were conducted to address threats such as chemical spillage, fire, IT disaster recovery, cybersecurity, terrorist attack, flu pandemic and power outage.

In view of the COVID-19 pandemic in 2020, KIT implemented business continuity plans across its operations and continued to operate during the year throughout various levels of lockdowns with no operational disruptions.

The Trustee-Manager will continue to enhance the robustness of KIT's assets' business continuity plans to ensure operational resilience.

Health, Safety & Environment (HSE) Risk
HSE is one of the core values for KIT and the O&M contractors. The Trustee-Manager does not condone safety breaches or lapses. The Trustee-Manager, together with the O&M contractors, embraces a strong safety culture within the work environment and constantly strives to create safety awareness and share best practices. Emphasis is placed on sharing of safety incidents and lessons learnt, and HSE training to foster safety awareness and skills.

The O&M contractors have developed strong HSE policies and practices including the implementation of various occupational health and safety management systems such as OHSAS18001, SS506 and ensure safe working practices and environment are integrated in all the operations of KIT's assets.

Compliance Risk
KIT and the Trustee-Manager's operations are subject to various government regulations and licensing regimes. KIT and the Trustee-Manager undergo regular internal and external audits to ensure that they adhere to relevant policies and processes. Recognising that non-compliance with laws and regulations has potentially significant reputational and financial impact, particular emphasis is placed on regulatory compliance in all of KIT's business operations.

The Trustee-Manager also monitors changes in legislations and regulations, as well as new developments in its operating environment in particular, those relating to environmental protection, cybersecurity and workplace safety and health, such as air emission levels, hazardous substances, fire safety and employment legislation, have the potential to impact the operations and profitability of the Trust. The Trustee-Manager maintains close working relationships with the O&M contractors and authorities to keep abreast of developments in regulatory frameworks and the business environment. The Trustee-Manager also attends regular operation meetings and trainings to ensure that assets are meeting contractual requirements and in compliance with applicable laws and regulations.

KIT adopts a strong anti-corruption and anti-bribery stance and regularly communicates key policy requirements to ensure relevant policies, processes and controls are effectively designed, managed and implemented so that compliance risks and controls are effectively managed.

Emerging Risks
The Trustee-Manager monitors evolving or emerging risks. Risks identified are considered and actions are taken to mitigate the risk as necessary.

Climate Change and sustainability related matters are areas of risks noted.

STATISTICS OF UNITHOLDINGS

As at March 2, 2021

Issued and Fully Paid Units

4,990,995,452 Units (Voting rights: 1 vote per Unit)
There is only one class of units in Keppel Infrastructure Trust
Market capitalisation of $2,720,092,521 based on market closing price of $0.545 per Unit on March 2, 2021.

Distribution of Unitholdings

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 - 99	783	1.81	29,376	0.00
100 - 1,000	8,131	18.76	5,368,437	0.11
1,001 - 10,000	16,593	38.29	74,263,463	1.49
10,001 - 1,000,000	17,675	40.78	1,214,425,885	24.33
1,000,001 and above	158	0.36	3,696,908,291	74.07
Total	**43,340**	**100.00**	**4,990,995,452**	**100.00**

Twenty Largest Unitholders

No.	Name	No. of Units	%
1.	Keppel Infrastructure Holdings Pte Ltd	909,048,658	18.21
2.	DBS Nominees (Private) Limited	509,016,317	10.20
3.	Citibank Nominees Singapore Pte Ltd	453,986,777	9.10
4.	Bartley Investments Pte. Ltd.	428,333,293	8.58
5.	DBSN Services Pte. Ltd.	288,335,916	5.78
6.	Raffles Nominees (Pte.) Limited	174,484,371	3.50
7.	Nassim Investments Pte Ltd	149,167,246	2.99
8.	HSBC (Singapore) Nominees Pte Ltd	142,114,096	2.85
9.	Napier Investments Pte. Ltd.	106,653,329	2.14
10.	United Overseas Bank Nominees (Private) Limited	38,006,843	0.76
11.	KGI Securities (Singapore) Pte Ltd	26,024,731	0.52
12.	OCBC Nominees Singapore Private Limited	21,946,190	0.44
13.	Phillip Securities Pte Ltd	20,684,053	0.41
14.	UOB Kay Hian Private Limited	20,178,841	0.40
15.	BPSS Nominees Singapore (Pte.) Ltd.	19,396,953	0.39
16.	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	13,715,484	0.27
17.	IFAST Financial Pte. Ltd.	13,435,487	0.27
18.	Teh Lip Bin	11,042,624	0.22
19.	DBS Vickers Securities (Singapore) Pte Ltd	10,616,748	0.21
20.	Heng Siew Eng	10,054,000	0.20
Total		**3,366,241,957**	**67.44**

Substantial Unitholders

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Trustee-Manager as at March 2, 2021, the Substantial Unitholders of Keppel Infrastructure Trust and their interests in the Units of Keppel Infrastructure Trust are as follows:

	Direct Interest		Deemed interest	
Name	**No. of Units**	**%**	**No. of Units**	**%**
Keppel Infrastructure Holdings Pte. Ltd.	909,048,658	18.21	-	-
Keppel Corporation Limited[1]	-	-	909,048,658	18.21
Bartley Investments Pte. Ltd.	428,333,293	8.58	-	-
Tembusu Capital Pte. Ltd.[2]	-	-	684,153,868	13.71
Temasek Holdings (Private) Limited[3]	-	-	1,593,865,476	31.93

Notes:
[1] Keppel Corporation Limited is deemed to have an interest in the Units which its wholly-owned subsidiary, Keppel Infrastructure Holdings Pte. Ltd., has interest.
[2] Tembusu Capital Pte. Ltd. is deemed to have an interest in the Units in which its subsidiaries have interests.
[3] Temasek Holdings (Private) Limited ("Temasek") is deemed to have an interest in the Units in which Keppel Corporation Limited and other subsidiaries and associated companies of Temasek hold or have deemed interests.

Public Unitholders

Based on the information available to the Trustee-Manager as at March 2, 2021, approximately 68.01% of the issued Units in Keppel Infrastructure Trust are held by the public and therefore, pursuant to Rules 1207 and 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited, it is confirmed that at least 10% of the issued Units in Keppel Infrastructure Trust are at all times held by the public.

As at March 2, 2021, there are no treasury units held.

FINANCIAL CALENDAR

FY 2020	
Financial year-end	31 December 2020
Announcement of 2020 1Q results	20 April 2020
Announcement of 2020 2Q results	22 July 2020
Announcement of 2020 3Q Business and Operational Updates	21 October 2020
Announcement of 2020 full year results	27 January 2021
Distribution payout to Unitholders for the period 1 January 2020 to 31 March 2020	
- Books closure date	28 April 2020
- Payment date	15 May 2020
Distribution payout to Unitholders for the period 1 April 2020 to 30 June 2020	
- Books closure date	30 July 2020
- Payment date	14 August 2020
Distribution payout to Unitholders for the period 1 July 2020 to 31 December 2020	
- Books closure date	4 February 2021
- Payment date	19 February 2021
Despatch of Annual Report to Unitholders	29 March 2021
Annual General Meeting	20 April 2021

CORPORATE INFORMATION

TRUSTEE-MANAGER OF KEPPEL INFRASTRUCTURE TRUST

Keppel Infrastructure Fund Management Pte. Ltd.

Registered Address
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632
Phone: +65 6803 1818
Fax: +65 6803 1717
Email: info@kepinfratrust.com
Website: www.kepinfratrust.com

Principal Business Address
1 HarbourFront Avenue, Level 2
Keppel Bay Tower
Singapore 098632

Investor Relations contact:
Phone: +65 6803 1851
Email: investor.relations@kepinfratrust.com

DIRECTORS OF THE TRUSTEE-MANAGER

Mr Daniel Cuthbert Ee Hock Huat
Chairman of the Board
Independent Director

Mr Thio Shen Yi
Independent Director

Mr Mark Andrew Yeo Kah Chong
Independent Director

Mr Kunnasagaran Chinniah
Independent Director

Ms Susan Chong Suk Shien
Independent Director

Ms Christina Tan Hua Mui
Non-Executive Director

AUDIT AND RISK COMMITTEE

Mr Mark Andrew Yeo Kah Chong (Chairman)
Mr Daniel Cuthbert Ee Hock Huat
Mr Kunnasagaran Chinniah

NOMINATING AND REMUNERATION COMMITTEE

Mr Thio Shen Yi (Chairman)
Ms Christina Tan Hua Mui
Mr Daniel Cuthbert Ee Hock Huat
Mr Mark Andrew Yeo Kah Chong

CONFLICTS RESOLUTION COMMITTEE

Mr Daniel Cuthbert Ee Hock Huat (Chairman)
Mr Thio Shen Yi

BOARD SAFETY COMMITTEE

Mr Kunnasagaran Chinniah (Chairman)
Ms Susan Chong Suk Shien
Mr Thio Shen Yi

COMPANY SECRETARIES

Mr Tan Weiqiang, Marc
Mr Tan Wei Ming, Darren

UNIT REGISTRAR AND UNIT TRANSFER OFFICE

Boardroom Corporate & Advisory Services Pte Ltd
(A member of Boardroom Limited)
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Phone: +65 6536 5355
Fax: +65 6536 1360

AUDITORS

Deloitte & Touche LLP
Public Accountants and Chartered Accountants
Singapore
6 Shenton Way
OUE Downtown 2
#33-00
Singapore 068809
Phone: +65 6224 8288
Fax: +65 6538 6166

Partner-in-charge:
Mr Ng Hock Lee
Year appointed: 2020

NOTICE OF ANNUAL GENERAL MEETING

KIT | KEPPEL INFRASTRUCTURE TRUST

(Business Trust Registration No. 2007001)
(Constituted in the Republic of Singapore as a business trust pursuant to a trust deed dated 5 January 2007 (as amended))

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the holders of units of Keppel Infrastructure Trust ("**KIT**", and the holders of units of KIT, "**Unitholders**") will be convened and held by electronic means (see Explanatory Notes 1 to 9) on Tuesday, 20 April 2021 at 3.00 p.m. (Singapore time) to transact the following business:

(A) AS ORDINARY BUSINESS

1. To receive and adopt the Trustee-Manager's Statement and the Audited Financial Statements of KIT for the year ended 31 December 2020 and the Independent Auditor's Report thereon. **Ordinary Resolution 1**

2. To re-appoint Messrs Deloitte & Touche LLP as the Auditor of KIT to hold office until the conclusion of the next AGM of KIT, and to authorise Keppel Infrastructure Fund Management Pte. Ltd., acting in its capacity as trustee-manager of KIT (the "**Trustee-Manager**") to fix their remuneration. **Ordinary Resolution 2**

3. To endorse the appointments of the following directors of the Trustee-Manager (the "**Directors**"), pursuant to the undertaking dated 1 March 2020 provided by Keppel Capital Holdings Pte. Ltd. ("**Keppel Capital**") to the Trustee-Manager:

   (a) Mr Daniel Cuthbert Ee Hock Huat; **Ordinary Resolution 3**

   (b) Mr Mark Andrew Yeo Kah Chong; and **Ordinary Resolution 4**

   (c) Ms Chong Suk Shien. **Ordinary Resolution 5**

   (Please see Explanatory Note 10)

(B) AS SPECIAL BUSINESS

To consider, and, if thought fit, to pass with or without any modifications, the following resolutions:

4. That pursuant to Clause 6.1 of the trust deed dated 5 January 2007 constituting KIT, as amended and restated by an Amendment and Restatement Deed dated 18 May 2015 (the "**Trust Deed**") and as supplemented by a First Supplemental Deed dated 17 April 2018, Section 36 of the Business Trusts Act (Chapter 31A of Singapore) (the "**Business Trusts Act**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Trustee-Manager be authorised and empowered to: **Ordinary Resolution 6**

   (a) (i) issue units in KIT ("**Units**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that would or might require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Units,

   at any time and on such terms and conditions and for such purposes and to such persons as the Trustee-Manager may in its absolute discretion deem fit; and

   (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued) issue Units in pursuance of any Instrument made or granted by the Trustee-Manager while this Resolution was in force,

   provided that:

   (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) in each class (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed twenty per cent. (20%) of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) in each class (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such manner of calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) shall be calculated based on the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) at the time this Resolution is passed, after adjusting for:

(a) any new Units arising from the conversion or exercise of any Instruments which were issued and are outstanding or subsisting at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of Units;

(3) in exercising the authority conferred by this Resolution, the Trustee-Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), the Trust Deed (unless otherwise exempted or waived by the Monetary Authority of Singapore ("**MAS**") and the Business Trusts Act (unless otherwise exempted or waived by the MAS);

(4) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution shall continue in force until (a) the conclusion of the next AGM of KIT or (b) the date by which the next AGM of KIT is required by applicable regulations to be held, whichever is earlier;

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Trustee-Manager is authorised to issue additional Instruments or Units pursuant to such adjustment, notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

(6) the Trustee-Manager and any of its Directors, Chief Executive Officer, Chief Financial Officer or Head, Finance be and are hereby severally authorised to complete and do all such acts and things (including executing, as the case may be, all such documents as may be required) as the Trustee-Manager or, as the case may be, the Director, Chief Executive Officer, Chief Financial Officer or Head, Finance may consider expedient or necessary or in the interest of KIT to give effect to the authority conferred by this Resolution.

(Please see Explanatory Note 11)

5. That: **Ordinary Resolution 7**

(a) approval be and is hereby given for the renewal of, the Unitholders' general mandate for KIT, its subsidiaries and associated companies that are "entities at risk" as defined under Chapter 9 of the Listing Manual ("**Chapter 9**") of the SGX-ST, or any of these entities, to enter into any of the transactions falling within the categories of interested person transactions described in the Appendix accompanying this Notice of AGM dated 29 March 2021 (the "**Appendix**"), and generally on the terms set out in the Appendix, provided that such transactions are made on normal commercial terms and are not prejudicial to the interests of KIT and its minority Unitholders, and are entered into in accordance with the review procedures for such interested person transactions as set out in the Appendix (the "**Unitholders' Mandate**");

(b) the Unitholders' Mandate shall, unless revoked or varied by the Unitholders in a general meeting, continue in force until the date that the next AGM of KIT is held or is required by law to be held, whichever is earlier;

(c) the Audit and Risk Committee of the Trustee-Manager be and is hereby authorised to take such action as it deems proper in respect of the procedures and/or modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 which may be prescribed by the SGX-ST from time to time; and

(d) the Trustee-Manager and any of its Directors, Chief Executive Officer, Chief Financial Officer or Head, Finance be and are hereby severally authorised to complete and do all such acts and things (including, executing, as the case may be, all such documents as may be required) as the Trustee-Manager or, as the case may be, the Director, Chief Executive Officer, Chief Financial Officer or Head, Finance may consider expedient or necessary or in the interest of KIT to give effect to the Unitholders' Mandate and/or this Resolution.

(Please see Explanatory Note 12)

6. That: **Ordinary Resolution 8**

(a) the exercise of all the powers of the Trustee-Manager to repurchase issued Units for and on behalf of KIT not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Trustee-Manager from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) on the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted; and/or

(ii) off-market purchase(s) (which are not market purchase(s)) in accordance with any equal access scheme(s) as may be determined or formulated by the Trustee-Manager as it considers fit in accordance with the Trust Deed,

and otherwise in accordance with all applicable laws and regulations including the rules of the SGX-ST or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, be and is hereby authorised and approved generally and unconditionally (the "**Unit Buy-Back Mandate**");

(b) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred on the Trustee-Manager pursuant to the Unit Buy-Back Mandate may be exercised by the Trustee-Manager at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next AGM of KIT is held;

(ii) the date by which the next AGM of KIT is required by applicable laws and regulations or the Trust Deed to be held; or

(iii) the date on which repurchases of Units pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Average Closing Price**" means the average of the closing market prices of the Units over the last five Market Days, on which transactions in the Units were recorded, immediately preceding the date of the market purchase or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five-day period and the day on which the market purchase(s) or, as the case may be, the date on which the offer pursuant to the off-market purchase(s), is made;

"**date of the making of the offer**" means the date on which the Trustee-Manager makes an offer for an off-market purchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an off-market purchase) for each Unit and the relevant terms of the equal access scheme for effecting the off-market purchase;

"**Market Day**" means a day on which the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, is open for trading in securities;

"**Maximum Limit**" means that number of Units representing 5% of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) as at the date of the passing of this Resolution; and

"**Maximum Price**" in relation to a Unit to be repurchased, means the repurchase price (excluding brokerage, stamp duty, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(i) in the case of a market purchase of a Unit, 105% of the Average Closing Price of the Units; and

(ii) in the case of an off-market purchase of a Unit, 110% of the Average Closing Price of the Units; and

(d) the Trustee-Manager and any of its Directors, Chief Executive Officer, Chief Financial Officer or Head, Finance be and are hereby severally authorised to complete and do all such acts and things (including, executing, as the case may be, all such documents as may be required) as the Trustee-Manager or, as the case may be, the Director, Chief Executive Officer, Chief Financial Officer or Head, Finance may consider expedient or necessary or in the interest of KIT to give effect to the Unit Buy-Back Mandate and/or this Resolution.

(Please see Explanatory Note 13)

(C) AS OTHER BUSINESS

7. To transact such other business as may be transacted at an AGM of KIT.

Unitholders are invited to send in their questions relating to the resolutions above to the Trustee-Manager by 3.00 p.m. on 18 April 2021. Please see Note 7 of this Notice of AGM on how Unitholders may submit their questions.

BY ORDER OF THE BOARD
Keppel Infrastructure Fund Management Pte. Ltd.
(Company Registration No. 200803959H)
as Trustee-Manager of Keppel Infrastructure Trust

Marc Tan/Darren Tan
Company Secretaries

Singapore
29 March 2021

Explanatory notes:

1. This AGM is being convened and will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and the Joint Statement by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation issued on 1 October 2020 titled "Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation". In addition to printed copies of this Notice of AGM that will be sent to Unitholders, Unitholders can also access this Notice of AGM on Keppel Infrastructure Trust's website at **https://www.kepinfratrust.com/investor-information/agm-and-egm/** and SGXNet.

2. The proceedings of this AGM will be broadcasted "live" through an audio-and-video webcast and an audio-only feed. Unitholders and investors holding Units through Central Provident Fund ("**CPF**") or Supplementary Retirement Scheme ("**SRS**") ("**CPF/SRS investors**") who wish to follow the proceedings must **pre-register at https://www.kepinfratrust.com/agm2021 no later than 3.00 p.m. on 18 April 2021**. Following verification, an email containing instructions on how to join the "live" broadcast will be sent to authenticated persons by 3.00 p.m. on 19 April 2021.

3. Investors holding Units through relevant intermediaries ("**Investors**") (other than CPF/SRS investors) will not be able to pre-register at **https://www.kepinfratrust.com/agm2021** for the "live" broadcast of the AGM. An Investor (other than CPF/SRS investors) who wishes to participate in the "live" broadcast of the AGM should instead approach his/her relevant intermediary as soon as possible in order to make the necessary arrangements. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, via email to **keppel@boardroomlimited.com** no later than 3.00 p.m. on 18 April 2021.

   In this Notice of AGM, a "**relevant intermediary**" means:

   (i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds Units in that capacity; or

   (iii) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. **In view of the current COVID-19 situation and the related safe distancing measures in Singapore, a Unitholder will not be able to attend the AGM in person. A Unitholder will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A Unitholder (whether individual or corporate) must appoint the Chairman of the AGM ("Chairman") as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the AGM. The Chairman, as proxy, need not be a Unitholder**. The instrument for the appointment of proxy ("**proxy form**") will be sent to Unitholders and may be accessed at Keppel Infrastructure Trust's website at **https://www.kepinfratrust.com/investor-information/agm-and-egm/** or SGXNet. Where a Unitholder (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.

5. The proxy form is not valid for use by Investors (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor (other than CPF/SRS investors) who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify his/her voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator to submit his/her vote by **5.00 p.m.** on **9 April 2021**, being 7 working days before the date of the AGM.

6. **The proxy form must be submitted in the following manner:**

   (a) if submitted by post, be lodged with the Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or

   (b) if submitted electronically, be submitted via email to **keppel@boardroomlimited.com**,

   in either case, by **3.00 p.m.** on **18 April 2021**, being **48 hours before the time appointed for holding this AGM**.

   A Unitholder who wishes to submit the proxy form must complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Unitholders to submit completed proxy forms by post, Unitholders are strongly encouraged to submit completed proxy forms electronically via email.

7. **Unitholders and Investors will not be able to ask questions "live" during the broadcast of this AGM. All Unitholders and Investors may submit questions relating to the business of this AGM no later than 3.00 p.m. on 18 April 2021:**

   (a) via the pre-registration website at **https://www.kepinfratrust.com/agm2021**;

   (b) by email to **investor.relations@kepinfratrust.com**; or

   (c) by post to the Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult to submit questions by post, Unitholders and Investors are strongly encouraged to submit their questions via the pre-registration website or by email. The Trustee-Manager will endeavour to answer all substantial and relevant questions by publishing responses on Keppel Infrastructure Trust's website and on SGXNET prior to this AGM, or will address such questions at the AGM.

8. All documents (including Keppel Infrastructure Trust's Annual Report 2020, the proxy form, this Notice of AGM and the Appendix to this Notice of AGM dated 29 March 2021 (in relation to the Unitholders' Mandate for Interested Person Transactions and the Unit Buy-Back Mandate)) and information relating to the business of this AGM have been, or will be, published on SGXNet and/or Keppel Infrastructure Trust's website at **https://www.kepinfratrust.com/investor-information/agm-and-egm/. Printed copies of Keppel Infrastructure Trust's Annual Report 2020 will not be despatched to Unitholders.** Unitholders and Investors are advised to check SGXNet and/or Keppel Infrastructure Trust's website regularly for updates.

9. Any reference to a time of day is made by reference to Singapore time.

10. **Ordinary Resolutions 3, 4 and 5**
    Keppel Capital has on 1 March 2020 provided an undertaking (the "**Undertaking**") to the Trustee-Manager:

    - to procure the Trustee-Manager to seek Unitholders' endorsement for the appointment of the persons who are Directors as of 1 March 2020 ("**Existing Directors**") no later than the AGM to be held in 2022, provided that the Trustee-Manager shall seek Unitholders' endorsement for at least one-third of the Existing Directors (or if their number is not a multiple of three then the number nearest to one-third) at each of the AGMs in 2020 and 2021;
    - to procure the Trustee-Manager to seek Unitholders' re-endorsement for the appointment of each Director no later than every third AGM after the relevant general meeting at which such Director's appointment was last endorsed or re-endorsed, as the case may be;
    - (where a person is appointed as Director, either to fill a vacancy or as an addition to the existing Directors, at any time) to procure the Trustee-Manager to seek Unitholders' endorsement for his or her appointment as a Director at the next AGM immediately following his or her appointment; and
    - to procure any person whose appointment as a Director has not been endorsed or re-endorsed (as the case may be) by the Unitholders at the relevant general meeting where the endorsement or re-endorsement (as the case may be) for his or her appointment was sought, to resign or otherwise be removed from the board of Directors ("**Board**") either (i) within 21 days from the date of the relevant general meeting or, (ii) in the event that the Board determines that a replacement Director has to be appointed, no later than the date when such replacement Director is appointed, and with the regulatory approval for such appointment (if any) has been obtained.

The Undertaking shall remain in force for so long as Keppel Capital continues to hold a majority of the shares in the Trustee-Manager and Keppel Infrastructure Fund Management Pte. Ltd. remains as the trustee-manager of KIT. The endorsement or re-endorsement from Unitholders of any appointment of any person as a Director shall be by way of an ordinary resolution passed at the relevant general meeting. The Undertaking shall not restrict the Trustee-Manager or Keppel Capital from appointing or procuring the appointment of any Director from time to time in accordance with applicable laws and regulations (including any applicable rule of the SGX-ST) and the Constitution of the Trustee-Manager.

Detailed information on the Directors can be found in the "Board of Directors" section of KIT's Annual Report 2020. Mr Daniel Cuthbert Ee Hock Huat will, upon endorsement, continue to serve as Chairman of the Board and the Conflicts Resolution Committee and a member of the Audit and Risk Committee and member of the Nominating and Remuneration Committee. Mr Mark Andrew Yeo Kah Chong will, upon endorsement, continue to serve as the Chairman of the Audit and Risk Committee and a member of the Nominating and Remuneration Committee. Ms Chong Suk Shien will, upon endorsement, continue to serve as a member of the Board Safety Committee. Mr Daniel Cuthbert Ee Hock Huat, Mr Mark Andrew Yeo Kah Chong and Ms Chong Suk Shien are considered as independent Directors.

The list of all current directorships in other listed companies and details of other principal commitments of the Directors are set out at pages 12 to 13 of KIT's Annual Report 2020.

11. **Ordinary Resolution 6**
Ordinary Resolution 6 above, if passed, will empower the Trustee-Manager from the date of the AGM until (i) the conclusion of the next AGM of KIT, (ii) the date by which the next AGM of KIT is required by law to be held, or (iii) the date on which such authority is revoked or varied by the Unitholders in a general meeting, whichever is the earliest, to issue Units, to make or grant Instruments and to issue Units pursuant to such Instruments, up to a number not exceeding 50% of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) in each class, of which up to 20% may be issued on other than on a pro rata basis to Unitholders.

For determining the aggregate number of Units that may be issued, the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) will be calculated based on the issued Units at the time Ordinary Resolution 6 above is passed, after adjusting for new Units arising from the conversion or exercise of any Instruments which were issued and are outstanding or subsisting at the time this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Ordinary Resolution 6 above, if passed, will also empower the Trustee-Manager from the date of this AGM until the date of the next AGM of KIT, to allot and issue Units to itself instead of cash in the event the Trustee-Manager elects in accordance with Clause 11 of the Trust Deed to receive all or any part of the fees due and payable to it in Units, provided that such allotment and issue shall be in accordance with the provisions of the Trust Deed, the Business Trusts Act and applicable regulations.

12. **Ordinary Resolution 7**
Ordinary Resolution 7 relates to the renewal of a mandate given by the Unitholders on 3 June 2020, approving KIT, its subsidiaries and associated companies that are "entities at risk" (as that term is used in Chapter 9), or any of these entities, to enter into transactions falling within the types of interested person transactions described as Interested Person Transactions (as defined in the Appendix) with any party who is of the class of interested persons described in the Appendix. Please refer to the Appendix for further details.

13. **Ordinary Resolution 8**
Ordinary Resolution 8 is to renew the Unit Buy-Back Mandate which was approved at the AGM of KIT on 3 June 2020 and if passed, will empower the Trustee-Manager from the date of the AGM of KIT until (i) the date on which the next AGM of KIT is held, (ii) the date by which the next AGM of KIT is required by applicable laws and regulations or the Trust Deed to be held, or (iii) the date on which the repurchases of Units pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated, whichever is the earliest, to exercise all the powers to repurchase issued Units for and on behalf of KIT not exceeding in aggregate 5% of the total number of Units (excluding treasury Units and subsidiary holdings, if any) as at the date of the passing of this Resolution, whether by way of market purchase(s) or off-market purchase(s), on the terms of the Unit Buy-Back Mandate set out in the Appendix unless such authority is revoked or varied by the Unitholders in a general meeting. The Trustee-Manager intends to utilise KIT's internal sources of funds, external borrowings or a combination of both to finance the repurchase of Units on behalf of KIT pursuant to the Unit Buy-Back Mandate. Please refer to the Appendix for further details.

Personal Data Privacy:
By submitting the proxy form appointing the Chairman to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder consents to the collection, use and disclosure of the Unitholder's personal data by the Trustee-Manager (or their agents or service providers) for the purpose of the processing, administration and analysis by the Trustee-Manager (or their agents or service providers) of the appointment of the Chairman as proxy for the AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Trustee-Manager (or their agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

In the case of a Unitholder who is a relevant intermediary, by submitting a consolidated list of participants for the "live" broadcast of the AGM, the Unitholder warrants that the Unitholder has obtained the prior consent of such participant(s) for the collection, use and disclosure by the Trustee-Manager (or their agents or service providers) of the personal data of such participant(s) for the purpose of the processing and administration by the Trustee-Manager (or their agents or service providers) of the "live" broadcast of the AGM (including any adjournment thereof), the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Trustee-Manager (or their agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

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PROXY FORM

KIT | KEPPEL INFRASTRUCTURE TRUST

(Business Trust Registration No. 2007001)
(Constituted in the Republic of Singapore as a business trust pursuant to a trust deed dated 5 January 2007 (as amended))

IMPORTANT

1. This AGM (as defined below) will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and the Joint Statement by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation issued on 1 October 2020 titled "Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation". In addition to printed copies of the Notice of AGM and this Proxy Form that will be sent to unitholders of Keppel Infrastructure Trust ("**Unitholders**"), Unitholders can also access the Notice of AGM and this Proxy Form on Keppel Infrastructure Trust's website at https://www.kepinfratrust.com/investor-information/agm-and-egm/ and SGXNet.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio- and-video webcast or "live" audio-only stream), submission of questions to the Chairman (as defined below) in advance of the AGM, addressing of substantial and relevant questions at AGM and voting by appointing the Chairman as proxy at the AGM, are set out in the Notice of AGM and the accompanying announcement dated 29 March 2021. This announcement may be accessed at Keppel Infrastructure Trust's website at https://www.kepinfratrust.com/investor-information/agm-and-egm/ and SGXNet.
3. **In view of the current COVID-19 situation and the related safe distancing measures in Singapore, a Unitholder will not be able to attend the AGM in person. A Unitholder will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A Unitholder (whether individual or corporate) must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the AGM. The Chairman, as proxy, need not be a Unitholder.**
4. This Proxy Form is not valid for use by investors holding units in Keppel Infrastructure Trust ("**Units**") through relevant intermediaries ("**Investors**") (including investors holding through Central Provident Fund ("**CPF**") or Supplementary Retirement Scheme ("**SRS**") ("**CPF/SRS investors**")) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor (other than a CPF/SRS investor) who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by 5.00 p.m. on 9 April 2021, being 7 working days before the date of the AGM to submit his/her vote.
5. **Personal Data Privacy:** By submitting this Proxy Form, a Unitholder accepts and agrees to the personal data terms set out in the Notice of AGM dated 29 March 2021.
6. **Please read the notes overleaf which contain instructions on, *inter alia,* the appointment of the Chairman as a Unitholder's proxy to attend, speak and vote on his/her/its behalf at the AGM.**

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ANNUAL GENERAL MEETING

I/We ______________________ (Name(s)) ______________________ (NRIC/Passport/Co Reg Number(s))

of ____ (address)

being a Unitholder/Unitholders of Keppel Infrastructure Trust ("**KIT**"), hereby appoint the **Chairman of the Annual General Meeting** ("**Chairman**") as my/our proxy to attend, speak and vote on my/our behalf at the Annual General Meeting of KIT ("**AGM**") to be convened and held by way of electronic means on Tuesday, 20 April 2021 at 3.00 p.m. and at any adjournment thereof in the following manner:

No.	Ordinary Resolutions	For *	Against *	Abstain *
	Ordinary Business			
1.	To receive and adopt the Trustee-Manager's Statement and the Audited Financial Statements of KIT for the year ended 31 December 2020, and the Independent Auditor's Report thereon. (Ordinary Resolution 1)			
2.	To re-appoint Messrs Deloitte & Touche LLP as the Auditor of KIT, and to authorise the Trustee-Manager to fix the Auditor's remuneration. (Ordinary Resolution 2)			
3.	To endorse the appointment of Mr Daniel Cuthbert Ee Hock Huat as Director. (Ordinary Resolution 3)			
4.	To endorse the appointment of Mr Mark Andrew Yeo Kah Chong as Director. (Ordinary Resolution 4)			
5	To endorse the appointment of Ms Chong Suk Shien as Director. (Ordinary Resolution 5)			
	Special Business			
6.	To authorise the Trustee-Manager to issue Units and to make or grant convertible instruments. (Ordinary Resolution 6)			
7.	To approve the renewal of the Unitholders' Mandate. (Ordinary Resolution 7)			
8.	To approve the renewal of the Unit Buy-Back Mandate. (Ordinary Resolution 8)			

* If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (✔) within the relevant box provided. Alternatively, if you wish to exercise your votes for both "For" and "Against" the relevant resolution, please indicate the number of Units in the boxes provided. If you wish to abstain from voting on a resolution, please tick (✔) within the relevant box provided. Alternatively, please indicate the number of Units which you wish to abstain from voting, in the box provided. In the absence of specific directions in respect of a resolution, the appointment of the Chairman as your proxy for that resolution will be treated as invalid.

Dated this ____________ day of ____________________ 2021

Total Number of Units held	

____
Signature(s) of Unitholder(s)/Common Seal of Corporate Unitholder

IMPORTANT: Please read the notes overleaf before completing this Proxy Form.

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Notes to the Proxy Form:

1. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his/her name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore and maintained by The Central Depository (Pte) Limited ("**CDP**")), he/she should insert that number of Units. If the Unitholder has Units registered in his/her name in the Register of Unitholders of KIT, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders, he/she should insert the aggregate number of Units. If no number is inserted, this Proxy Form will be deemed to relate to all the Units held by the Unitholder.
2. **In view of the current COVID-19 situation and the related safe distancing measures in Singapore, a Unitholder will not be able to attend the AGM in person.** A Unitholder will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A Unitholder (whether individual or corporate) must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the AGM. The Chairman, as proxy, need not be a Unitholder. Where a Unitholder (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.
3. The Proxy Form is not valid for use by Investors (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor (other than a CPF/ SRS investor) who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by 5.00 p.m. on 9 April 2021, being 7 working days before the date of the AGM to submit his/her vote.
4. The Proxy Form must be submitted in the following manner:
   (a) if submitted by post, be lodged with the Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
   (b) if submitted electronically, be submitted via email to keppel@boardroomlimited.com,

   in either case, by **3.00 p.m.** on **18 April 2021**, being **48 hours before the time appointed for holding this AGM.**

   A Unitholder who wishes to submit the Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Unitholders to submit completed Proxy Forms by post, Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.

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Affix
Postage
Stamp

Keppel Infrastructure Fund Management Pte. Ltd.
(as Trustee-Manager of Keppel Infrastructure Trust)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

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5. The Proxy Form shall be in writing, under the hand of the appointor or of his/her attorney duly authorised in writing or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised. The Trustee-Manager shall have the right to reject a Proxy Form which has not been properly completed. In determining the rights to vote and other matters in respect of a completed Proxy Form submitted to it, the Trustee-Manager shall have regard to any instructions and/or notes set out in the Proxy Form.
6. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority must (failing previous registration with the Trustee-Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
7. The Proxy Form and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at such place as the Trustee-Manager may in the notice convening the meeting direct, or if no such place is appointed, then at the registered office of the Trustee-Manager not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the person named in the Proxy Form proposes to vote and in default the Proxy Form shall not be treated as valid. No Proxy Form shall be valid after the expiration of 12 months from the date named in it as the date of its execution.
8. Any reference to a time of day is made by reference to Singapore time.

General:

The Trustee-Manager shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Trustee-Manager may reject any Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by the CDP to the Trustee-Manager.

NOTES

NOTES

Keppel Infrastructure Fund Management Pte. Ltd.
(as Trustee-Manager of Keppel Infrastructure Trust)
1 HarbourFront Avenue, Level 2
Keppel Bay Tower
Singapore 098632

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