



ANNUAL REPORT 2023

INVESTING IN THE FUTURE OF INFRASTRUCTURE

VISION

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

MISSION

Delivering value to investors by building a global well-diversified portfolio of sustainable businesses and assets in the infrastructure sector.

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INVESTING IN THE FUTURE OF INFRASTRUCTURE

With a portfolio of essential businesses and assets that support the economy, we believe that our investments can drive positive change and improve the lives of communities where we operate.

With sustainability at the core of our strategy, we continue to build a resilient and future-proof portfolio that serves the needs of a greener, smarter and more connected city.



CONTINUED PORTFOLIO TRANSFORMATION

Leveraging the sustainable infrastructure theme, the continued transformation of the KIT portfolio through growth and value creation yielded record financial performance with the Trust's EBITDA, Distributable Income and Distributions per Unit (DPU) achieving its highest level since KIT was formed in 2015.



Growth

\$1.6 billion

Enterprise value of announced acquisitions of German Solar Portfolio and Ventura, expanding footprint in developed markets of Germany and Australia.



Value Creation

\$273 million

Crystallised from value creation efforts at City Energy and Ixom, of which \$142 million was utilised to fund FY 2022 acquisitions and \$131 million paid out as special distributions to Unitholders.

SUSTAINABLE INFRASTRUCTURE

Supports energy transition, safeguards the environment and drives economic growth

Capacity to treat
37%
of Singapore's municipal incinerable waste

Process
22%
of Singapore's water supply

Renewables exposure
>1.3 GW
of renewable energy capacity in Europe



German Solar Portfolio
>60,000 PV Panels
Across Germany with a combined generation capacity of 585 MW



European Onshore Wind Platform
275 MW
Comprising four wind farms in Sweden and Norway

Borkum Riffgrund 2
465 MW
Located in the North Sea off the coast of Germany



- Senoko Waste-to-Energy Plant
- Keppel Seghers Tuas Waste-to-Energy Plant
- Eco Management Korea

>3,500 tonnes/day
Waste incineration capacity in Singapore and South Korea; EMK owns a landfill in Yeongnam



Keppel Merlimau Cogen Plant
1,300 MW
Power generation capacity supplying >10% of Singapore's electricity needs



Ixom
Sole provider
Of liquefied chlorine in Australia; supplier and distributor of key water treatment, industrial and specialty chemicals in Australia and New Zealand



Go by City Energy
20,000 carpark lots
Exclusive rights secured to extend EV charging services in private residential and mixed developments



Philippine Coastal Storage and Pipeline Corporation
6 million barrels
The largest independent petroleum storage facility in the Philippines located in Subic Bay



Aramco Gas Pipelines Company
20-year lease-and-leaseback agreement supports the energy transition of the Saudi economy



- Keppel Seghers Ulu Pandan NEWater Plant
- SingSpring Desalination Plant

284,000 m³/day
Water Processing Capacity



City Energy
1.6 million m³/day
Sole producer and retailer of piped town gas in Singapore with >900,000 residential, commercial and industrial customers

Water Gas

RECORD PERFORMANCE FOR FY 2023

Record EBITDA

\$463.7m¹

Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) increased by 15.3% year-on-year (YoY) to \$463.7 million in FY 2023, a record performance since the Trust was formed in 2015.

Record Distributable Income

\$316.8m

Distributable Income increased by 42% YoY to \$316.8 million in FY 2023, supported by strong portfolio performance from growth and value creation.

Record Distributions

6.19 cts

KIT paid a special distribution of 2.33 cents per Unit in November 2023 with the crystallisation of value creation efforts. Total DPU for FY 2023 saw a significant 62% increase to 6.19 cents, up from FY 2022's 3.82 cents. Excluding the special distribution, KIT's DPU would see a steady increase of 1% to 3.86 cents for the year.

Strong Total Returns Since Inception

72%

KIT delivered total unitholder returns of 72% since the Trust's inception in June 2015. For FY 2023, KIT delivered total unitholder returns of approximately 7%, surpassing STI's 4.8%.

Well-insulated Portfolio

>90%

KIT is well-positioned against inflation and higher energy prices with approximately 65% of portfolio with CPI-linked and cost pass-through mechanisms, and approximately 30% in businesses with leading position and price-setting capabilities.

Enlarged AUM²

\$8.1b

KIT's AUM grew by 11% from \$7.3 billion for FY 2022 to \$8.1 billion as at 2 January 2024, following the first phase completion of the German Solar Portfolio. Excluding which KIT's existing portfolio would increase by 1% to \$7.4 billion as at 31 December 2023, supported by higher valuation from its existing portfolio, a key testament of the Trustee-Manager's value creation efforts.

¹ Excludes one-off acquisition related cost incurred (\$3.7 million), unrealised exchange gains (\$3.3 million), fair value gain on the investment in Aramco Gas Pipelines Company (AGPC) (\$9.3 million), write-off of Eco Management Korea's (EMK) fixed assets (\$1.7 million) and reversal of impairment loss on the Lista onshore wind farm in Norway (\$1.5 million). Group adjusted EBITDA would be \$472.4 million without the adjustments.

² Based on independent valuation conducted by Ernst & Young (except for the German Solar Portfolio). Represents KIT's equity stake in the enterprise value of its investments plus cash held at the Trust.

Financial Highlights

FINANCIAL SUMMARY

for the financial year ended 31 December

	2023 \$'000	2022 \$'000	Change %
EBITDA ¹²	463,718	402,015	15.3
Funds from operations ³	255,702	232,347	10.1
Distributable Income ⁴	316,758	222,493	42.4
Total distribution declared	340,381	190,686	78.5
Distribution per Unit (cents)	6.19	3.82	62.0
Distribution yield ⁵	12.4	7.1	74.6

BALANCE SHEET

for the financial year ended 31 December

	2023 \$'000	2022 \$'000	Change %
Total assets	5,617,178	5,962,756	(5.8)
Total liabilities	3,828,229	4,055,600	(5.6)
Total current assets	1,128,972	1,237,437	(8.8)
Total current liabilities	552,947	1,326,595	(58.3)
Net current assets/(liabilities)	576,025	(89,158)	N.m.
Unitholders' fund	890,480	963,926	(7.6)
Market capitalisation ⁵	2,812,893	2,695,567	4.4
Number of Units in issue ('000)	5,625,786	4,991,790	12.7
Net asset value per Unit (cents)	15.8	19.3	(18.1)
Adjusted net asset value per Unit ⁶ (cents)	16.6	19.1	(13.1)

5-YEAR PERFORMANCE EBITDA (\$ million)

2019		320.2
2020		328.3
2021		317.6
2022		402.0
2023		463.7

DISTRIBUTABLE INCOME (\$ million)

2019		188.7
2020		225.7
2021		192.2
2022		222.5
2023		316.8

DISTRIBUTABLE PER UNIT (cents)

2019		3.72
2020		3.72
2021		3.78
2022		3.82
2023		6.19

N.m. = Not meaningful

¹ FY 2023 Group EBITDA excludes one-off acquisition related cost incurred (\$3.7 million), unrealised exchange gains (\$3.3 million), fair value gain on investment in Aramco Gas Pipelines Company (AGPC) (\$9.3 million), write-off of EMK's fixed assets (\$1.7 million) and reversal of impairment loss on Lista onshore wind farm in Norway (\$1.5 million).

² FY 2022 Group EBITDA excludes gain on divestment of Fiji business (\$0.5 million), one off acquisition related costs incurred for new investments (\$58.8 million), impairment loss on the Lista onshore wind farm in Norway (\$7.7 million) and investment in Philippine Coastal Storage & Pipeline Corporation (\$68.1 million), unrealised exchange gain (\$0.4 million) and fair value gain on the investment in AGPC (\$20.8 million).

³ 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.

⁴ Distributable Income is defined as funds from operations less mandatory debt repayment and other charges, credits or adjustments as deemed appropriate by the Trustee-Manager.

⁵ Based on Unit closing price of \$0.50 and \$0.54 at the last trading days of FY 2023 and FY 2022, respectively.

⁶ Based on net asset value before hedging and translation reserves.

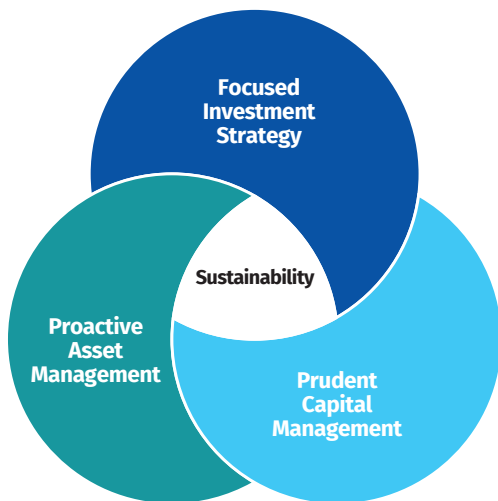
Corporate Profile and Strategic Direction

KIT plays a critical role in supporting Singapore’s economic growth, through providing electricity and gas, managing waste, and enhancing water security. Overseas, its portfolio of critical infrastructure assets includes gas pipelines, wind farms, waste treatment, production of chlorine gas for treatment of potable water, manufacturing and distribution of essential chemicals, as well as the storage of petroleum products. Globally, KIT’s businesses and assets serve a large customer base comprising government agencies, multinational corporations, commercial & industrial enterprises, and retail consumers across Asia Pacific, Europe and the Middle East.

Playing an important role in building the infrastructural foundation for a sustainable future, KIT places environmental, social and governance (ESG) at the core of its strategy to create value and achieve growth.

KIT’s investment strategy is to build a well-diversified portfolio of businesses and assets that exhibits linkage to economic growth and domestic inflation. This will support the long-term growth of KIT’s distributions and contribute to a sustainable future. Leveraging the sustainable infrastructure theme, the Trustee-Manager will actively pursue evergreen, yield accretive businesses and assets to support energy transition, rapid urbanisation and aging population as well as digitalisation.

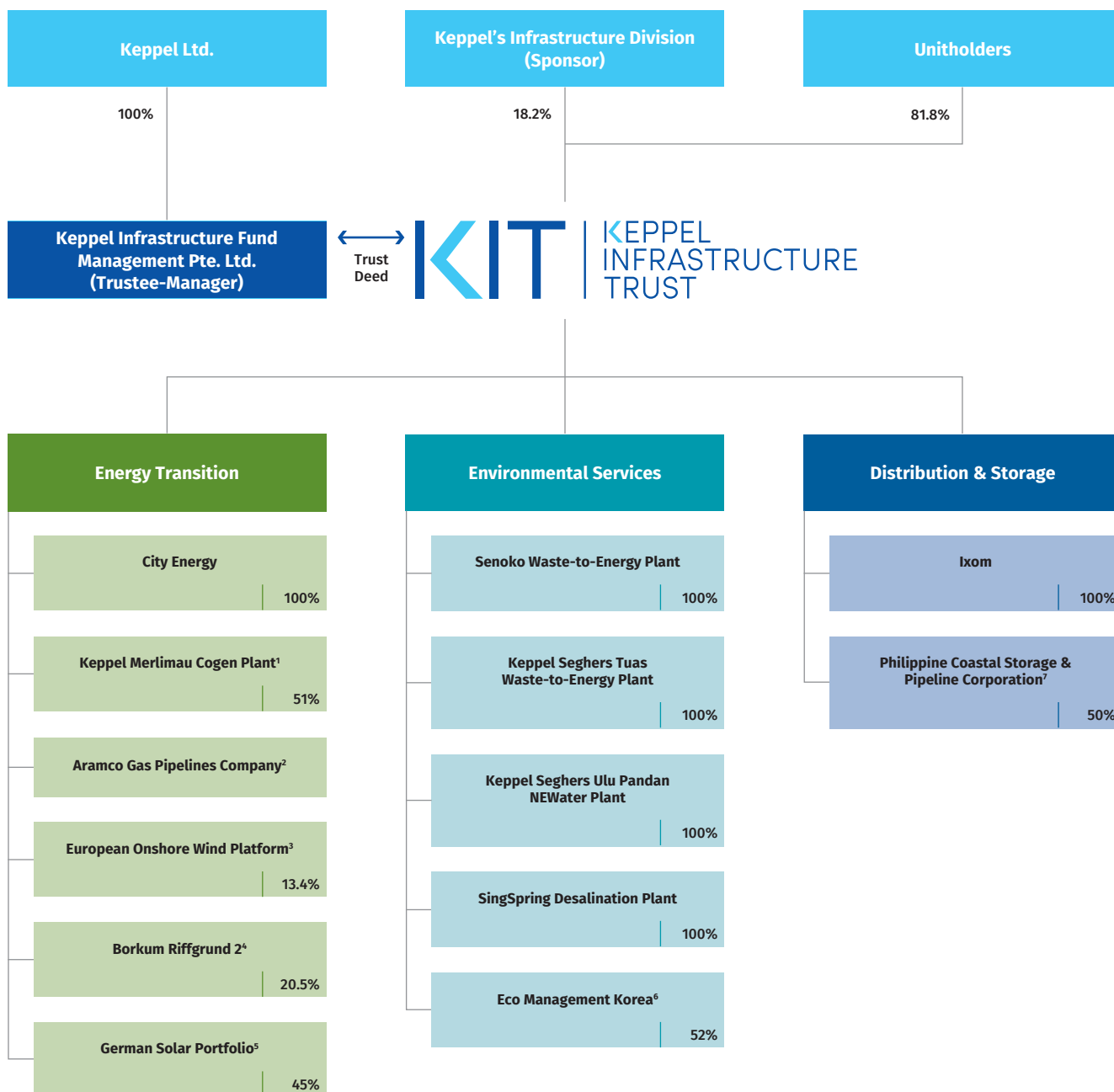
KIT is managed by Keppel Infrastructure Fund Management Pte. Ltd. and is sponsored by Keppel, a global asset manager and operator with strong expertise in sustainability-related solutions spanning the areas of infrastructure, real estate and connectivity.



With ESG at the core of its strategy, the Trustee-Manager will continue to grow and actively manage Keppel Infrastructure Trust’s portfolio.

FOCUSED INVESTMENT STRATEGY	PRUDENT CAPITAL MANAGEMENT	PROACTIVE ASSET MANAGEMENT	SUSTAINABILITY
<ul style="list-style-type: none"> Actively pursue third party evergreen businesses and yield-accretive acquisitions and investments, with a focus on developed markets globally Pursue growth surrounding the sustainable infrastructure theme, supporting energy transition, rapid urbanisation and ageing population and expand into digitalisation 	<ul style="list-style-type: none"> Employ an optimal mix of debt and equity in financing acquisitions and investments to optimise returns while maintaining financial flexibility Apply appropriate hedging strategies to achieve best risk-adjusted returns and enhance stability of distributions Diversify sources of funding and maintain a well-spread debt maturity profile to reduce concentration risks Active risk management to ensure effectiveness of policies amid evolving market conditions 	<ul style="list-style-type: none"> Leverage technologies, digitisation and automation to enhance productivity Optimise portfolio through asset recycling, unlocking value for further growth Achieve organic growth through bolt-on acquisitions and business expansions Implement proactive risk management and business continuity plans Continue to draw on Keppel’s development capabilities and strong operational track record to drive asset performance 	<ul style="list-style-type: none"> Implement industry best practices to support a sustainable future Committed to ESG excellence through reducing environmental impact, upholding strong corporate governance, as well as making a positive impact on the communities where KIT operates, and building a diverse and inclusive workforce

Trust Structure



¹ Keppel Energy Pte. Ltd. holds the remaining 49% equity interest in Keppel Merlimau Cogen Plant.
² Part of a global consortium that acquired a 49% stake in Aramco Gas Pipelines Company (AGPC). KIT holds a minority and non-controlling interest in AGPC.
³ Jointly invested with Keppel Renewable Investments Pte. Ltd., Kommunal Landspensjonskasse and MEAG MUNICH ERGO AssetManagement GmbH to acquire a 49% stake in a diversified portfolio of operating onshore wind farms in Norway and Sweden from Fred. Olsen Renewables AS (FORAS); FORAS holds the remaining 51% interest.
⁴ Jointly invested with Keppel Renewable Investments Pte. Ltd. to acquire a 25% stake in a German offshore wind farm. Ørsted Wind Power A/S and Gulf International Holding Pte. Ltd. hold the remaining interests with 50% and 25% stakes respectively.
⁵ Joint investment with Equitix European II Holdco B S.à.r.l. and Enpal B.V. which hold 45% and 10% equity interest in the German solar portfolio respectively.
⁶ Jointly invested with Keppel entities, with Keppel Asia Infrastructure Fund LP and Keppel EnServices Investment Pte. Ltd. holding 30% and 18% interests respectively.
⁷ KIT and Metro Pacific Investments Corporation (MPIC) each indirectly holds an approximately equal percentage of interests in Philippine Coastal Storage & Pipeline Corporation, with KIT indirectly holding one voting share more than MPIC.

Our Presence

Keppel Infrastructure Trust has a diversified portfolio of essential businesses and assets globally, providing exposure to the resilient and growing global infrastructure sector.

NORWAY & SWEDEN

ENERGY TRANSITION

- European Onshore Wind Platform

GERMANY

ENERGY TRANSITION

- Borkum Riffgrund 2
- German Solar Portfolio

KINGDOM OF SAUDI ARABIA

ENERGY TRANSITION

- Aramco Gas Pipelines Company

SOUTH KOREA

ENVIRONMENTAL SERVICES

- Eco Management Korea

THE PHILIPPINES

DISTRIBUTION & STORAGE

- Philippine Coastal Storage & Pipeline Corporation

SINGAPORE

ENERGY TRANSITION

- City Energy
- Keppel Merlimau Cogen Plant

ENVIRONMENTAL SERVICES

- Senoko Waste-to-Energy (WTE) Plant
- Keppel Seghers Tuas WTE Plant
- Keppel Seghers Ulu Pandan NEWater Plant
- SingSpring Desalination Plant

AUSTRALIA & NEW ZEALAND

DISTRIBUTION & STORAGE

- Ixom

● Energy Transition ● Environmental Services ● Distribution & Storage

ASSETS UNDER MANAGEMENT

\$8.1b

Portfolio of scale providing access to attractive real assets globally

BUSINESSES AND ASSETS

13

Evergreen businesses and concession assets underpinned by strong economic tailwinds

INVESTING IN THE FUTURE OF INFRASTRUCTURE

DANIEL EE
Chairman



KIT delivered record performance in FY 2023. The Trust paid its first special distribution of 2.33 cents per Unit in November 2023, lifted by the crystallisation of value creation at Ixom and City Energy.

DEAR UNITHOLDERS,

On behalf of the Board and management of the Trustee-Manager, I am pleased to present the Annual Report of Keppel Infrastructure Trust (KIT) for the financial year ended 31 December 2023 (FY 2023).

RECORD PERFORMANCE

KIT delivered record performance in FY 2023, amid headwinds from persistent inflation, high interest rates and geopolitical tensions, anchored by a portfolio of essential businesses and assets that remain relevant through business cycles and macroeconomic conditions.

KIT's EBITDA, Distributable Income and DPU achieved record levels in FY 2023, underpinned by the Trustee-Manager's robust strategies for growth and value creation, as well as strong execution.

KIT paid its first special distribution of 2.33 cents per Unit in November 2023, lifted by the crystallisation of value that the Trustee-Manager has created

at Ixom and City Energy. Including the special distribution, KIT's total DPU for FY 2023 is significantly higher at 6.19 cents, a 62% increase from FY 2022's 3.82 cents. Unitholders who stayed invested in KIT during the period would have enjoyed a yield of 14.3% for FY 2023. KIT has delivered total unitholder returns of 72% since the Trust's inception in June 2015.

GROWTH AND VALUE CREATION

Our ability to create value is a competitive edge. Leveraging the operational and engineering expertise of Keppel and championed by a dedicated portfolio management and optimisation team, value creation opportunities are identified during the acquisition due diligence process and realised as part of our asset optimisation strategy post-acquisition.

The successful crystallisation of value created at Ixom and City Energy are good examples of our value creation approach, and the Trustee-Manager will continue to leverage our competitive advantage to replicate

our value creation strategy across all our businesses and assets to support DPU growth.

We see a similar trajectory at Philippine Coastal Storage and Pipeline Corporation (Philippine Coastal) where EBITDA has grown by 40% since KIT's acquisition of the business in January 2021. Over this period, we implemented a new pricing strategy to support revenue growth and deepened our relationship with existing and new customers, evidenced in delivering tank utilisation rate of almost 100% as at end-December 2023, up from 66% in 2021. At an opportune time, we will crystallise the value created in Philippine Coastal to further grow the KIT portfolio, creating long-term value for Unitholders.

With a focus on growth supporting the sustainable infrastructure theme, KIT announced the proposed acquisition of Ventura, the largest bus service business in Victoria, Australia in January 2024. Ventura operates a defensive business with more than 80% of its revenue backed

by long-term inflation-protected government contracts with zero farebox risks. As a platform of scale, Ventura is a highly accretive business with growth upside which will generate stable, recurring cash flows for KIT when the acquisition is completed in 2Q 2024.

In growing its renewables exposure, KIT completed the first phase acquisition of a 45% interest in a German Solar Portfolio in January 2024. The acquisition marks KIT's first in the solar energy sector, and expands its renewables exposure beyond wind farm assets. Together with the investment in Fäbodliden II, a 17 MW onshore wind farm in Sweden as part of the exclusive pipeline from Fred. Olsen, the acquisitions will increase KIT's total renewable capacity to 1.3 GW, almost double that of 723 MW as at end-2022.

STEADY PORTFOLIO PERFORMANCE

KIT's assets under management (AUM) grew from \$7.3 billion for FY 2022 to \$7.4 billion as at 31 December 2023, supported by the growth of the evergreen businesses, which collectively have a valuation that exceeded the natural depreciation and amortisation associated with the Trust's fixed life assets. The first phase completion of the German Solar Portfolio has since added another \$700 million to our AUM, bringing our

total portfolio to \$8.1 billion as at 2 January 2024.

The KIT portfolio continued to deliver strong operational performance in FY 2023.

City Energy expanded its addressable market with the acquisition of a Liquified Petroleum Gas business. To serve the needs of a greener, smarter and more connected city, City Energy launched Sun City which provides solar PV systems for homes and businesses, and is on track with its growth plans in securing exclusive rights to extend its EV charging services to approximately 20,000 carpark lots in private residential and mixed developments.

The Trust's water and Waste-to-Energy (WTE) plants continued to fulfil their contractual obligations. The concession agreement for the Senoko WTE Plant was extended by three years with an option to further extend for up to one year. Eco Management Korea (EMK) maintained full utilisation of its incineration capacity and secured major contracts for its landfill business.

Down under, Ixom saw strong volume from its manufactured chemicals business in Australia and New Zealand.

In the Middle East, Aramco Gas Pipelines Company continues

to support strong gas demand, underpinned by economic growth.

In Europe, the wind farms continued to deliver stable distributions. Borkum Riffgrund 2 was granted additional grid capacity that will increase its output capacity to 486 MW with equipment upgrades.

Looking ahead, restoring KMC's contribution to KIT's Distributable Income will be a top priority.

COMMITMENT TO SUSTAINABILITY

Climate risks pose significant threats to humanity, including extreme weather events, rising sea levels, and disruptions to ecosystems. Addressing climate change is crucial to mitigating these risks. Playing an important role in building the infrastructure foundation for a sustainable future, KIT places sustainability at the core of its strategy.

Over the past year, KIT made good progress in its decarbonisation roadmap, by increasing its renewable energy portfolio, improving energy efficiency at its businesses and assets, building infrastructure to support electrification, and championing collaborations to advance its hydrogen strategy.

Chairman's Statement

In line with our vision to be a leading infrastructure business trust and to deliver sustainable growth in distributions to Unitholders, KIT will continue to scale up and build a resilient and future proof portfolio that will provide both growth upsides and income stability.



KIT completed the first phase acquisition of a 45% interest in a German Solar Portfolio in January 2024. This acquisition marks KIT's first in the solar energy sector.

KIT is on track to meet its Environment, Social, and Governance (ESG) targets. In FY 2023, KIT's carbon emission intensity declined by 36% YoY to approximately 6,900 tCO₂e/\$m¹, supported by its record financial performance. The addition of the first phase acquisition of the German Solar Portfolio increased KIT's exposure to renewables from 10% of AUM as at 31 December 2022 to 19% of AUM as at 2 January 2024, a significant step towards the Trust's 25% AUM target by 2030.

As part of its strategic oversight, the Board has reviewed, approved, and considered the material ESG factors in KIT's business and strategy formulation. The Board will continue to review and monitor

the management and performance of these ESG factors periodically, with support from management and feedback from key stakeholders.

In aligning its ESG ambitions with growth plans, the Trustee-Manager established the KIT Responsible Investment Policy, which is in line with the United Nations-supported Principles for Responsible Investment. This will guide the continued transformation of the KIT portfolio to support the sustainable infrastructure theme.

PURSuing OPPORTUNITIES AHEAD
The infrastructure sector remains a bright spot amid macroeconomic uncertainties as an inflation hedge. In line with our vision to be a leading

infrastructure business trust and to deliver sustainable growth in distributions to Unitholders, KIT will continue to scale up and build a resilient and future proof portfolio that will provide both growth upsides and income stability.

We will continue to safeguard our supply and delivery chains and ensure that power, clean water, town gas, waste incineration and essential chemicals continue to be readily available to support the economies and populations in Singapore and overseas. Backed by a healthy balance sheet, the Trustee-Manager will actively pursue opportunities that support energy transition and climate action, rapid urbanisation and the ageing population, as well as digitalisation.

Against the inflationary environment, I would also like to reassure investors that the KIT portfolio is well-insulated against inflation and volatile electricity costs, having over 90% of our businesses and assets with cost pass-through mechanisms and availability-based revenue models.

IN APPRECIATION

The Board and management would like to express our appreciation to Mr Kunnasagaran Chinniah, who stepped down from the Board in June 2023 for his invaluable and active contributions to the Trust. We wish him well in his new endeavours. We welcome Mr Ng Kin Sze, who joined us as an Independent Director in June 2023. Kin Sze brings with him decades of experience in Government of Singapore Investment Corporation (GIC) overseeing investment, strategy, portfolio management and risk management, which strengthen the Board's competencies.

Mr Kevin Neo was appointed as CEO of the Trustee-Manager on 1 October 2023, succeeding Mr Jopy Chiang. Kevin was Head of Investments prior to assuming the role. We would like to take this opportunity to congratulate

Record EBITDA Driven by Value Creation

IXOM



FY 2019 EBITDA
A\$130.2m¹



EBITDA growth
▲52%



FY 2023 EBITDA
A\$197.7m¹

February 2019 Ixom Acquisition

- Strengthened market leading position: 7 bolt-on acquisitions and 3 non-core divestments
- Realised revenue and cost synergies
- Completed refinancing: Strong demand with facility upsized to ~A\$1.04b

City Energy



FY 2021 EBITDA
S\$47.4m



EBITDA growth
▲72%



FY 2023 EBITDA
S\$81.3m²

New strategy and rebranding in 2021

- Built new growth engines: EV charging and smart home solutions
- Entered new market with the acquisition of Tan Soon Huah LPG business
- Completed refinancing into a sustainability-linked loan upsized to \$400m

Philippine Coastal Storage & Pipeline Corporation



FY 2021 EBITDA
US\$24.7m



EBITDA growth
▲40%

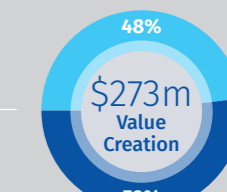


FY 2023 EBITDA
US\$34.4m

January 2021 Acquisition

- Success in renewals and secured new customers: Increased utilisation from 66% to almost 100%
- Implemented new pricing strategy to drive revenue and enhance margins
- On-going tank storage capacity expansion works

\$131m
Ixom: Special distribution
to Unitholders



\$142m
City Energy: To partially
fund FY 2022 Acquisition

✓ Improve Asset Performance	✓ Business Optimisation	✓ Realise Greater Synergies
City Energy <ul style="list-style-type: none"> • Position City Energy as a key importer for green hydrogen, and accelerate transition to green hydrogen • Grow new businesses in solar, EV charging, and LPG business 	Ixom <ul style="list-style-type: none"> • Further sharpen business • Pursue bolt-on opportunities • Leverage on strategic assets to grow market share • Enhance supply chain and increase customer stickiness 	Philippine Coastal Storage & Pipeline Corporation <ul style="list-style-type: none"> • Expanding within and outside Subic Bay to meet demand • Enhance utilisation and minimise excess capacity • Tap on positive pricing opportunities
		Eco Management Korea <ul style="list-style-type: none"> • Drive growth through bolt-on acquisitions • Sharpen liquids business and improve waste mix • Securing designated waste licenses to improve pricing

¹ Based on Ixom's full year results for their financial year ended 30 September, excluding one-off cost and lease adjustments.
² Exclude one-off acquisition related cost and unrealised exchange gain.

Jopy on his new appointment as Chief Investment Officer, Infrastructure, at Keppel and thank him for his astute leadership which spearheaded KIT's portfolio transformation and growth. The Board looks forward to working with Kevin and the management team to continue to grow KIT and deliver sustainable growth and value to Unitholders. Kevin's successful track record in investments, portfolio management as well as mergers and acquisitions, both within and before joining KIT, will help to position KIT for its next phase of growth.

We wish to thank our Unitholders, customers, and business partners for your continued support during the year. To the management team and all employees, my sincere appreciation and gratitude for your dedication, steadfast contribution and exceptional hard work in delivering a record year.

We are excited and encouraged by KIT's growth prospects. With our healthy balance sheet and access to diversified funding sources, we will continue striving for

portfolio growth and value creation opportunities, while maintaining operational excellence.

Yours sincerely,

Daniel Ee

DANIEL CUTHBERT EE HOCK HUAT
Chairman
14 March 2024

¹ Computed as carbon emissions/Distributable Income.

Corporate Governance at a Glance

The Board and Management of Keppel Infrastructure Fund Management Pte. Ltd., as Trustee-Manager of Keppel Infrastructure Trust, are fully committed to upholding good corporate governance standards.

HIGHLIGHTS

100%

Board meeting attendance



Independent Chairman

TENURE (YEARS)



0-3 years



3-6 years



6-9 years

BOARD GENDER DIVERSITY



2 females



4 males

ATTENDANCE TABLE

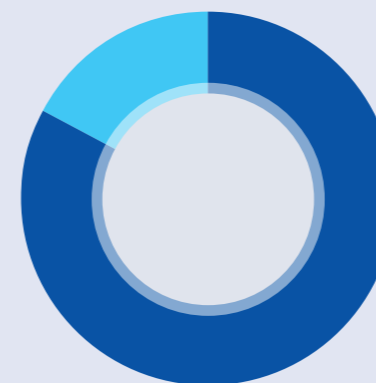
	Board Meetings Attended	Audit and Risk Committee Meetings Attended	Nominating and Remuneration Committee Meetings Attended	Environmental, Social and Governance Committee Meetings Attended	Investment Committee Meetings Attended	Unitholders' Meeting(s) Attended
Daniel Cuthbert Ee Hock Huat	7	4	3	–	11	2
Kunnasagaran Chinniah ¹	2	2	–	2	4	2
Mark Andrew Yeo Kah Chong	7	4	3	–	–	2
Ng Kin Sze ^{1,2}	5	–	–	2	8	–
Chong Suk Shien ¹	7	–	–	4	–	2
Adrian Chan Pengee ¹	7	2	–	4	–	2
Christina Tan Hua Mui	7	–	3	–	11	2
No. of Meetings held in FY 2023	7	4	3	4	11	2

¹ Mr Kunnasagaran Chinniah ceased to be a member of the Audit and Risk Committee on 1 May 2023. Mr Kunnasagaran Chinniah also stepped down as Non-Executive Independent Director on 30 June 2023 and accordingly, ceased to be the Chairman of the ESG Committee and a member of the Investment Committee with effect from 30 June 2023. Mr Adrian Chan was appointed as a member of the Audit and Risk Committee with effect from 1 May 2023 and Ms Chong Suk Shien was appointed as Chairman of the ESG Committee with effect from 30 June 2023 in place of Mr Kunnasagaran Chinniah. Mr Ng Kin Sze was appointed as a member of the Investment Committee and ESG Committee with effect from 30 June 2023 in place of Mr Kunnasagaran Chinniah.

² Mr Ng Kin Sze was appointed as Non-Executive Independent Director on 1 June 2023 and a member of the Investment Committee and ESG Committee with effect from 30 June 2023. Accordingly, Mr Ng Kin Sze did not attend the annual and extraordinary general meetings held in FY 2023.

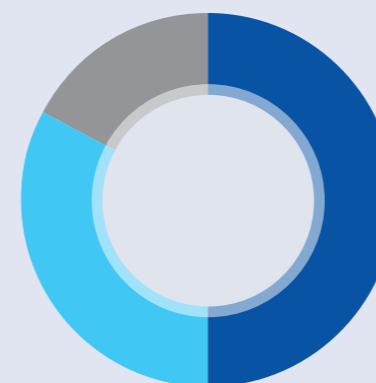
BOARD COMPOSITION DASHBOARD

INDEPENDENCE



● Independent Directors 83%
● Non-Independent Directors 17%

AGE PROFILE



● 50-59 years old 50%
● 60-69 years old 33%
● 70-79 years old 17%

CORPORATE GOVERNANCE POLICIES

The Trustee-Manager adopts the Code of Corporate Governance 2018 issued by the Monetary Authority of Singapore on 6 August 2018, as amended from time to time (the “CG Code”) as its benchmark for corporate governance policies and practices. The Trustee-Manager is pleased to share that Keppel Infrastructure Trust has complied with the principles of the CG Code and complied in all material aspects with the provisions and practices in the CG Code. Where there are deviations from the provisions of the CG Code, appropriate explanations have been provided in this Annual Report. Please refer to pages 191 to 221 for more information on the corporate governance policies of Keppel Infrastructure Trust and the Trustee-Manager.

RISK MANAGEMENT AND INTERNAL CONTROLS

Identifying and managing risks is central to the business of Keppel Infrastructure Trust and to protect Unitholders’ interests and value. Keppel Infrastructure Trust operates within overall guidelines and specific parameters set by the Board. Responsibility for managing risks lies with the Trustee-Manager, working within the overall strategy outlined by the Board. The Trustee-Manager has appointed an experienced and well-qualified Management team to handle its day-to-day operations.

HOW KEPPEL INFRASTRUCTURE TRUST COMPLIES WITH THE CG CODE

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Board of Directors



DANIEL CUTHBERT EE HOCK HUAT, 71

Non-Executive Chairman and Independent Director

N A I

Date of first appointment as a director:
18 May 2015

Length of service as a director (as at 31 December 2023):
8 years 7 months

Board Committee(s) served on:
Nominating and Remuneration Committee (Chairman);
Audit and Risk Committee (Member);
Investment 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 2024):
Listed entities
Keppel Infrastructure Fund Management Pte. Ltd. (the Trustee-Manager of Keppel Infrastructure Trust);
Olive Tree Estates Limited;
Capitaland Ascendas REIT Management Limited (the Manager of Capitaland Ascendas REIT)

Other principal directorships
Singapore Mediation Centre

Major Appointments (other than directorships):
Investment Committee Member,
Keppel Asia Infra Fund (GP) Pte. Ltd. and
Keppel Asia Infra Fund II (GP) Pte. Ltd.

Past Directorships held over the preceding 5 years (from 1 January 2019 to 31 December 2023):
Nil

Others:
Nil



MARK ANDREW YEO KAH CHONG, 61

Independent Director

A N

Date of first appointment as a director:
1 August 2015

Length of service as a director (as at 31 December 2023):
8 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 2024):
Listed entities
Keppel Infrastructure Fund Management Pte. Ltd. (the Trustee-Manager of Keppel Infrastructure Trust); IREIT Global Group Pte. Ltd. (Manager of IREIT Global);
Niks Professional Ltd

Other principal directorships
Changi Airport Group (Singapore) Pte. Ltd.

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2019 to 31 December 2023):
Nil

Others:
Nil



CHONG SUK SHIEN, 54

Independent Director

BE

Date of first appointment as a director:
5 March 2021

Length of service as a director (as at 31 December 2023):
2 years 10 months

Board Committee(s) served on:
Board Environmental, Social and Governance Committee (Chairman)

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 2024):
Listed entities
Keppel Infrastructure Fund Management Pte. Ltd. (the Trustee-Manager of Keppel Infrastructure Trust)

Other principal directorships
SkillsFuture Singapore Agency (SSG);
Ministry of the Environment & Water Resources, National Environment Agency (NEA); Singapore Institute of Management (SIM) Group Limited; Singapore Business Federation Foundation; Greenpac (S) Pte Ltd; Greenphyto Pte Ltd; Arber Pte Ltd; Learning Gateway Ltd

Major Appointments (other than directorships):
Founder & President, Greenpac (S) Pte Ltd; Chief Executive Officer, Greenphyto Pte Ltd; Governing Council, UOB-SMU Asian Enterprise Institute

Past Directorships held over the preceding 5 years (from 1 January 2019 to 31 December 2023):
Singapore Gardens by the Bay

Others:
Nil

Board Committees

A Audit and Risk Committee

N Nominating and Remuneration Committee

BE Board Environmental, Social and Governance Committee

I Investment Committee



ADRIAN CHAN, 59

Independent Director

A **BE**

Date of first appointment as a director:
1 October 2022

**Length of service as a director
(as at 31 December 2023):**
1 year 3 months

Board Committee(s) served on:
Audit and Risk Committee (Member);
Board Environmental, Social and
Governance Committee (Member)

Academic & Professional Qualification(s):
LLB (Hons), National University of Singapore

Present Directorships (as at 1 January 2024):
Listed entities
Keppel Infrastructure Fund Management
Pte. Ltd. (the Trustee-Manager of
Keppel Infrastructure Trust);
Hong Fok Corporation Limited;
Best World International Limited;
First REIT Management Limited;
Food Empire Holdings Limited

Other principal directorships
Singapore Institute of Directors;
Azalea Asset Management Pte. Ltd.

Major Appointments (other than directorships):
Senior Partner and Head of Corporate
Department, Lee & Lee;
Member, Legal Service Commission;
Honorary Secretary, Association of
Small and Medium Enterprises

**Past Directorships held over the preceding
5 years (from 1 January 2019 to
31 December 2023):**
AEM Holdings Ltd.;
Global Investments Limited;
Yoma Strategic Holdings Ltd.

Others:
Nil



NG KIN SZE, 67

Independent Director

I **BE**

Date of first appointment as a director:
1 June 2023

**Length of service as a director
(as at 31 December 2023):**
7 months

Board Committee(s) served on:
Investment Committee (Member);
Board Environmental, Social and Governance
Committee (Member)

Academic & Professional Qualification(s):
Bachelor of Engineering (Civil) 1st Class
Honours, University of Auckland, New Zealand;
Master of Science (Civil Engineering),
National University of Singapore;
Master of Business Administration,
INSEAD, France;
Chartered Financial Analyst, Institute of
Chartered Financial Analysts, United States

Present Directorships (as at 1 January 2024):
Listed entities
Keppel Infrastructure Fund Management
Pte. Ltd. (the Trustee-Manager of
Keppel Infrastructure Trust)

Other principal directorships
Nil

Major Appointments (other than directorships):
Private Equity Advisor to the Fullerton Fund
Management Company Ltd;
Investment Committee Member,
Keppel Asia Infra Fund (GP) Pte. Ltd. and
Keppel Asia Infra Fund II (GP) Pte. Ltd.

**Past Directorships held over the preceding
5 years (from 1 January 2019 to
31 December 2023):**
Nil

Others:
Nil



CHRISTINA TAN HUA MUI, 58

Non-Executive Director

I **N**

Date of first appointment as a director:
15 September 2016

**Length of service as a director
(as at 31 December 2023):**
7 years 4 months

Board Committee(s) served on:
Investment Committee (Chairman);
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 2024):
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.;
Keppel Fund Management Limited
(f.k.a. Alpha Investment Partners Limited);
Keppel Capital Alternative Asset Pte. Ltd.

Major Appointments (other than directorships):
Chief Executive Officer, Fund Management
and Chief Investment Officer, Keppel Ltd.

**Past Directorships held over the preceding
5 years (from 1 January 2019 to
31 December 2023):**
Various subsidiaries and associated
companies of Keppel Fund Management
Limited and funds managed by
Keppel Fund Management Limited

Others:
Nil

The Trustee-Manager



KEVIN NEO, 43

Chief Executive Officer

Mr Kevin Neo was appointed Chief Executive Officer of the Trustee-Manager on 1 October 2023.

Mr Neo joined the Trustee-Manager in 2016 and was a senior member of the Trustee-Manager's investment team, leading several major investments (such as the acquisitions of Ixom, Philippine Coastal and EMK) and managing them thereafter, before he was appointed Deputy Chief Executive Officer of the Trustee-Manager in June 2023.

He has over 17 years of principal infrastructure and private equity investment, and corporate finance experience. He has invested across a wide range of infrastructure asset classes with over S\$8 billion of transaction and advisory experience in developed and emerging markets across Asia Pacific, Europe and the Middle East.

Before joining Keppel, he held M&A advisory and investment positions in Samena Capital, PwC Corporate Finance and Singapore Power respectively.

Mr Neo holds a Bachelor of Business Administration from the National University of Singapore (NUS) and is a CFA® Charterholder. He received a scholarship from NUS and SembCorp Logistics in 2005.

Mr Neo's principal directorships include City Energy Pte Ltd (Chairman), Keppel Merlimau Cogen Pte Ltd (Chairman), One Eco Co., Ltd. (Chairman), Philippine Coastal Storage & Pipeline Corporation (Chairman), Ixom Holdings Pty Ltd., Australia and Wind Fund I AS.



ERIC NG, 48

Chief Financial Officer

Mr Eric Ng was appointed Chief Financial Officer (CFO) of the Trustee-Manager on 1 August 2021. Mr Ng joined the Trustee-Manager in 2017 and held the position of Head of Finance before his appointment as CFO.

As the CFO, 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 and utility companies, holding roles in group reporting, corporate finance, financial control, corporate tax and treasury.

Prior to joining the Trustee-Manager, Mr Ng held various finance roles, including 10 years with the Singapore Power Group. His last held role in Singapore Power Group was the head of treasury settlements division. Mr Ng started his career at KPMG Singapore as an auditor.

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



MARC LIU, 55

Head, Asset Management

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

As Head of Asset Management, Mr Liu develops and implements value creation strategies to support business growth. He is also responsible for business and asset growth and optimisation, business integration, compliance and risk management, as well as ensuring sustainable operational and financial performance of the growing portfolio of KIT's asset.

His experience in managing critical infrastructure assets is instrumental to the Trustee-Manager, ensuring the successful integration of new acquisitions, as well as developing and executing their respective long term business plans to drive business performance and create value to unitholders.

Prior to KIT's merger with CitySpring in 2015, Mr Liu held Business Development and Investment roles with CitySpring since 2005.

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.

OPERATIONS REVIEW



ENERGY TRANSITION

Supports the transition to a low-carbon economy and furthers KIT's decarbonisation roadmap.

» For more information, go to: pages 24 to 28



ENVIRONMENTAL SERVICES

Provides the essential services that protect human health and safeguard the environment.

» For more information, go to: pages 29 to 32



DISTRIBUTION & STORAGE

Supports the circular economy, driving economic growth.

» For more information, go to: pages 33 to 35

With a portfolio of critical businesses and assets, the Trustee-Manager is committed to achieving operational excellence, safeguarding public health and safety, and achieving high levels of customer satisfaction.

Portfolio Overview

The Trustee-Manager is committed to ensuring operational excellence in the day-to-day management of the Trust’s portfolio of businesses and assets.

The KIT portfolio continues to deliver strong operational performance across its businesses and assets, and is largely insulated from higher energy prices and inflation due to cost pass-through mechanisms and availability-based models.

In 2023, the Trustee-Manager remained focused on growth and value creation. The Trust’s assets under management (AUM) grew by 11%, from \$7.3 billion for FY 2022 to \$8.1 billion as at 2 January 2024, following the first phase completion of the German Solar Portfolio. Excluding this acquisition, KIT’s existing portfolio saw a 1% increase in AUM to \$7.4 billion as at 31 December 2023, supported by higher valuation from the existing portfolio, a key testament of the Trustee-Manager’s value creation efforts.

In February 2024, the Trustee-Manager announced the proposed acquisition of a majority 98.6% stake in Ventura, a leading transportation business in Victoria, Australia. With a fleet of approximately 900 buses and 12 strategically located depots, Ventura has the largest market share of public bus services in Victoria.

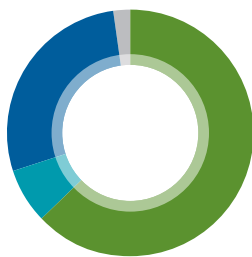
Ventura is an essential public service that complements KIT’s portfolio as it generates stable, recurring and predictable cash flows. Over 80% of Ventura’s revenues are derived from long-term government route services, which means that the majority of Ventura’s income does not fluctuate with the volume of passengers or fares

collected and provides inflation-protected revenues.

The transaction is expected to be completed in 2Q 2024, subject to the conditions precedent, including approval from the Australian Foreign Investment Review Board and consent from the Head, Transport for Victoria.

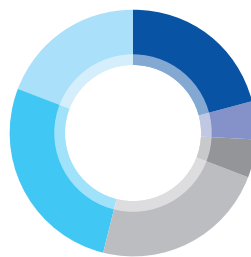
With a dedicated portfolio management and optimisation team, the Trustee-Manager will continue to work closely with its businesses and assets to drive value creation and sustainable growth through proactive and strategic asset management, business optimisation and realising greater synergies through leveraging Keppel’s deep engineering and operating capabilities.

ASSETS UNDER MANAGEMENT BY BUSINESS AND ASSETS (%)
as at 2 January 2024



● Energy Transition	63.0
● Environmental Services	7.0
● Distribution & Storage	28.0
● Others	2.0
Total	\$8.1¹ billion 100.0

ASSETS UNDER MANAGEMENT BY GEOGRAPHY (%)
as at 2 January 2024



● Singapore	21.0
● The Philippines	5.0
● South Korea	5.0
● Australia and New Zealand	23.0
● Kingdom of Saudi Arabia	27.0
● Europe	19.0
Total	\$8.1¹ billion 100.0

¹ Based on independent valuation conducted by Ernst & Young (except the German Solar Portfolio). Represents KIT’s equity stake in the enterprise value of its investments plus cash held at the Trust.

KEPPEL INFRASTRUCTURE TRUST'S PORTFOLIO COMPRISES:

Energy Transition				
Asset	KIT's Interest	Business	Customer	Contract Terms
City Energy	100%	Sole producer and retailer of piped town gas; expanded into EV charging, smart home solutions, solar and LPG businesses	>900,000 commercial and residential customers	–
Keppel Merlimau Cogen Plant (KMC)	51%	1,300 MW combined cycle gas turbine power plant	Keppel Electric	2030, with option for 10-year extension (underlying lease till 2035, with option for 30-year extension)
Aramco Gas Pipelines Company (AGPC)	Indirect minority and non-controlling stake	Holds a 20-year lease and leaseback agreement over the usage rights of Aramco's gas pipelines network	Aramco, one of the largest listed companies globally	Quarterly tariff payments backed by a minimum volume commitment for 20 years with built-in escalation
European Onshore Wind Platform	13.4%	Existing portfolio of four wind farm assets in Sweden and Norway with a combined capacity of 275 MW and a pipeline of 1.1 GW from Fred. Olsen Renewables	All electricity produced sold to local grid	–
Borkum Riffgrund 2 (BKR2)	20.5%	A 465 MW operating offshore wind farm located in the North Sea off the coast of Germany output capacity to increase to 486 MW with upgrading works	Ørsted	20-year power purchase agreement till 2038
German Solar Portfolio	45%	Over 60,000 bundled solar PV systems with a projected combined generation capacity of 585 MW	20-year lease contracts with German households	Receive fixed monthly rental fees for rental of solar PV systems
Environmental Services				
Asset	KIT's Interest	Business	Customer	Contract Terms
Senoko Waste-to-Energy (WTE) Plant	100%	2,310 tonnes/day waste incineration concession	NEA, Singapore's National Environment Agency	2027, with option for up to 1 year extension
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 ¹	100%	148,000 m ³ /day NEWater concession	PUB, Singapore's National Water Agency	2027
SingSpring Desalination Plant	100%	136,380 m ³ /day seawater desalination concession	PUB, Singapore's National Water Agency	2025 (underlying land lease till 2033)
Eco Management Korea	52%	Leading integrated waste management services player in South Korea	Variety of customers including government municipalities and large industrial conglomerates	–
Distribution & Storage				
Asset	KIT's Interest	Business	Customer	Contract Terms
Ixom	100%	Supplier and distributor of key water treatment, industrial and specialty chemicals in Australia and New Zealand	Over 30,000 customers including municipalities and blue-chip companies	–
Philippine Coastal Storage & Pipeline Corporation (Philippine Coastal)	50%	The largest independent petroleum storage facility in the Philippines, located in Subic Bay	Blue-chip customers	USD-denominated "take-or-pay" contracts with no direct exposure to petroleum price and volume risk

¹ Keppel Seghers Ulu Pandan NEWater Plant has an overall capacity of 162,800 m³/day, of which 14,800 m³/day is undertaken by Keppel Seghers Engineering Singapore.



ENERGY TRANSITION

Supporting the transition to a low-carbon economy and furthering KIT's decarbonisation roadmap.

-
- City Energy
 - Keppel Merlimau Cogen Plant
 - Aramco Gas Pipelines Company
 - European Onshore Wind Platform
 - Borkum Riffgrund 2
 - German Solar Portfolio

CITY ENERGY

Overview

As Singapore's sole provider of piped town gas, City Energy has a sizeable customer base of approximately 900,000 residents, commercial and industrial customers island wide.

City Energy owns and operates Senoko Gasworks, Singapore's only town gas plant, which has a production capacity of 1.6 million m³ per day. Equipped with an advanced control

system powered by automation, Senoko Gasworks generates town gas using three continuous reforming plants and five cyclic reforming plants, each with a production capacity of 200,000 m³ per day. The plants are equipped to use both natural gas and light virgin naphtha as feedstock. The town gas produced can either be stored in two spherical gasholders or sent out through the distribution network to customers.

Beyond its core piped town gas business, City Energy is pivoting to be a green and smart energy solutions provider. *Life* by City Energy offers low-carbon, smart kitchen and living solutions while *Go* by City Energy provides electric vehicle (EV) charging solutions.

In 2023, City Energy continued to build on its suite of sustainable solutions, and jointly established Sun City, a solar business that manages the installation, operations and maintenance of solar photovoltaic systems for homes and businesses.

City Energy also acquired a 51% interest in Tan Soon Huah's (TSH) Liquefied Petroleum Gas (LPG) business in 2023. As the second largest LPG cylinder distributor in Singapore, the acquisition of TSH will allow City Energy to expand into a new market.

Operating Review

City Energy achieved 100% gas production availability at its Senoko Gasworks facility, supplying a reliable energy source to homes and businesses.

In the residential segment, City Energy installed gas supply infrastructure in approximately 26,300 newly built condominium units and Housing Development Board flats spanning 168 new developments, which is 21% higher than the approximately 21,700 units in 2022. City Energy also installed almost 5,000 gas water heaters in public housing and over 3,000 of such heaters in private condominiums in 2023, a significant increase from 2022.

In the Commercial and Industrial segment, demand for gas increased by 6% in 2023, supported by the opening and refurbishment of new shopping malls, and the higher demand from the food and beverage industry in Singapore.

In 2023, City Energy saw an 11% increase in installation jobs compared to 2022, as it continues to expand its customer base. City Energy's Installation and Contract Services team conducted almost 1,000 mandatory annual inspections of commercial gas installation in 2023, following the 2023 Gas Act amendment.

On the retail front, *Life* by City Energy continues to ramp up its business at its new concept store at Plaza Singapura. The experiential store features nine interactive zones showcasing green home and kitchen solutions, designed to inspire visitors in transforming their homes through green and smart technologies such as IoT-enabled gas hobs, hoods, water heaters and ovens. Leveraging its long-standing relationships with property developers, City Energy announced the fittings of 3,500 smart home and kitchen solutions at Hillhaven and Lumina Grand, the first major new condominium and executive condominium launches in 2024.

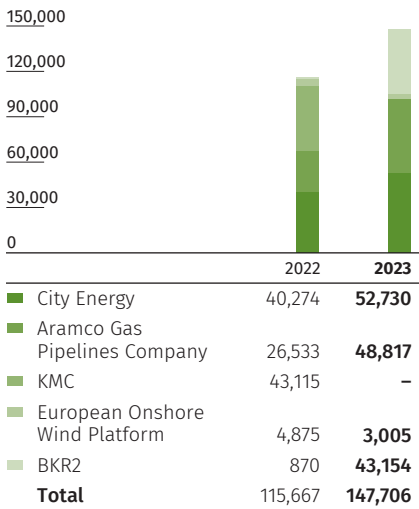
Go by City Energy has also made significant progress in the year, having secured exclusive rights to extend its EV charging services to approximately 20,000 carpark lots in private residential and mixed developments, including its latest installation at Treasure at Tampines, Singapore's largest private condominium, comprising a total of 2,203 units. As at December 2023, *Go* by City Energy had deployed 85 charging points in Singapore,



City Energy achieved 100% gas production availability at its Senoko Gasworks facility.

Energy Transition

DISTRIBUTABLE INCOME (\$'000)



Life by City Energy is an experiential store that features nine interactive zones, designed to inspire visitors in transforming their homes and businesses through green and smart technologies.

advancing the nation's drive to electrify its vehicle population under the Singapore Green Plan 2030. As the first EV charging provider in Singapore to offer a seamless cross-border EV charging experience to Malaysia through a single mobile application, Go by City Energy provides users access to more than 380 charge points across West Malaysia.

As part of its efforts to further its hydrogen strategy, City Energy announced collaborations with Gentari Sdn Bhd (Gentari), a wholly-owned subsidiary of PETRONAS, to jointly conduct feasibility studies to evaluate the technical and commercial feasibility of the importation of green hydrogen into Singapore. City Energy is one of the largest last-mile distributors of hydrogen molecules in Singapore through the supply of town gas. Hence, by substituting grey hydrogen with green hydrogen as feedstock in town gas production, the company will be able to reduce carbon emissions while providing a stable and safe supply of town gas for the nation.

City Energy has also announced a collaboration to study the development of off-grid hydrogen fuel cell solutions, using hydrogen extracted from town gas. Upon completion, the proof of concept will

enable the repurposing of the extensive town gas network for hydrogen distribution via hydrogen-enriched town gas, to support distributed power generation using fuel cells. This network of hydrogen fuel cells in Singapore would facilitate the deployment of green hydrogen.

Tapping on green financing, City Energy converted its existing S\$400 million loan facility to a sustainability-linked loan, which will provide interest margin savings if annual sustainability performance targets are met.

As the sole provider of piped town gas in Singapore, City Energy upholds a high level of preparedness through its robust business continuity framework, and advocates a strong safety culture. The company won the 2023 Workplace Safety and Health Council (WSHC) Innovation Award with a safety innovation project involving the implementation of a vacuum system to remove spent catalysts from confined spaces, which has significantly reduced the risks associated with the conventional process.

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 provides electricity to the commercial and industrial sector in Singapore.

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 has a 15-year Capacity Tolling Agreement (CTA) with Keppel Electric that commenced on 30 June 2015, with an option to extend 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 the 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 carbon taxes and fluctuations in fuel oil prices.

Operating Review

In 2023, the plant achieved a contractual availability of 95.8%, excluding planned maintenance and outage allowances. This contractual availability was lower compared to the 97.8% achieved in 2022 due to an unplanned outage in 4Q 2023. The plant resumed operations in December 2023.

KMC also achieved the pre-set carbon emission targets under the seven-year \$700 million sustainability-linked loan in 2023, which allowed KIT to enjoy a lower interest rate on the KMC facility. The loan is linked to the carbon emissions intensity performance of KMC, which involves benchmarking KMC's carbon emissions intensity against the Grid Emission Factor index, as well as demonstrating continuous improvement in the plant's carbon emissions intensity.

We will continue to work with our sponsor to enhance KMC's performance and efficiency. This includes leveraging Keppel's operational capabilities to optimise its carbon footprint including getting KMC hydrogen-ready, ensuring that the plant remains relevant in supporting Singapore's commitment to decarbonise its power sector.

ARAMCO GAS PIPELINES COMPANY Overview

Aramco Gas Pipelines Company holds a 20-year lease and leaseback agreement over the usage rights of Saudi Arabian Oil Company's (Aramco) gas pipelines network from 2022. Aramco retains the legal title to and the sole operational control of the pipeline assets.

Holding an indirect minority and non-controlling stake in Aramco Gas Pipelines Company, KIT receives quarterly tariff payments backed by a minimum volume commitment with built-in escalation from Aramco. Beyond income diversification for KIT, the investment supports the energy transition of the Saudi economy towards a more sustainable energy future.

In 2023, demand at Aramco Gas Pipelines Company continued to be underpinned by economic growth and favourable demographics.

EUROPEAN ONSHORE WIND PLATFORM

Overview

The European Onshore Wind Platform comprises four operational onshore wind farms in the Nordics, namely, Lista in Norway, as well as Högaliden, Fäbodliden, and Fäbodliden II in Sweden. The wind farms are operated by Fred. Olsen Renewables AS (FORAS), one of the largest renewables independent power producers in Northern Europe.

The investment in the platform provides KIT and its co-investors with a five-year exclusive right to FORAS' eligible pipeline projects which have a combined power generation capacity of around 1.2 GW across the Nordics and the United Kingdom as at 31 December 2023. These pipeline projects are in various stages of development, of which five projects



The Keppel Merlimau Cogen Plant was the first independent power project to enter the Singapore electricity market in January 2003.

Energy Transition

totaling 511 MW have obtained requisite consents.

Fäbodliden II is the platform's first drop-down asset as part of the exclusive and eligible pipeline projects from FORAS. Completed in December 2023, the addition of Fäbodliden II brings the total power generation capacity of the European Onshore Wind Platform to 275 MW.

The Norwegian Parliament announced the implementation of a resource rent tax on onshore windfarms from 1 January 2024, at an effective tax rate of 25%. This is down from the initial 40% expected in September 2022, and bore no material impact to the onshore windfarm's FY 2023 financial performance.

BORKUM RIFFGRUND 2

Overview

Borkum Riffgrund 2 (BKR2) is an operating offshore wind farm located in the North Sea off the coast of Germany.

Fully operational since 2019, the wind farm has an operating capacity of approximately 465 MW and is located 59 km off the coast of Lower Saxony in the North Sea, Germany, which is an area with high wind availability as reflected in the high average historical capacity factors of more than 40%.

The region is next to the Wadden Sea, an UNESCO World Heritage site, making it unlikely for new wind farms to be built, mitigating potential reduction in wind availability. The wind farm operates under the German EEG 2014 (Erneuerbare-Energien-Gesetz – German Renewable Energy Sources Act) market premium mechanism, which has an attractive Feed-in-Tariff and guaranteed floor price till 2038, providing strong cash flow visibility for the project.

The project also holds a 20-year power purchase agreement and a 20-year operations and maintenance



The German Solar Portfolio includes over 60,000 bundled solar PV systems across Germany with a projected combined generation capacity of 585 MW.

agreement (OMA) until 2038 with Ørsted. The long-term OMA has a largely fixed operational cost base which provides significant cost certainty and cash flow visibility. As the 50% shareholder of BKR2, Ørsted will continue to operate BKR2 with a strong alignment of interest.

In 2023, BKR2 was awarded an additional 26 MW of grid capacity. Technical implementation plans are being drawn up to utilise the additional capacity to bring the output capacity to 486 MW.

GERMAN SOLAR PORTFOLIO

Overview

The German Solar Portfolio includes over 60,000 bundled solar photovoltaic (PV) systems (including systems under development) across Germany with a projected combined generation capacity of 585 MW. The bundled PV solutions are also projected to include more than 55,000 battery storage systems

and more than 30,000 electric vehicle charging equipment.

These bundled solutions are leased to households under 20-year lease agreements and will provide highly predictable cash flows to KIT.

Post-acquisition, the monitoring and maintenance of the PV systems will continue to be handled by Enpal B.V. (Enpal), Germany's first green tech unicorn and is among some of the largest residential solar installers and fastest-growing energy companies in Europe¹ under 20-year agreements with the AssetCos.

The acquisition of Enpal's portfolio will take place in four phases. The first closing comprising over 53,500 systems has been completed in January 2024, and the remaining three closings comprising over 6,500 systems are expected to be completed by end-June 2024. Upon completion, KIT will hold a 45% effective stake in the solar portfolio.

¹ According to FT1000 Ranking 2022 by Financial Times & Statista.



ENVIRONMENTAL SERVICES

Essential services that protect human health and safeguard the environment.

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

SENOKO WTE PLANT AND KEPPEL SEGHERS TUAS WTE PLANT Overview

The Senoko Waste-to-Energy (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

refuse by as much as 90%, significantly extending the lifespan of landfills. WTE plants also produce energy and reduce reliance on fossil fuels. Waste incineration is carried out at the plants 24 hours a day throughout the year.

The Senoko WTE Plant is Singapore's third waste incineration plant, and the only waste incineration plant located outside of Tuas to serve the eastern, northern and central parts of Singapore. It is equipped with six incinerator-boiler units with two

Environmental Services

condensing turbine-generators offering a total power generation capacity of 56 MW.

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's 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.

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 delivers stable cash flows to the Trust.

In Jan 2024, the Senoko WTE Plant's ISA with NEA was extended by three years to 2027, with an option to further extend for up to one year. The total contract value, including the option, is approximately \$300 million, of which approximately \$80 million will go towards the refurbishment of the plant. Keppel Seghers has been appointed to refurbish the key components of the Senoko WTE Plant to ensure safe and reliable operations. As part of the extension, the plant's operations and maintenance (O&M) service contract with Keppel Seghers will also be extended in line with the concession extension.

As KIT is only funding a small portion of the \$80 million refurbishment capex, the Distributable Income contribution to the Trust will not be significant. Nonetheless, the extension is still a positive development for KIT, which will enable the plant to continue operating beyond its current expiry in August 2024.

Operating Review

In 2023, the Senoko WTE and Keppel Seghers Tuas WTE plants met all the

required Performance and Customer Service Standards under the ISAs. In addition to 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.

Both plants also met the requirements under their respective ISAs in 2023, achieving a high Time Availability Factor in 2023.

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.

KEPPEL SEGHERS ULU PANDAN NEWATER PLANT

Overview

The plant is 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 2023 for meeting the warranted capacity of 148,000 m³ per day.

The plant also achieved 100% plant availability in 2023, 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 adjusted annually to historical changes in high-sulfur fuel oil, which does not always move in tandem with electricity price due to time lag. To mitigate the risk of cost matching, the Trustee-Manager has taken measures to fix the electricity price, ensuring stability in cash flows.

The plant features a solar photovoltaic system on its rooftops, which helps the plant to meet its power load and lower its carbon footprint, contributing to the national effort to reduce dependency on non-renewable sources of energy. The plant is also involved in the generation and trading of RECs, generating close to 900 MWh of renewable energy in 2023 (around 900 RECs) and benefiting the plant financially.

SINGSPRING DESALINATION PLANT Overview

SingSpring Trust, which is 100% owned by KIT, owns the SingSpring Desalination Plant. This is Singapore's first large-scale seawater desalination plant, with a supply capacity of 136,380 m³ of potable desalinated water per day, equivalent to the amount of water used by approximately 200,000 households daily.

The plant 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. The plant continues to be an important facility that ensures sufficient water resources for Singapore, especially during periods of low rainfall.

Located in Tuas, the plant 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. The plant undergoes periodic reviews and audits by both internal and external parties to ensure its operations and maintenance (O&M) practices are in line with industry standards.

The plant ensures that both the quality and quantity of desalinated water it produces meet all the

requirements under the Water Purchase Agreement (WPA) with PUB. It 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 Desalination Plant achieved 100% availability and met all contractual obligations under the WPA in 2023.

The SingSpring Desalination Plant 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 the plant. The plant receives output payment from PUB for the variable costs in supplying water to PUB.

The payment is pegged to the volume of water supplied.

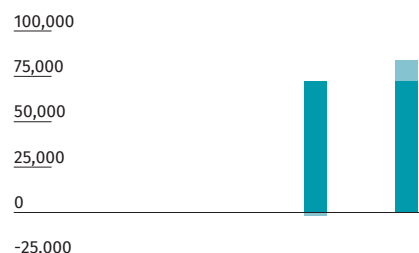
ECO MANAGEMENT KOREA

Overview

Eco Management Korea (EMK) is a prominent player in South Korea's circular economy, with diversified operations in solid waste and liquid waste management, as well as the landfill sector, establishing a comprehensive nationwide network.

Operating the third-largest number of waste-to-energy plants, with a combined incineration capacity of 419 tonnes per day, EMK generates 1,525 tonnes of steam per day and operates five sludge drying facilities with a capacity of 308 tonnes per day. EMK is also the largest waste oil refiner in South Korea with a capacity of 154 tonnes per day, and owns and manages a landfill in Yeongnam, which ranks the fourth largest in the nation with a capacity of approximately 1.5 million m³.

DISTRIBUTABLE INCOME (\$'000)



	2022	2023
■ Singapore waste and water assets	72,270	72,296
■ Eco Management Korea	(1,979)	11,432
Total	70,291	83,728



The SingSpring Desalination Plant was the largest membrane-based seawater desalination plant in the world at the time of its completion.

Environmental Services

EMK operates in key industrial regions across South Korea, including Ansan, Hwaseong, Cheongju, Iksan, Gyeongju and Ulsan, forming a robust nationwide network. Its business is underpinned by partnerships with blue-chip clients, including Samsung Electronics and POSCO, and a strong presence in key industrial regions across South Korea.

Operating Review

Following KIT's completion of the acquisition of a majority 52% interest in EMK in October 2022, the Trustee-Manager continues to grow the EMK business in alignment with its business plans.

EMK has successfully sought approval to extend its licenses, originally only to treat industrial waste, to also treat municipal solid waste at some of its incineration plants in 2023.

A subsidiary of EMK has also initiated the Environmental Impact Evaluation for the capacity expansion of its incineration plants.

In 2023, EMK maintained full utilisation of its incineration business. EMK continues to operate with high availability and utilisation rates, operating 342 days on average annually.

Since the commencement of its landfill operations in January 2022, EMK has secured major clients, such as POSCO and leading manufacturing companies in the Ulsan area, the largest industrial complex in South Korea. Consequently, EMK's landfill business revenue trebled from 2022 to 2023, aligning with EMK's vision to develop a waste management solution center for customers in the Southeastern region of South Korea.

To enhance safety training, EMK has incorporated digital solutions, ensuring that all employees receive a 10-minute safety training session prior to commencing work. A meticulous safety checklist is facilitated through the CheckUs App, an innovative safety data collection and reporting tool, allowing employees to systematically assess all safety points. These initiatives collectively contribute to a heightened commitment to safety across EMK.

Going forward, EMK remains committed to improving operational efficiency in existing businesses while actively exploring new opportunities to solidify its leadership in Korea's circular economy. EMK has also initiated a greenhouse gas emission reduction plan to support its sustainable growth plans.



EMK has successfully sought approval to extend its licenses, originally only to treat industrial waste, to also treat municipal solid waste at some of its incineration plants in 2023.



DISTRIBUTION & STORAGE

Supporting the circular economy to drive economic growth.

- Ixom
- Philippine Coastal Storage & Pipeline Corporation

IXOM **Overview**

Ixom plays a vital part in the lives of tens of millions of people every day as an established and trusted industry leader in water treatment and chemical sourcing, manufacturing, storage and distribution. Headquartered in Australia, Ixom's operations span four continents and ten countries including New Zealand, Southeast Asia, the United Kingdom and the United States.

Drawing on nearly 150 years of heritage, Ixom delivers products, services and solutions that keep

communities safe. Ixom specialises in the delivery of source water and wastewater treatment solutions critical for ensuring clean water supply, as well as the supply of essential chemical products, solutions and food ingredients.

Supported by over 1,100 employees globally, the chemicals and products manufactured and distributed by Ixom are fundamental components that keep a wide range of industries operating, including dairy, agriculture, power generation, food and beverage, pulp and paper, mining and metals, construction, and water treatment.

Distribution & Storage

In Australia, Ixom is a leading provider of manufactured caustic soda and the sole manufacturer of liquefied chlorine, which is a reliable disinfectant used in water treatment. Ixom's chlorine is manufactured and packaged in Australia in accordance with the highest quality standards and operates stock points across Australia to ensure supply availability and continuity. Ixom has been manufacturing chlorine for decades and provides support through equipment, training, audits and emergency response services for chlorine handling. Most drinking water in Australia and New Zealand is treated with products that Ixom produces. In North America and the United Kingdom, Ixom uses its proprietary MIEX® and specialist resins in treatment plants that supply safe drinking water to local communities and large cities. Ixom's wastewater treatment solutions also make household and industrial wastewater safe to discharge or recycle.

Ixom manufactures chemicals at 36 production facilities and also operates one of the largest bulk and packaged chemical distribution businesses in Australia and New Zealand. Its unmatched combination of hard-to-replicate infrastructure assets and a distribution network in close proximity to key ports and customers provides a strong competitive advantage.

All of this is underpinned by Ixom's unique value proposition, the scale of its critical infrastructure and long-standing expertise in the management of dangerous goods in highly regulated markets, including competencies in shipping, storage and transportation of bulk liquids and gases.

Operating Review

Ixom delivered another year of record performance in 2023, supported by its core manufacturing and distribution businesses, with a particularly strong year in the New Zealand region.

During the year, Ixom focused on integrating and developing the businesses it acquired in 2022, including Bituminous Products, one of Australia's leading manufacturers



Ixom delivered another year of record performance in 2023, supported by its core manufacturing and distribution businesses.

and suppliers of bitumen-based and associated products for road surfacing, as well as Pure Ingredients, a leading distributor of organic and natural ingredients in New Zealand. Both acquisitions have contributed strongly to Ixom's result for the year, further enhancing its presence in both sectors.

Since KIT's acquisition in 2019, Ixom's EBITDA has grown by 52% to a record A\$197.7 million for FY 2023, a testament to the Trustee-Manager's value creation efforts at Ixom, which include strengthening Ixom's market leading position with seven bolt-on acquisitions and three non-core divestments.

In 2023, Ixom leveraged its strong business and EBITDA growth to optimise its capital through a debt refinancing, which saw strong support from lenders, thereby crystallising value with its facility upsized to over A\$1.0 billion. Beyond extending the terms of existing debt, the facility will also provide capacity for Ixom to fund future growth opportunities.

Ixom continues to manage and mitigate the effects of its supply chain and product curtailment by leveraging its extensive global supply chain and in-house logistics

capabilities to ensure the prompt delivery and distribution of its products, enabling it to continue to meet the needs of its customers.

Ixom is committed to being a trusted supplier for its customers through excellence in quality and safety for all end users. Ixom's operations and businesses are certified by ISO 9001:2015 Quality Management System. Additionally, certifications in Food Safety System Certification (FSSC) 22000, Feed Additive and preMixture System (FAMI-QS), Verband der Automobilindustrie (VDA) and Therapeutic Goods Administration (TGA) are maintained to deliver trust and confidence in the markets where it operates.

Ixom continues to differentiate itself through its quality and reliability of supply with ongoing investments in its centralised Quality Management function and processes.

In 2023, Ixom continued to advance its sustainability agenda, establishing and implementing an ESG roadmap and ESG policy. The objectives of these efforts was to evolve its approach to ESG management and meet growing stakeholder expectations. Based on this, Ixom is working on setting ESG targets moving forward.

PHILIPPINE COASTAL STORAGE & PIPELINE CORPORATION

Overview

Philippine Coastal is the largest independent petroleum products import storage facility in the Philippines. Sited on a combined land area of approximately 160 hectares and comprising three tank farms, two jetties, one marine terminal area and eight loading racks capable of loading 41 trucks simultaneously, Philippine Coastal leases and operates a storage capacity of six million barrels. To meet greater customer demand, Philippine Coastal is constructing two new 180,000 barrel capacity fuel storage tanks, bringing its total capacity to 6.4 million barrels.

Strategically located in Subic Bay, Philippine Coastal is well-placed to capture demand in the National Capital Region and North Luzon by road and Central Philippines by sea-going barges, covering more than half of the fuel product demand in the Philippines.

Subic Bay is easily accessible by major oil refiners and traders from North and Southeast Asia via medium range vessels. The jetty is located within Subic Bay and has deep draft levels that are conducive to facilitate berthing of a large variety of ships up to 50,000 deadweight tonnage (DWT). Subic Bay is also naturally sheltered from typhoons, providing customers with good year-round access.

Philippine Coastal also provides storage for blended fuels with bio-additives, including ethanol and coconut methyl ester, in line with the Philippine government's initiatives for clean fuels.

Operating Review

In 2023, Philippine Coastal continued to benefit from higher contract volumes and additional storage revenues at its storage facilities.

Utilisation rate saw significant growth, up from 90.5% as at end-December 2022 to almost 100% as at end-December 2023 with new contracts secured with major players in the petroleum industry. This is a significant increase from the 66% utilisation rate when KIT acquired the business in January 2021.

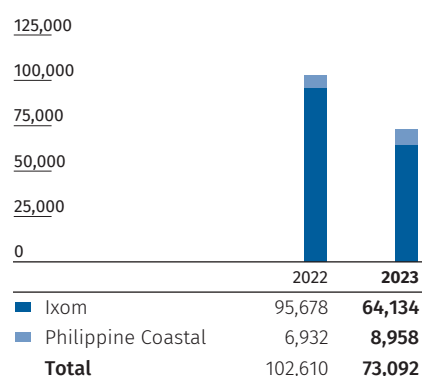
Under KIT's ownership, Philippine Coastal's EBITDA increased by approximately 40% to US\$34.4 million for FY 2023, with success in contract renewables and the expansion of its customer base, as well as the implementation of a new pricing strategy to grow revenue and enhance margins.

Philippine Coastal has regained its normal volume of tank trucks, and vessels calling at its terminal have also returned to pre-COVID volumes. Philippine Coastal has secured the renewal of a major customer contract at an attractive price for four years with an option to extend for another five years. Philippine Coastal's construction of new tanks as part of its capacity expansion plans is also well underway, with expected completion in 2H 2024.

In 2023, Philippine Coastal achieved 100% operating availability. Being the largest independent petroleum products storage facility in the country, Philippine Coastal expects fuel storage demand to be underpinned by increased demand and a robust outlook.

All customers are on "take-or-pay" contracts, which significantly reduces Philippine Coastal's exposure to petroleum price and volume risks.

DISTRIBUTABLE INCOME (\$'000)



Philippine Coastal continues to maintain its reputation as a reliable partner to its customers. All petroleum fuels stored at Philippine Coastal are checked and only received if they meet the minimum EURO 4 standards in accordance with internationally agreed sulphur emission targets. Philippine Coastal is also forging forward on the sustainability front, by developing an ESG policy.

Philippine Coastal obtained the ISO 45001:2018 Occupational Health and Safety certification in 2023. It was conferred two local awards for Top Subic Bay Freeport Worker demonstrating the capabilities of its workforce.



Philippine Coastal is strategically located in Subic Bay, ideally positioned to capture more than half of the fuel product demand in the Philippines.

FINANCIAL REVIEW

FY 2023 is a record year for KIT, delivering the highest level of Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), Distributable Income and Distribution per Unit (DPU) since the Trust was formed in 2015.

EBITDA in local currency at City Energy, Ixom and Philippine Coastal also set new record highs in FY 2023.

In FY 2023, KIT reported revenue of \$2,035.9 million, 1.5% higher compared to FY 2022, driven largely by the full year contributions from Eco Management Korea, as well as higher contributions from Aramco Gas Pipelines Company and City Energy.

Supported by strong portfolio performance and the crystallisation of \$131.2 million in capital optimisation at Ixom, KIT delivered record Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of \$463.7 million and record Distribution Income of \$316.8 million in FY 2023, which are 15.3% and 42.4% higher than FY 2022 respectively.

KIT's Total Assets and Total Liabilities were \$5,617.2 million and \$3,828.2 million as at 31 December 2023, as compared to \$5,962.8 million and \$4,055.6 million respectively in FY 2022. The lower Total Assets was due mainly to higher depreciation and amortisation, as well as a decrease in service concession receivables from the Singapore waste and

water assets. Total liabilities decreased due to the repayment of an equity-bridge loan which was partially offset by loans drawn down by the portfolio.

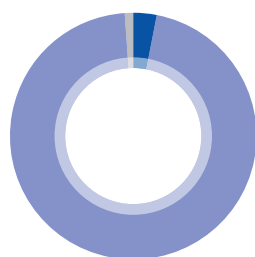
KIT reversed its net current liabilities (NCL) position of \$89.2 million as at FY 2022 to net current asset position of \$576.0 million in FY 2023. The NCL position was due to the drawdown of \$580.0 million in equity bridge loans to fund acquisitions in FY 2022, which had been fully paid down in FY 2023 with equity fund raising proceeds, capital optimisation from City Energy, as well as internal funds.

Total Unitholders' funds stood at \$890.5 million as at 31 December 2023, 7.6% lower compared to 31 December 2022 due to distributions paid, lower hedging, translation and capital reserves, which were offset by new units issued as part of the equity fund raising in FY 2023.

Net cash generated from operating activities was \$293.0 million in FY 2023, 20.8% higher than FY 2022, supported by stronger EBITDA performance, offset by higher interest expenses paid during the period.

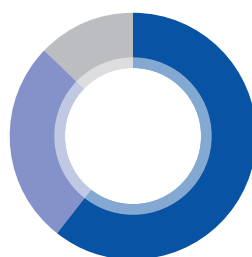
Net cash used in investing activities of \$45.3 million in FY 2023 relates mainly to acquisitions, including further capital injection in the European Onshore Wind Farm for the acquisition of Fäbodliden II in Sweden and City Energy's acquisition of the Tan Soon Huah LPG business, and other capital expenditures.

DEBT BREAKDOWN BY MATURITY (%)
as at 31 December 2023



• <1 yr	3.2
• 1 to 5 years	95.7
• >5 yrs	1.1
Total	100.0

DEBT BREAKDOWN BY CURRENCY (%)
as at 31 December 2023



• S\$	60.6
• A\$	26.8
• KRW	12.6
Total	100.0

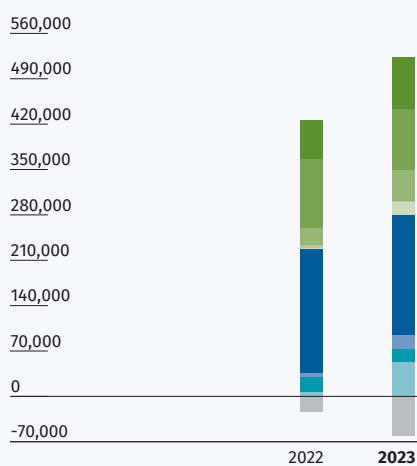


Net cash used in financing activities of \$296.1 million mainly relates to the full settlement of the equity bridge loans to fund FY 2022 acquisitions, settlement of share-based payment plan from Ixom, payment of distributions to Unitholders, perpetual securities holders and non-controlling interests. This is partially offset by proceeds from loan drawdown and issuance of new Units from the equity fund raising exercise.

KIT declared a full year DPU of 6.19 cents, a 62% increase from the 3.82 cents from FY 2022, supported by a special distribution of 2.33 cents with the crystallisation of value creation efforts. Excluding the special distributions, DPU would have been 3.86 cents which is 1% higher than FY 2022.

KIT raised approximately \$299.6 million through an equity fund raising, comprising the placement of approximately 383.6 million Units at \$0.477 per Unit in April 2023 and preferential offering of approximately 249.6 million Units at \$0.467 per Unit in May 2023. The proceeds of approximately \$293.6 million have been used to partially repay the facility agreement entered into by the Trustee-Manager to fund the acquisition of EMK, BKR2 and the European Onshore Wind Platform. The remaining proceeds of approximately \$6.0 million have been used for the payment of the fees and expenses incurred in connection with the equity fund raising.

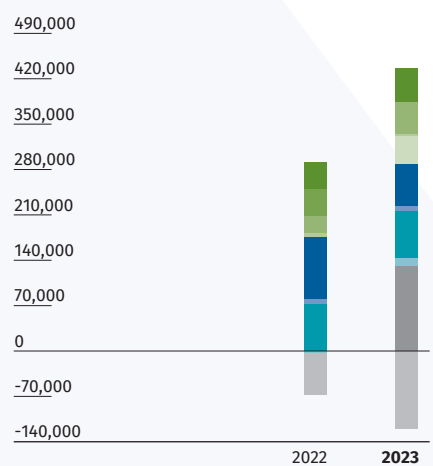
GROUP EBITDA (\$'000)



	2022	2023
Energy Transition		
City Energy	61,578	81,262
KMC	105,402	92,931
Aramco Gas Pipelines Company	26,532	48,746
European Onshore Wind Platform	4,647	1,584
BKR2	1,126	18,911
Distribution & Storage		
Ixom	191,430	186,647
Philippine Coastal	6,663	21,351
Environmental Services		
Waste and Water Assets	22,490	19,895
EMK	6,775	52,597
Trust and Corporate Entities		
Others	(24,628)	(60,206)
Total	402,015	463,718

The above use of proceeds is in accordance with the stated use of proceeds of the equity fund raising as disclosed in the relevant announcements made.

DISTRIBUTABLE INCOME (\$'000)



	2022	2023
Energy Transition		
City Energy	40,274	52,730
KMC ¹	43,115	-
Aramco Gas Pipelines Company	26,533	48,817
European Onshore Wind Platform	4,875	3,005
BKR2	870	43,154
Distribution & Storage		
Ixom	95,678	64,134
Philippine Coastal	6,932	8,958
Environmental Services		
Waste and Water Assets	72,270	72,296
EMK	(1,979)	11,432
Trust and Corporate Entities		
Capital Optimisation	-	131,164
Others	(66,075)	(118,932)
Total	222,493	316,758

¹ KMC's FY 2023 computed Distributable Income is negated by the mandatory debt repayment in June 2023.

Investor Relations

KIT delivered a record set of results for FY 2023 unlocking and crystallising value for stakeholders.

EXPLAINING VALUE CREATION

Despite macro-economic uncertainties, KIT delivered a record set of results for FY 2023, achieving highest EBITDA, Distributable Income and Distributions per Unit (DPU). KIT also paid its first special distribution of 2.33 cents per Unit in November 2023, lifted by the crystallisation of value that the Trustee-Manager has created at Ixom and City Energy. Including the special distribution, KIT's total DPU for FY 2023 would be significantly higher at 6.19 cents, which is a 62% increase from FY 2022's 3.82 cents.

In communicating with investors, the Trustee-Manager explained the value creation efforts at City Energy and Ixom and how their strong EBITDA growth has enabled the Trustee-Manager to crystallise value through a capital optimisation to support growth. Unlocking value through capital optimisation as opposed to a sale allows the Trustee-Manager to continue to own and drive the businesses for further growth.

The Trustee-Manager also explained how KIT's ability to create value sets

it apart from competition, and illustrated that value creation opportunities are identified as early as during the acquisition due diligence process and realised as part of the asset optimisation strategy post-acquisition. This is evident in the recent independent valuation which saw KIT's assets under management (AUM) increase from \$7.3 billion for FY 2022 to \$7.4 billion as at 31 December 2023. The enlarged AUM is supported by the growth of KIT's evergreen businesses, which exceeded the natural depreciation and amortisation associated with the Trust's fixed life assets.

ARTICULATING GROWTH AND CONTINUED TRANSFORMATION

The Trustee-Manager also reiterated the (i) continued transformation of KIT, (ii) the resiliency of the KIT portfolio which is largely insulated from inflation, and (iii) its ESG ambitions, which drive KIT's strategy to pursue growth surrounding the sustainable infrastructure thematic.

The Trustee-Manager shared merits on the proposed acquisitions of

Ventura in Australia, being a defensive business and platform of scale backed by long-term inflation-protected government contracts with no farebox risks, and how the addition of the German Solar Portfolio will increase KIT's total renewable capacity to 1.3 GW, almost double that of 723 MW as at end-2022.

ENHANCING DIALOGUE AND DEEPENING RELATIONSHIPS

The Trustee-Manager continued to deepen engagements in Asia Pacific, Europe, and North America, engaging more than 350 investors and analysts through conferences, non-deal roadshows, in-person and virtual meetings.

KIT is currently covered by two equity research houses, namely DBS and OCBC. To improve sell-side coverage, the Trustee-Manager organised plant tours to help analysts better understand the KIT portfolio. In September 2023, analysts visited the City Energy's Senoko Gasworks plant and the retail showcase in Singapore's retail mall, Plaza Singapura, as well as the Keppel Marina East Desalination Plant.

Unitholder Enquiries

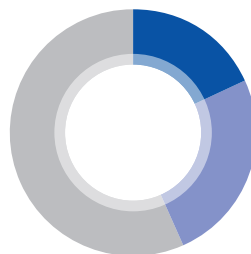
For more information, please contact the IR team at:

Telephone:
(65) 6803 1857

Email:
investor.relations@kepinfratrust.com

Website:
www.kepinfratrust.com

UNITHOLDING BY INVESTOR TYPE (%)
as at 8 February 2024

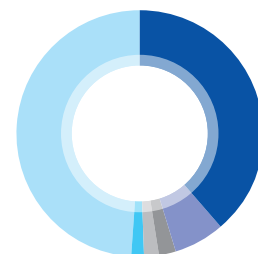


● Sponsors and Related Parties	18.2
● Institutional	25.2
● Retail	56.6
Total	100.0

¹ Excluding Sponsor and related parties.

² Others comprise of the rest of the world, as well as unidentified holdings and holdings below the analysis threshold.

UNITHOLDING BY GEOGRAPHY¹ (%)
as at 8 February 2024



● Singapore (SG)	89.0
● North America	5.6
● United Kingdom (UK)	1.3
● Europe (ex-UK)	1.5
● Asia (ex-SG)	1.3
● Others ²	1.3
Total	100.0

Leveraging technology, management continued to interact and communicate with the retail investment community through webinars and also had in-person dialogue sessions.

Keeping the online financial community abreast of KIT's developments, the Trustee-Manager hosted a luncheon to share the Trustee-Manager's growth strategy and business outlook.

MAINTAINING TRANSPARENT AND TIMELY DISCLOSURES

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

As the primary platform for the Board to engage with Unitholders, KIT's 16th Annual General Meeting (AGM) in 2023, held at the Suntec Singapore Convention Centre, was well-attended by over 240 Unitholders. An Extraordinary General Meeting (EGM) was held right after the AGM to seek Unitholders' approval for the issuance of new Units to partially fund KIT's acquisitions as well as the placement of new Units to Keppel. Prior to the EGM,

the Trustee-Manager partnered with Securities Investors Association (Singapore) (SIAS) to organise a dialogue session with Unitholders, providing a platform for Unitholders to better understand the new acquisitions and clarify any questions pertaining to the deals.

KIT announces its financial results on a half-yearly basis and provides interim business updates for the first and third quarters of the financial year. To promote stakeholder engagement, the Trustee-Manager hosts a live audio webcast for the Trust's half- and full-year financial results, which commences with a presentation by management followed by a 'live' Q&A session.

To ensure prompt, transparent and information alignment, KIT's website provides investors with up-to-date information on the Trust's performance and developments. Investors may also subscribe to email alerts to keep abreast of KIT's key developments. The Trustee-Manager is also active on social media, providing updates through its LinkedIn account at

www.linkedin.com/company/keppel-infrastructure-trust-kit

KIT's IR activities are guided by the principles and guidelines set out in its 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.

As at end-2023, KIT is among the constituent stocks in the MSCI Singapore Small Cap and FTSE ST Mid Cap indices, which enhance KIT's liquidity and visibility among the investment community.

The Trustee-Manager will continue to foster relationships with the investment community through various platforms and expand its institutional base in tandem with KIT's growth.

The Trustee-Manager values feedback and welcomes questions from the investment community, through its communications channels, and the IR contact is available on the KIT corporate website and media releases.

INVESTOR RELATIONS CALENDAR

Financial Year Ended 31 December 2023

Q1	Q2	Q3	Q4
FY 2022 results announcement and webcast	1Q 2023 operational updates and analysts' teleconference	1H 2023 results announcement and webcast	9M 2023 results and analysts' teleconference
FY 2022 post-results group investor meeting hosted by RHB	Post 1Q 2023 updates group investor meeting hosted by DBS	1H 2023 post-results group investor meeting hosted by UBS	9M 2023 post-results group investor meeting hosted by HSBC
Non-deal roadshow in Hong Kong	Private Placement and Preferential Offering	Keppel REITs and Trust Day in Bangkok	SGX-JPM Singapore Corporate Day in Tokyo
Nomura ASEAN Conference in KL	Non-deal roadshow in Taiwan	Non-deal roadshow in Seoul	Analyst Get Together
CITIC CLSA ASEAN Conference in Bangkok	REITs Symposium	Analyst Site Visit to City Energy and Keppel Marina East Desalination Plan	Webinar with Bank of Singapore
Non-deal roadshow in Melbourne and Sydney		Non-deal roadshow in London	Luncheon with online financial community
		Non-deal roadshow in New York	

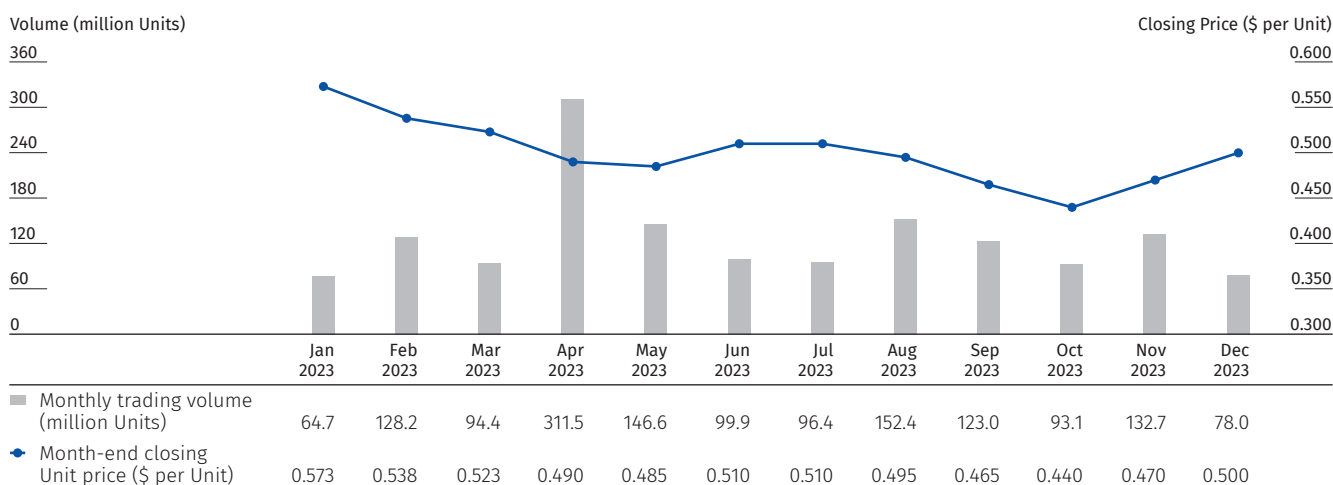
Unit Price Performance

Over 1.5 billion of Keppel Infrastructure Trust's Units were traded in FY 2023, with a daily average trading volume of 6.1 million Units.

KIT paid its first special distribution of 2.33 cents per Unit in November 2023, lifted by the crystallisation of value that the Trustee-Manager has created at Ixom and City Energy. Including the special distribution, KIT's total DPU for FY 2023 is significantly higher at 6.19 cents, which is a 62% increase from FY 2022's 3.82 cents.

The FY 2023 DPU translates to a distribution yield of 14.3%, based on KIT's closing price of \$0.500 as at 31 December 2023. Total Unitholder return was 7.0% in 2023.

MONTHLY TRADING PERFORMANCE



UNIT PRICE PERFORMANCE (\$ per Unit)

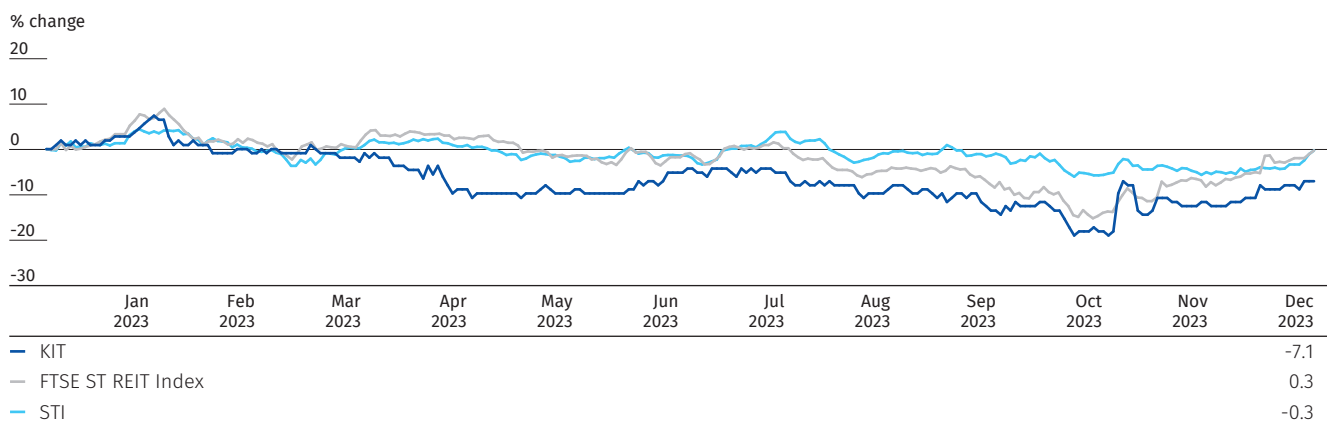
	2023	2022
Highest closing price	0.578	0.590
Lowest closing price	0.435	0.505
Average closing price	0.501	0.554
Closing price on last trading day of the year	0.500	0.540
Trading volume (million Units)	1,520.9	1,273.3

COMPARATIVE YIELD (%) as at 31 December 2023

	Yield
KIT	14.3
Straits Times Index (STI)	5.1
FTSE ST REIT Index	5.1
CPF Ordinary Account	2.5
10-year SG Govt bond	2.7
5-year SG Govt bond	2.7

UNIT PRICE PERFORMANCE AGAINST INDICES (%)

for the period from 1 January 2023 to 31 December 2023



Sources: Bloomberg, Monetary Authority of Singapore and Central Provident Fund.

Significant Events



Ventura is the largest bus service business in the State of Victoria, Australia.

1Q 2023

City Energy opened its new lifestyle concept retail store at Plaza Singapura.

2Q 2023

Raised approximately \$300 million in gross proceeds through a private placement and preferential offering of approximately 633.3 million new Units.

City Energy signed two Memorandum of Understanding with Gentari to explore hydrogen importation from Malaysia to Singapore and connect cross-border EV charging networks across both countries.

City Energy launched Sun City, which provides solar solutions to promote greener living and expand its products offerings.

3Q 2023

Established the KIT Responsible Investment Policy, which is in line with the United Nations-supported Principles for Responsible Investment.

4Q 2023

Paid special distribution of 2.33 cents per Unit with the crystallisation of value creation efforts at Ixom and City Energy.

City Energy acquired a 51% stake in Tan Soon Huah's Liquified Petroleum Gas (LPG) business, the second largest LPG cylinder distributor in Singapore, expanding into a new market.

City Energy signed a joint feasibility study agreement with Gentari to explore a green hydrogen pipeline from Malaysia.

Achieved commercial operations of Fäbodliden II, an onshore wind farm in Sweden.

1Q 2024

Completed the first phase acquisition of the German Solar Portfolio, marking KIT's first acquisition in the solar energy sector. Remaining phases to be completed by end-June 2024.

Announced the acquisition of 98.6% stake in Ventura, the largest bus service business in the State of Victoria, Australia.

Announced extension of concession agreement for Senoko WTE Plant.

SUSTAINABILITY REPORT

Sustainability management is imperative to the continued success of KIT and its ability to create value. Guided by our three strategic pillars, we are committed to generating stable and sustainable returns for our Unitholders.

Sustainability Framework

ENVIRONMENTAL STEWARDSHIP

In line with Keppel's Vision 2030, KIT actively contributes towards enhancing resource efficiency, improving our environmental performance, and contributing to addressing climate change.

» For more information, go to: pages 54 to 65

RESPONSIBLE BUSINESS

A resilient business is supported by a strong and effective Board, robust governance and discerning risk management.

» For more information, go to: pages 66 to 71

PEOPLE AND COMMUNITY

People are at the heart of our business. We are committed to building a safe and healthy workplace, investing in nurturing and developing our people to reach their full potential as well as actively uplifting the communities where we operate.

» For more information, go to: pages 72 to 81

Sustainability Highlights

ENVIRONMENTAL STEWARDSHIP

36% reduction

Carbon emissions intensity decreased 20% year-on-year (YoY) to 6,900 tCO₂e/\$m. This is a 36% reduction from 2019's levels largely due to exceptional portfolio performance resulting in higher Distributable Income for KIT in 2023.

EMISSIONS INTENSITY

19%¹

Increased exposure to renewable energy from 10% to 19% of AUM with the acquisition of a solar portfolio in Germany, which includes over 60,000 bundled solar photovoltaic (PV) systems across the country.

RENEWABLES

RESPONSIBLE BUSINESS

Zero incidences

Zero instances of non-compliance with laws or regulations, nor any incident of corruption, bribery or fraud.

COMPLIANCE

Zero breaches

No incidents of physical security breaches affecting the operations of KIT's businesses and assets and no leaks, breaches, thefts and loss of customer data.

OPERATIONAL EXCELLENCE

PEOPLE AND COMMUNITY

28.4 hours

The Trustee-Manager achieved an average of 28.4 training hours per employee in 2023, up from 23.7 hours in 2022.

TRAINING AND DEVELOPMENT

>900 hours

The Trustee-Manager, as part of Keppel's Fund Management and Investment platforms (Keppel FM&I), committed more than 900 hours of community service in 2023, exceeding its target of 500 hours.

VOLUNTEERISM

¹ Following the first phase completion of the German Solar Portfolio.

ADVANCING SUSTAINABILITY

KEVIN NEO
Chief Executive Officer



DEAR STAKEHOLDERS,

I am pleased to present Keppel Infrastructure Trust's (KIT) Sustainability Report for the financial year ended 31 December 2023.

Amidst the rising agenda of sustainability with climate change and ongoing geopolitical tension shaping the global energy landscape, KIT remains steadfast in upholding its commitment to pursue sustainable growth.

Leveraging the sustainable infrastructure theme, the continued transformation of the KIT portfolio through growth and value creation yielded record financial performance with the Trust's EBITDA, Distributable Income and Distribution per Unit (DPU) achieving its highest level since KIT was formed in 2015.

The strong performance, despite macroeconomic headwinds, is a testament to KIT's portfolio resilience. The essential services and products provided and produced by the Trust's businesses and assets attest to their relevance throughout business cycles.

ADVANCING OUR CLIMATE ACTION

Over the past year, we made good progress in our decarbonisation roadmap, by:

- increasing our renewable energy portfolio;
- improving energy efficiency at our businesses and assets;

- developing infrastructure to support electrification; and
- championing collaborations to advance our hydrogen strategy.

Our carbon emissions intensity has reduced by approximately 20% year-on-year to 6,900 tCO₂e/\$m, supported by KIT's record financial performance. This is a 36% reduction from the 2019 base year, exceeding the 30% reduction target set for 2030. As the KIT portfolio continues to grow, the Trustee-Manager is evaluating its carbon emissions strategy with the intention to set longer-term emissions reduction targets.

In growing its renewables exposure, KIT made its first solar investment with the acquisition of a 45% stake in a solar portfolio comprising over 60,000 bundled solar photovoltaic (PV) systems across Germany. When the acquisition is fully completed in June 2024, the projected combined generation capacity will be 585 MW. Together with the investment in Fäbodliden II, a 17 MW onshore wind farm in Sweden as part of the exclusive pipeline from Fred. Olsen, both acquisitions will increase KIT's total renewable capacity to 1.3 GW, almost doubling the 723 MW as at end-2022. As at 2 January 2024, KIT's exposure to renewables was 19% of AUM, an increase from 10% in 2022, following the phase one completion of the German Solar Portfolio.

In 2023, the Trustee-Manager continued to champion innovative solutions at the Trust's businesses and assets to improve energy efficiency and reduce our carbon footprint. This includes City Energy's announced collaborations to explore the development of a green hydrogen pipeline and accelerate the commercial usage of hydrogen, and development of off-grid hydrogen fuel cell solutions. City Energy has also established Sun City, which manages the installation, operation and maintenance of solar PV systems for homes and businesses. Since the launch of its EV charging services business in April 2022, Go by City Energy has secured the exclusive rights to install EV charging services for 20,000 carpark lots in private residential and mixed developments.

Down under, KIT announced the proposed acquisition of Ventura, a leading transportation business in Australia. As an essential service that supports Melbourne's population growth and sustainable commute, Ventura is an electrification leader in Victoria with a clear pathway for electrification, aiming to convert 25% of its 900-buses fleet to electric buses by 2030.

This being our third year in implementing the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations, the Trustee-Manager has carried out an analysis of the potential financial impact from physical risks as detailed on pages 58 to 59 of this report.

The Trustee-Manager has also begun the process of quantifying the potential financial impact of identified transition risks on our portfolio and is seeking to develop a comprehensive transition plan detailing KIT's mitigation and adaptation approach. The enhanced disclosure will provide a useful metric to support better decision-making, disclosures and performance to build the resilience of KIT's portfolio and operations against climate change impact.

NURTURING OUR PEOPLE AND COMMUNITIES

Our people are a key driver of the growth and development of the business, and the Trustee-Manager is dedicated to fostering a talented and motivated workforce.

The Trustee-Manager is committed to promoting diversity and inclusion, and we do not condone any acts of discrimination. To foster a fair and harmonious environment where individuals are respected and given equal opportunities to grow professionally and personally, the Trustee-Manager introduced the Diversity, Equity & Inclusion Policy, putting in place a more comprehensive version of the Diversity and Inclusion Statement.

The Trustee-Manager continues to prioritise the health, safety and well-being of our employees through providing comprehensive healthcare and wellbeing benefits. We encourage active lifestyles to strengthen physical

and mental health as a holistic approach to employee wellbeing.

In 2023, while the number of workplace injuries have declined compared to 2022, there was unfortunately a workplace fatality involving a subcontractor worker at one of KIT's overseas asset. The Trustee-Manager, together with the asset company, have implemented initiatives to prevent recurrence.

The Trustee-Manager encourages employees to create a positive impact in the communities. Together with Keppel FM&I, we have committed more than 900 hours towards community outreach activities. Additionally, the Trustee-Manager and KIT have also contributed approximately \$353,000 in donations to support various philanthropic initiatives and community needs.

CHAMPIONING RESPONSIBLE BUSINESS PRACTICES

Conducting our business in a responsible manner is crucial for economic sustainability. We remain committed to maintaining high standards of corporate governance, ethics and integrity, and fulfilling our fiduciary duties in managing our critical portfolio of businesses and assets. We have zero tolerance for corruption, bribery, and fraud, and ensure that strong corporate governance is upheld through robust policies and training.

Our businesses and assets continued to operate reliably to provide essential

services without major operational or service disruptions, and no complaints of physical security breaches and no leaks, breaches, thefts, and loss of customer data. These results are a demonstration of a proficient team, ensuring that the highest standards of asset quality, safety and security are upheld.

LOOKING AHEAD

We will continue to lean on our growth strategy to capitalise on new and emerging opportunities, while building resilience against uncertainties and headwinds.

In aligning its ESG ambitions with growth plans, the Trustee-Manager established the KIT Responsible Investment Policy, which is in line with the United Nations (UN)-supported Principles for Responsible Investment. This will guide the continued transformation of the KIT portfolio to support the sustainable infrastructure theme.

In closing, we would like to thank our valued stakeholders for their unwavering support and valuable contributions as we move forward to achieve greater heights.

Yours sincerely,

KEVIN NEO
Chief Executive Officer
14 March 2024

About This Report



As KIT operates in business landscapes that value resource efficiency and ESG excellence, sustainability management is imperative to the continued success of the Trust and its ability to create value.

Keppel Infrastructure Trust (KIT) is the largest business trust listed in Singapore with a diverse portfolio of businesses and assets spanning three core segments of (i) Energy Transition, (ii) Environmental Services, and (iii) Distribution & Storage.

These businesses and assets provide essential products and services, ranging from town gas production, wind farms and solar PV assets, waste treatment and water purification, gas pipelines, to the manufacturing and distribution of essential chemicals as well as the storage of petroleum products. These diverse businesses and assets are complemented by a broad range of customers including government agencies, multinational corporations, commercial and

industrial enterprises, as well as retail consumers across Asia Pacific, Europe, and the Middle East.

As KIT operates in business landscapes that value resource efficiency and environmental, social and governance (ESG) excellence, sustainability management is imperative to the continued success of the Trust and its ability to create value.

This sustainability report outlines KIT's sustainability strategy and details the Trustee-Manager's approach to managing and documenting the performance against the Trust's material ESG factors.

INTERNAL REVIEW

In 2022, KIT initiated an internal review process with internal audit

Contact

The Trustee-Manager welcomes feedback that will continually enhance its sustainability efforts. Please share your feedback at investor.relations@kepinfratrust.com

with respect to the sustainability reporting process, procedures and controls. As part of our commitment to improving our sustainability reporting practices, the Trustee-Manager is reviewing the need for external assurance.

REPORTING PERIOD AND SCOPE

This report documents the business activities and operations of the KIT portfolio, of which KIT's equity interests in the respective entities are indicated in parentheses, for the period of 1 January 2023 to 31 December 2023 (FY 2023).

As the first phase acquisition of a 45% interest in a German Solar Portfolio was completed in January 2024, it has been excluded from the scope of reporting.

GLOBAL REPORTING INITIATIVE STANDARDS

This report is prepared in accordance with the Global Reporting Initiative (GRI) Standards for the period from 1 January to 31 December 2023. The report embodies the Reporting Principles of Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness and Verifiability from the GRI Universal Standards. The GRI Reporting Principles support the delivery of high-quality and proper presentation of the reported information.

Please refer to the GRI Content Index on pages 82 to 84 for the full list of disclosures.

	Business/Asset
Energy Transition	City Energy (100%)
	Keppel Merlimau Cogen Plant (KMC) (51%)
	Aramco Gas Pipelines Company (AGPC) ¹
	European Onshore Wind Farm (13.4%)
	Borkum Riffgrund 2 (BKR2) (20.5%)
Environmental Services	German Solar Portfolio (45%)
	Senoko Waste-to-Energy (WTE) Plant (100%)
	Keppel Seghers Tuas WTE Plant (KSTP) (100%)
	Keppel Seghers Ulu Pandan NEWater Plant (UPNP) (100%)
	SingSpring Desalination Plant (SSDP) (100%)
Distribution and Storage	Eco Management Korea Holdings (EMK) (52%)
	Ixom (100%)
	Philippine Coastal Storage & Pipeline Corporation (Philippine Coastal) (50%)

¹ Minority and non-controlling interest, as part of a global consortium to acquire a 49% stake in the asset.

Approach to Sustainability

SUSTAINABILITY FRAMEWORK AND POLICIES

Sustainability management is at the core of the Trustee-Manager’s strategy formulation and business decisions. Its approach to sustainability is guided by the three thrusts of Environmental Stewardship, Responsible Business, and People and Community. The Trustee-Manager is committed to minimising its environmental impact, upholding strong corporate governance, and creating positive value for all its stakeholders.

As a responsible corporate citizen, the Trustee-Manager’s policies form the framework for ethical business practices. These include the Anti-Bribery Policy, Whistle-Blower Policy, Insider Trading Policy, Competition Law Compliance Manual, as well as Health, Safety, Security and Environmental Policy.

KIT’s Corporate Statement on Human Rights Policy demonstrates the Trustee-Manager’s steadfast commitment to uphold and respect the principles outlined in the UN Universal Declaration of Human Rights and the International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work. Additionally, the Trustee-Manager’s approach to human rights

BOARD STATEMENT

“As part of its strategic oversight, the Board has reviewed, approved, and considered the material ESG factors in KIT’s business and strategy formulation. The Board will continue to review and monitor the management and performance of these ESG factors periodically, with support from management and feedback from key stakeholders.”

is shaped and directed by the UN Guiding Principles on Business and Human Rights. The Trustee-Manager takes a zero-tolerance stance for unethical labour practices such as child labour, forced labour, slavery and human trafficking and aims to eliminate these within any part of the Trust’s operations, including its supply chain. Suppliers are required to acknowledge and abide by the Keppel Supplier Code of Conduct, being subject to audits.

Employees of Keppel and its subsidiaries are required to be familiar with these policy commitments which are embedded

within the Employee Code of Conduct. The policies are communicated and reinforced annually through various platforms such as online training courses and declarations of adherence to the Keppel policies.

Keppel policies are reviewed and approved by the Keppel Board, Board Committees or Senior Management in charge of the relevant policies where applicable. KIT policies are approved by the KIT Board or CEO. They are periodically reviewed to ensure they are up-to-date and relevant, and are also publicly available on the sustainability pages of the KIT website.



The Trustee-Manager is committed to minimising its environmental impact, upholding strong corporate governance, and creating positive value for all stakeholders.

Approach to Sustainability

SUSTAINABILITY GOVERNANCE

Effective governance is integral to achieving sustainable growth by providing the framework for ethical decision-making.

The Board holds responsibility in governing sustainability matters with inputs from the Board ESG Committee (BEC). The BEC provides oversight of KIT's ESG strategy, policies and initiatives, as well as monitoring and evaluating their effectiveness to ensure long-term value creation, and makes the relevant

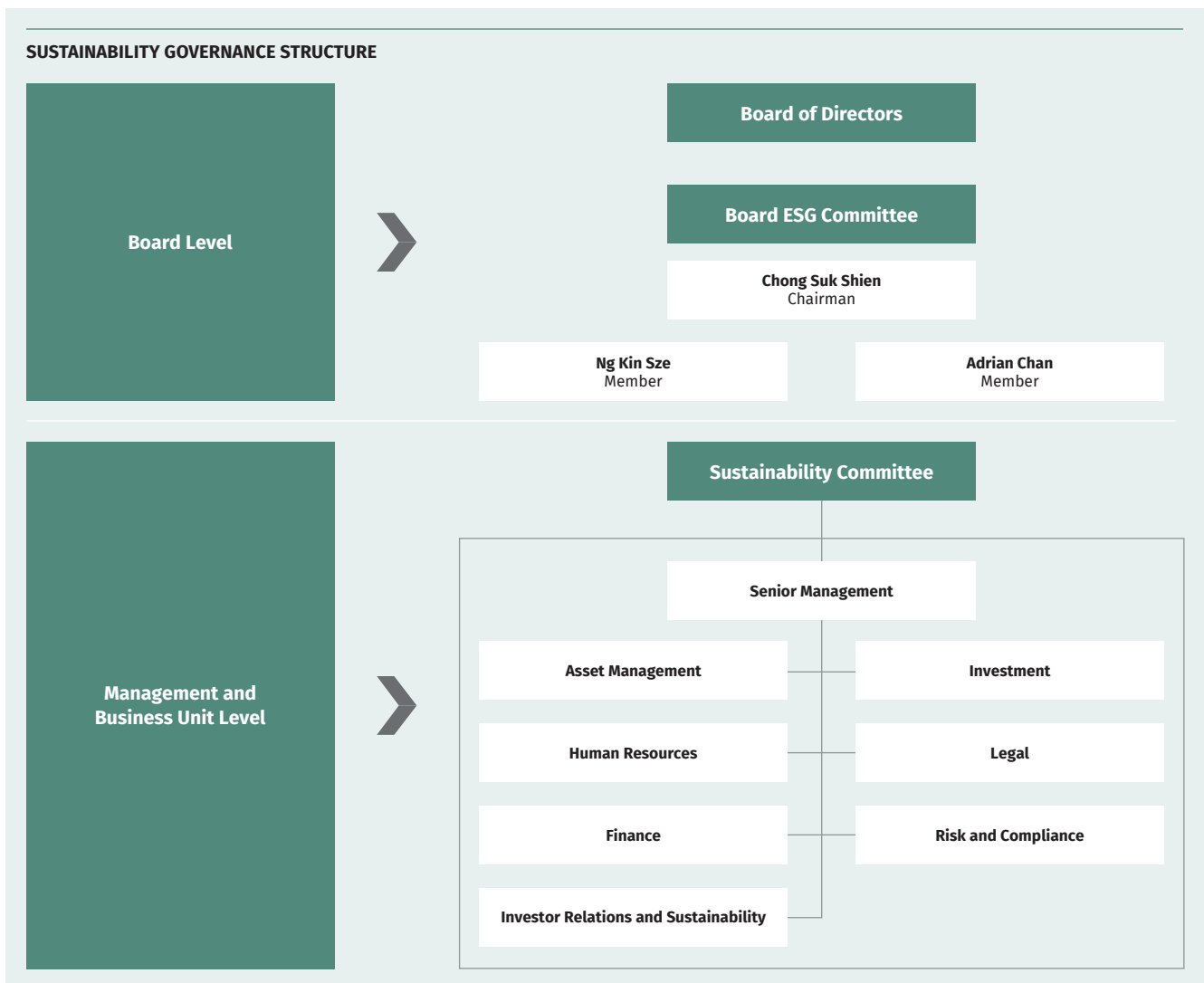
recommendations to the Board. The BEC also reviews and approves KIT's performance and progress against targets for material ESG factors.

The BEC comprises three independent directors and convenes meetings at least quarterly to review KIT's sustainability plans and performance.

The BEC is supported by a Sustainability Committee that implements the Trustee-Manager's ESG strategy and initiatives.

This committee comprises personnel from Asset Management, Finance, Human Resources, Investment, Investor Relations and Sustainability, Legal, and Risk and Compliance departments.

Performance against material ESG factors is regularly reviewed by the committee and the BEC is updated on this progress at its quarterly meetings. All directors have undergone the sustainability training mandated by the Singapore Exchange (SGX).



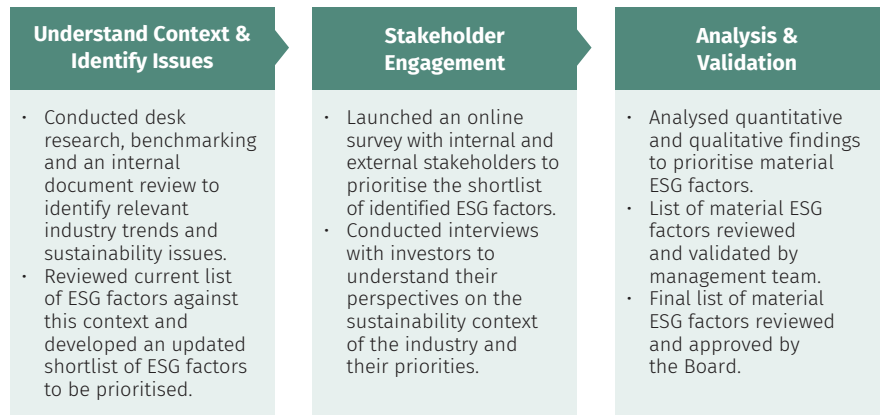
MATERIALITY ASSESSMENT

A materiality assessment helps the Trustee-Manager understand and prioritise the significant environmental, social, economic and governance factors that affect KIT's businesses and conversely, those that can be significantly impacted by the Trust's activities.

In 2021, the Trustee-Manager worked with an external sustainability consultant to conduct a materiality assessment, which guided its sustainability strategy and management approach. This serves to ensure that the Trustee-Manager remains agile and responsive amid the evolving macro environment and dynamic business landscape, effectively adapting to emerging challenges and opportunities.

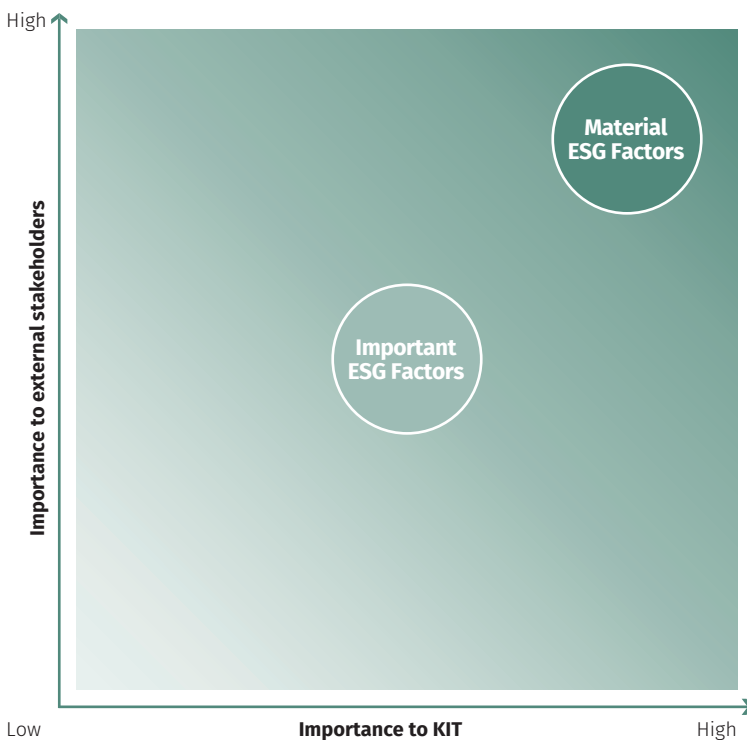
The materiality assessment involved a three-stage process starting with reviewing the list of material ESG factors, supplemented by research on macro ESG and industry-relevant trends. KIT followed up by engaging key internal and external stakeholders.

Materiality Assessment Process



The chart below illustrates KIT's prioritised ESG factors, grouped into two categories. These two categories reflect the level of materiality determined through the materiality assessment process. The Trustee-Manager continually reviews these ESG factors to ensure their ongoing relevance, thereby adjusting its strategy to support business sustainability.

In 2023, the Trustee-Manager reviewed its material ESG factors and determined that the previously identified ESG factors remain relevant. The Trustee-Manager will continue to review these factors regularly, to stay on top of emerging trends, and adjust its strategies where appropriate to ensure business sustainability.



Material ESG Factors

High importance to KIT and its key stakeholders, and considered most material and of top priority. These form the focus of its sustainability strategy and reporting, for which it aims to disclose goals, targets and performance.

- Asset Quality and Safety
- Climate Change Adaptation
- Corporate Governance
- Cybersecurity and Data Privacy
- Economic Sustainability
- Emissions
- Employee Health and Wellbeing
- Energy
- Environmental Protection
- Ethics and Integrity
- Human Capital Management

Important ESG Factors

Moderate to high importance to KIT and its key stakeholders. These are actively monitored and managed, and will be included in external reporting as relevant, based on the sustainability context and stakeholder interest.

- Community Development and Engagement
- Diversity and Inclusion
- Physical Security of Assets
- Sustainable Supply Chain Management
- Waste Management
- Water









* The ESG factors within each tier are in alphabetical order.




Approach to Sustainability

TARGETS AND COMMITMENTS

The Trustee-Manager has set out clear targets to drive performance and manage its material ESG factors. Progress against these targets is monitored and quarterly updates are provided to the BEC. In support of the UN Sustainable Development Goals (UN SDGs) and the 2030 agenda for sustainable development, the Trustee-Manager has identified a total of 10 SDGs that it can contribute most meaningfully to and guide its sustainability strategy to advance sustainable development. These SDGs present the greatest opportunities to bolster partnerships with other stakeholders for a more sustainable future. To ensure progress and accountability, the Trustee-Manager has set short-term (2023) and medium- to long-term (beyond 2023) targets and commitments for KIT's material ESG factors.

This section summarises the Trust's performance and progress in FY 2023 against the respective targets and commitments.

Environmental Stewardship				
ESG Factors	UN SDGs	Targets and Commitments	Performance and Progress	Page No.
Climate Change Adaptation		Commit to the implementation of the TCFD Recommendations.	<ul style="list-style-type: none"> Made progress to quantify the potential financial impacts for physical and transition climate-related risks. 	57 to 63
Emissions	 	Achieve a 30% reduction in carbon emissions intensity by 2030 from 2019 levels and commit to establishing an absolute emissions reduction target in the long term.	<ul style="list-style-type: none"> Carbon emissions intensity decreased by 36% relative to 2019 levels largely due to KIT's record financial performance for FY 2023 supported by capital optimisation gains. Excluding capital optimisation gains and associated management fees, KIT's reduction in carbon emissions intensity from 2019 would be 7% for FY 2023, even with the addition of carbon emissions from AGPC and EMK for the year. The Trustee-Manager continued to optimise energy efficiency by: <ul style="list-style-type: none"> Installing solar PV panels at select assets to generate renewable energy for operational needs. Improving the energy efficiency of existing portfolio by adopting energy-efficient equipment and technologies, and exploring innovative green energy solutions. Supporting electrification with the expansion of City Energy's electric vehicle (EV) charging services business, with exclusive rights to extend EV charging services to approximately 20,000 carpark lots in private residential and mixed developments. City Energy also announced collaborations to explore the development of a green hydrogen pipeline from Malaysia to Singapore, and accelerate the commercial usage of hydrogen and development of off grid hydrogen fuel cell solutions. 	54 to 57
Energy	  	Increase KIT's exposure to renewable energy by up to 25% of AUM by 2030.	<ul style="list-style-type: none"> KIT's exposure to renewables increased from 10% of AUM for FY 2022 to 19% of AUM as at 2 January 2024 with the acquisition of Fäbodliden II in December 2024 and the first phase completion of the German Solar Portfolio in January 2024. The wind farms generated 1,355,000 GJ based on total electricity sold in 2023. 	54 to 57
Environmental Protection		Maintain zero incidents of non-compliance with environmental laws and regulations.	<ul style="list-style-type: none"> There were zero incidents of non-compliance with environmental laws and regulations. 	65
Waste Management		Divert at least 90% of waste from landfills annually. Recover at least 70% of scrap metal from bottom ash annually.	<ul style="list-style-type: none"> WTE plants convert waste into ash which significantly decreases waste volume. <ul style="list-style-type: none"> KIT diverted 97% of waste from landfill in 2023. Recovery rate for scrap metal from bottom ash was 74% for the Singapore WTE plants. The WTE plants recover energy through its operations to generate electricity, and sold approximately 574,000 GJ, making up 30% of electricity produced in 2023. 	64
Water Management		Zero infringements of trade effluent discharge leading to regulatory actions.	<ul style="list-style-type: none"> Support Singapore's water security with a reliable supply of freshwater. There were zero reported incidents of trade effluent discharge leading to regulatory action in 2023. Implemented soil and groundwater testing to ensure that all pollutant levels comply with local regulatory standards. Utilised water-efficient equipment, technologies and processes at its plants (e.g. using seawater to cool generators at the KMC Plant and recycling water at Senoko WTE Plant to wash and cool machineries). 	64 to 65

Responsible Business				
ESG Factors	UN SDGs	Targets and Commitments	Performance and Progress	Page No.
Asset Quality and Safety		Fulfil contractual obligations and minimise operational disruptions due to equipment or facility problems.	<ul style="list-style-type: none"> Fulfilled all contractual obligations, with no major disruption to operations due to equipment or facility problems. Conduct regular maintenance works and designate capital investment for equipment upgrading to ensure that the highest standards of asset quality are maintained to safeguard operational resiliency. Certification of assets against internationally recognised standards, such as ISO 9001 and ISO 14001. 	69 to 70
				
Corporate Governance		Uphold strong corporate governance, robust risk management, as well as timely and transparent communications with stakeholders.	<ul style="list-style-type: none"> The Trustee-Manager continued to uphold strong corporate governance and robust risk management practices. Maintain a sound and effective system of risk management and internal controls through its Enterprise Risk Management (ERM) Framework. 	66 to 67
Cybersecurity and Data Privacy		Uphold high standards of cybersecurity and data protection best practices through the Keppel Cybersecurity governance structure to minimise cyber-attack incidents.	<ul style="list-style-type: none"> There were no complaints received concerning breaches of customer privacy, nor any leaks, thefts, or losses of customer data identified in 2023. 	71
Economic Sustainability		Build a resilient portfolio of assets and businesses that delivers long-term sustainable growth and Unitholder value.	<ul style="list-style-type: none"> KIT delivered another bumper year with record EBITDA of \$447.6 million and record Distributable Income of \$316.8 million for FY 2023, driven by strong portfolio performance from growth and value creation. KIT declared a 62% increase in DPU to 6.19 cents for FY 2023, including a special distribution of 2.33 cents. 	66
Ethics and Integrity		Maintain high standards of ethical business conduct and compliance best practices, with zero incidents of fraud, corruption, bribery and non-compliance with laws and regulations.	<ul style="list-style-type: none"> There were zero incidents of fraud, corruption, bribery and non-compliance with laws and regulations in 2023. Employees are required to adhere to the KIT Code of Conduct, which aims to establish and reinforce the highest standards of integrity and ethical business practices. 	67 to 69
Physical Security of Assets		To achieve zero physical security breaches affecting plant operations.	<ul style="list-style-type: none"> There were no physical security breaches affecting the operations of KIT's businesses and assets. 	70
Sustainable Supply Chain Management		Ensure that all major suppliers (providing products or services valued at \$200,000 or more in a calendar year) adopt responsible business practices.	<ul style="list-style-type: none"> All major suppliers providing products or services valued at \$200,000 or more in a calendar year have signed the Keppel Supplier Code of Conduct. 	71
People and Community				
Community Development and Engagement		Participate in local community engagement initiatives to support Keppel FM&I's target of >500 hours of staff volunteerism in 2023.	<ul style="list-style-type: none"> Dedicated more than 900 hours to support community outreach activities during the year, together with Keppel FM&I. Contributed approximately \$262,000 in donations to support various philanthropic initiatives and community needs in 2023. 	80 to 81
Diversity and Inclusion		Maintain approximately 30% of female directorship on the Board.	<ul style="list-style-type: none"> Female representation on the Board is at 33.3%. 	76 to 77
Employee Health and Wellbeing		Achieve zero workplace fatalities.	<ul style="list-style-type: none"> While the number of workplace injuries have decreased in FY 2023 compared to 2022, there was unfortunately a workplace fatality involving a subcontractor worker at one of KIT's overseas asset. The Trustee-Manager, together with the asset, has implemented initiatives to prevent recurrence. Various initiatives have been designed to support the physical and mental wellbeing of employees. 	77 to 80
Human Capital Management		<ul style="list-style-type: none"> Achieve at least 20 hours of training per employee in 2023. Achieve at least 75% in employee engagement score in 2023. 	<ul style="list-style-type: none"> Achieved an average of 28.4 hours of training per employee, higher than the 23.7 hours in 2023. Employee engagement score in 2023 remained above 80%. Provide training opportunities to upskill and develop employees. 	72 to 76



Approach to Sustainability

EXTERNAL MEMBERSHIPS, INITIATIVES AND CERTIFICATIONS

The Trustee-Manager contributes to several initiatives and organisations that are dedicated to advancing sustainable best practices and establishing robust corporate governance.

Through its businesses and assets, KIT actively participates in various external industry associations, initiatives, green certifications and award schemes. Keppel is a participant of the UN Global Compact and is committed to its 10 universal principles. As a demonstration of dedication to corporate environmental transparency, KIT, through Keppel FM&I is also a CDP capital markets signatory.

EXTERNAL MEMBERSHIPS AND CERTIFICATIONS

<p>Signatory of:</p>  <p>Principles for Responsible Investment</p>	<p>Through Keppel FM&I, the Trustee-Manager is a signatory to the UN-supported Principles for Responsible Investment and is committed to adopting the PRI's six principles, where feasible.</p>
 <p>SINGAPORE WATER ASSOCIATION</p>	<p>Keppel's Infrastructure Division, as the operator of Keppel Seghers Ulu Pandan NEWater Plant and SingSpring Desalination Plant, is an active member of the SWA. Launched in 2004, the SWA and is a collaborative platform for member companies to strengthen Singapore's position as a one-stop centre for all water-related services and as a water technology hub.</p>
 <p>GAS ASSOCIATION OF SINGAPORE</p>	<p>City Energy is a member of GAS. Formed in 2001, GAS is an independent national body that provides a platform for professionals, practitioners, and experts in the gas industry to collaborate and share knowledge, as well as advance uniformity of industry practice and standards.</p>
 <p>Waste Management & Recycling Association of Singapore</p>	<p>Keppel's Infrastructure Division, as the operator of Senoko Waste-to-Energy (WTE) Plant and Keppel Seghers Tuas WTE Plant, is a member of WMRAS. WMRAS is the only not-for-profit association for solid waste management that advocates for best practices and provides a network for industry players to promote recycling to create a more sustainable living environment.</p>
	<p>The Trustee-Manager, through Keppel, supports SIAS, which aims to educate, engage and empower the investment community.</p>
 <p>MSCI ESG RATINGS BBB</p>	<p>The MSCI ESG Ratings assessment measures a company's resilience to long term, financially relevant material ESG risks.¹ In 2023, KIT maintained its 'BBB' rating.</p>

¹ The use by KIT of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of KIT by MSCI. MSCI services and data are the property of MSCI or its information providers and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

KIT's portfolio of businesses and assets have also attained various sustainability certifications as listed below.

Business/Asset	Sustainability Certification/Awards
Borkum Riffgrund 2	Participated in the 2023 GRESB Infrastructure Asset Benchmark
City Energy	ISO 9001, ISO 14001, ISO 45001, ISO 50001, ISO 45001, SS651 and BizSafe Star Certification, WSHC Safety Innovation Award 2023
Ixom	ISO 9001, ISO 14001, ISO 45001, ISO/FSSC 22000, EcoVadis Bronze, Supplier Ethical Data Exchange (SEDEX) Membership
Keppel Merlimau Cogen	ISO 9001, ISO 14001, ISO 45001, ISO 50001
Keppel Seghers Tuas WTE Plant	ISO 9001, ISO 14001, ISO 45001, ISO 50001
Keppel Seghers Ulu Pandan NEWater Plant	ISO 9001, ISO 14001, ISO 45001, ISO 50001
Philippine Coastal Storage & Pipeline Corporation	ISO 45001 Environmental Compliance Certificate: <ul style="list-style-type: none"> • Subic Bay Metropolitan Authority (SBMA) Mabuhay Business Awards (for good corporate governance, HR and OHS practices) • 2 PCSPC employees were awarded the Outstanding Freeport Worker Awards
Senoko WTE Plant	ISO 9001, ISO 14001, ISO 45001, ISO 50001
SingSpring Desalination Plant	ISO 14001, ISO 45001, Hazard Analysis and Critical Control Points (HACCP) Certification

STAKEHOLDER ENGAGEMENT

The Trustee-Manager regularly engages its stakeholders to obtain insights into their expectations, needs and feedback. This fosters collaboration and informs KIT’s business decisions and enables continual improvement in its ESG performance.

The table below details the various channels of engagement for the respective stakeholder groups, as well as the key topics of concern and the frequency of engagement.

<p>Employees </p> <p>Objectives of Engagement Build talent pool through continuous investments in training and development, as well as employee wellbeing and welfare.</p> <p>Engagement Platforms Dialogue sessions with senior leaders; annual employee engagement survey; appreciation month; physical, mental and financial wellbeing months; staff communication sessions; leadership programmes; teambuilding activities; dinner and dance.</p> <p>Key Topics of Concern Employees’ personal and professional growth; sharing of ideas; culture of recognition and appreciation; self-directed learning; inspiring others through leading by example.</p> <p>Frequency of Engagement Ongoing regular engagement.</p>	<p>Customers </p> <p>Objectives of Engagement Grow customer base; deepen relationships with existing and prospective customers.</p> <p>Engagement Platforms Regular meetings; feedback channels such as emails and phone calls; regular customer satisfaction surveys.</p> <p>Key Topics of Concern Product and service quality; Health, Safety, Security and Environment (HSSE) requirements.</p> <p>Frequency of Engagement Ongoing regular engagement.</p>	<p>Investors </p> <p>Objectives of Engagement Ensure timely and accurate disclosure of information.</p> <p>Engagement Platforms Annual and sustainability reports; media releases; investor presentations; SGX announcements; general meetings; in-person and virtual local and overseas investor roadshows; quarterly teleconferences or webcasts; corporate website; email feedback; meetings and conference calls.</p> <p>Key Topics of Concern Business strategy and corporate developments; financial performance; sustainability issues.</p> <p>Frequency of Engagement Ongoing regular engagement.</p>
<p>Business Partners </p> <p>Objectives of Engagement Align practices for better planning, responsive vendor support and mutually beneficial relationships.</p> <p>Engagement Platforms Regular meetings with suppliers, contractors and joint venture partners; management site visits.</p> <p>Key Topics of Concern Compliance; collaboration; HSSE matters.</p> <p>Frequency of Engagement Ongoing regular engagement.</p>	<p>Governments and Regulatory Bodies </p> <p>Objectives of Engagement Collaborate and work alongside on issues of mutual interest.</p> <p>Engagement Platforms Regular meetings and site inspections; renewal of licenses and permits.</p> <p>Key Topics of Concern Feedback on new guidelines, including sustainability; opportunities for business collaborations.</p> <p>Frequency of Engagement Ongoing regular engagement.</p>	<p>Local Communities </p> <p>Objectives of Engagement Impact communities positively.</p> <p>Engagement Platforms Volunteer activities; financial contributions.</p> <p>Key Topics of Concern Positive social contributions.</p> <p>Frequency of Engagement Ongoing regular engagement.</p>

ENVIRONMENTAL STEWARDSHIP

KIT is dedicated to contributing to the global energy transition and taking decisive action to combat climate change through its operations and assets.

EMISSIONS AND ENERGY Management Approach

With investments in critical infrastructure assets and operations that impact the environment, the Trustee-Manager remains steadfast in combatting climate change, ensuring the responsible use of resources and actively contributing towards the energy transition.

The Trustee-Manager has, as part of its carbon strategy, set a medium-to long-term target to achieve a 30% reduction in carbon emissions intensity by 2030, measured against 2019 levels. In a similar vein, to reduce its exposure to energy intensive emitters, the Trustee-Manager is working towards increasing its ownership of renewables-based assets and has a target to establish a portfolio of renewable energy with up to 25% of Assets Under Management (AUM) by 2030.

Energy optimisation and expanding KIT's portfolio exposure to renewable energy are two key levers employed to address its greenhouse gas (GHG) emissions.

The Trustee-Manager works in close consultation with operations and maintenance contractors to optimise energy consumption and maintain operational efficiency of its plants. These include the use of energy-efficient lighting in KIT's WTE plants, installing energy-efficient equipment such as compressors and gas turbines at Keppel Merlimau Cogen Plant (KMC), including a planned heat efficiency upgrade at KMC in 2024, which is aimed at reducing carbon emissions. Improvements were also made to the roof design at SingSpring Desalination Plant to maximise natural daylight and water treatment membrane efficiency.

Renewable energy assets within KIT's portfolio have been strategically aligned to leverage and actively support the global transition to a low-carbon economy to combat climate change. The wind farms generated more than 1.3 million GJ of energy based on total electricity sold in 2023. On top of these renewable energy assets, the WTE plants provide clean energy and waste disposal solutions, supporting the circular economy.

In accordance with the Energy Conservation Act of Singapore, selected energy intensive assets are required to adhere to energy efficiency requirements and energy management practices to promote energy conservation, improve energy efficiency and reduce the environmental impact of energy use. From 2021, these assets have undergone energy efficiency opportunities assessment, designed to help identify initiatives that can effectively lower their energy consumption.

Performance and Progress

KIT grew its renewables exposure with the acquisition of the German Solar Portfolio, marking its first acquisition in the solar sector. Following the completion of the first phase acquisition, KIT's exposure in renewable energy increased to 19% of AUM as at 2 January 2024, up from 10% in 2022. This is a significant step in its journey toward achieving its target of 25% of AUM in renewables by 2030.

With a combined generation capacity of 585 MW, the addition of the German Solar Portfolio will increase KIT's total renewable generation capacity to approximately 1.3 GW.

To advance its hydrogen strategy, City Energy announced collaborations to conduct a feasibility study to develop a green hydrogen pipeline and accelerate the commercial usage



of hydrogen and development of off-grid hydrogen fuel cell solutions.

GHG Emissions

KIT actively monitors its GHG emissions, and adopts the equity share approach with guidance from the GHG Protocol. The GHG protocol is the most recognised international standard for corporate accounting and reporting of emissions, categorising emissions into Scope 1, 2 and 3 defined according to the source of the emissions.

Scope 1 emissions, which include direct emissions from owned or controlled sources, were predominantly from KMC's operations. Scope 2 emissions are derived from electricity use and Scope 3 emissions are indirect emissions within the value chain from the relevant categories.

To improve its emissions disclosure, the Trustee-Manager continuously strives to improve data quality. In 2023, the Trustee-Manager engaged a consultant to estimate the fugitive emissions for Aramco Gas Pipelines Company (AGPC) and has included its proportionate emissions in this report. KIT holds a minority and non-controlling interest in AGPC.

With the acquisition of EMK in Q4 2022, the Trustee-Manager has also included carbon emissions for EMK in its reporting scope.

TOTAL GHG EMISSIONS (tCO₂e)

Scope 1 (Direct) Emissions ¹	2,022,000
Scope 2 (Indirect) Emissions ²	162,000
Scope 3 (Indirect) Emissions ³	1,401,000
Total	3,585,000

Note: Figures have been rounded off to the nearest thousand.

- ¹ Mainly in natural gas, diesel and naphtha.
- ² Use of electricity.
- ³ The 10 categories are purchased goods and services, capital goods, fuel and energy related activities, upstream transportation and distribution, waste generated from operations, business travel, employee commute, downstream transportation and distribution, use of sold products, end-of-life treatment of sold products.

Scope 3 Relevant Categories

Scope 3 Relevant Categories	Emissions in 2023 (tCO ₂ e)
End-of-life treatment of sold products	<1,000
Downstream transportation and distribution ¹	<1,000
Business travel	2,000.00
Employee commuting ²	1,000.00
Waste generated in operations	4,000.00
Capital goods	5,000.00
Fuel and energy related activities	97,000.00
Upstream transportation and distribution	187,000.00
Use of sold products	332,000.00
Purchased goods and services	773,000.00
Total	1,401,000.00

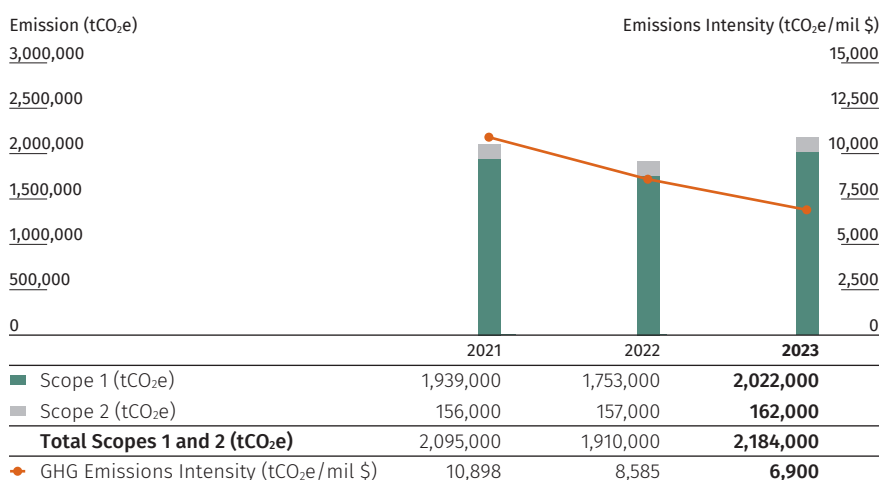
Note: Figures have been rounded off to the nearest thousand.

Emission factors for purchased goods and services, capital goods and business travel – land are referenced from the United States Environmental Protection Agency's (USEPA) Environmentally-Extended Input-Output (EEIO) models. Well-to-tank (WTT) and WTT-transmission & distribution (T&D) emission factors for fuel and energy related activities are referenced from Biogenic Emission Inventory System (BEIS) while T&D emission factors are referenced from the International Energy Agency (IEA). Emission factors for waste, business travel – air, upstream transportation and distribution, are similarly referenced from BEIS. Emission factors for commuting are referenced from the SMRT Corporation and Land Transport Authority. Emission factors for downstream transportation and distribution are referenced from both BEIS and USEPA EEIO models. Emission factors for use of sold products are based on town gas emission factors referenced from the GHG Emissions Measurement and Reporting Guidelines developed by the National Environmental Agency in Singapore.

- ¹ Downstream transportation and distribution emissions are estimated based on the number of products sold. A conservative assumption was made that each client purchases one item per trip and each trip was equivalent to driving from one end of Singapore to the other.
- ² Employee commuting emissions are estimated based on the Singapore Census of Population 2020 survey for Singapore assets.

Environmental Stewardship

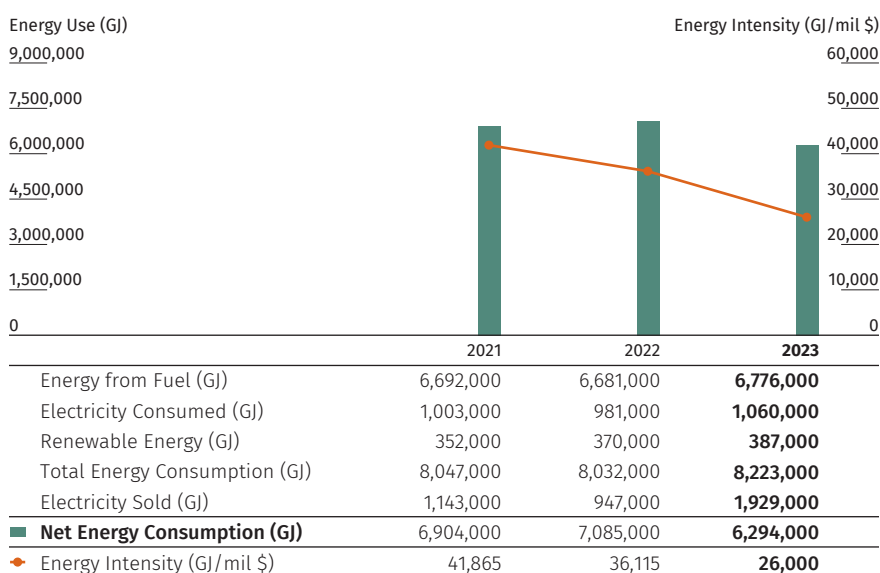
TOTAL SCOPES 1 AND 2 EMISSIONS



Notes: Figures have been rounded off to the nearest thousand.

- ^a GHG emissions are calculated in accordance with the equity share approach of the GHG Protocol standard – the most widely accepted international standard for GHG accounting. Gases included in the calculation are carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O), with totals expressed in units of tonnes of carbon dioxide equivalent (tCO₂e).
- ^b Conversion factors for Scope 1 and Scope 2 (market-based) GHG emissions were obtained from the relevant service providers and local authorities, such as the Energy Market Authority of Singapore and Australian Government’s Department of Climate Change and Energy Efficiency.
- ^c GHG intensity calculation is based on Distributable Income, in millions of Singapore dollars. It includes Scopes 1 and 2 emissions.

NET ENERGY CONSUMPTION



Notes: Figures have been rounded off to the nearest thousand.

- ^a Total net energy consumption is based on total energy consumption from fuel and renewable sources, and electricity consumption, net of electricity sold, in gigajoules.
- ^b Energy intensity calculation is based on total energy consumption in gigajoules and Distributable Income, in millions of Singapore dollars.
- ^c KMC data excluded from the computation of energy from fuel and electricity sold due to commercial sensitivity.

The addition of carbon emissions data for EMK and AGPC brings the total GHG emissions for 2023 to 3,585,000 tCO₂e, 8% higher than 2022.

Scope 1 and 2 emissions totalled 2,184,000 tCO₂e in 2023, representing a 14% increase from 2022, with the addition of EMK and higher electricity generation from KMC.

However, Scope 1 and 2 carbon emission intensity decreased to 6,900 tCO₂e/\$m in 2023, a 20% decrease from 2022, and 36% decrease from 2019 due to strong business performance driving record Distributable Income in FY 2023.

Other efforts that Management has taken across the respective assets to strengthen the ESG framework and processes include establishing a GHG reduction roadmap for EMK, where some initiatives have been implemented across selected EMK sites, and establishing an ESG policy at Philippine Coastal and setting long-term ESG targets at selected assets across the portfolio.

Energy

KIT’s businesses and assets consume energy from two sources; directly, through onsite business operations and indirectly, from purchased electricity. Data on energy consumption is collated via a combination of the Trustee-Manager’s sustainability data collection and analysis system and monthly reports submitted by its businesses and assets.

In 2023, KIT’s total net energy consumption across the portfolio was 6,294,000 GJ. These sources include fuel consumption comprising natural gas, diesel and naphtha, and renewable sources such as solar and electricity consumption, net of electricity sold. This was a decrease of 11% from 2022 mainly due to greater amounts of electricity sold largely owing to the inclusion of wind farms and EMK, thereby allowing for a lower net energy consumption.

KIT champions innovative solutions to improve energy efficiency.

Some examples of these efforts include optimising the delivery performance of Ixom’s ChlorAlkali Plant (CAP)

Spotlight

JOINT FEASIBILITY STUDY AGREEMENT WITH GENTARI

Hydrogen represents one of the four energy switches for Singapore's National Energy Transition Roadmap to achieve net zero emissions by 2050.

Following the Memorandum of Understanding signed in April 2023, City Energy and Gentari have signed a Joint Feasibility Study Agreement to construct a pipeline from Malaysia to Singapore for the import of hydrogen into the Republic. The

12-month study will shape the execution of a Front End Engineering Design agreement.

City Energy is currently one of the largest last-mile distributors of hydrogen in Singapore and this pipeline connection to supply hydrogen into the Senoko Gasworks plant will provide sustainable energy to households and businesses, supporting Singapore's efforts to

reduce emissions and address climate change.

City Energy and Gentari have established a long-standing relationship, including the importation of natural gas from Malaysia since 1991 through the 2,623 kilometre-long Peninsular Gas Utilisation pipeline, owned and operated by Gentari's sister company, PETRONAS Gas Berhad.

electrolysers and mothballing regeneration plants to reduce emissions. Renewable energy made up 5% of KIT's net energy consumption.

The installation of solar photovoltaic (PV) panels at City Energy brings KIT's total capacity to 2.2 MW. KIT's WTE plants also provide energy by processing municipal solid waste. The acquisitions of offshore and onshore wind farms have resulted

in a combined generation capacity exceeding 2.2 million MWh per annum.

In support of Singapore's aim to develop a hydrogen economy, City Energy signed a Joint Feasibility Study Agreement with Gentari, a Malaysian clean energy solutions provider wholly owned by PETRONAS, to develop a pipeline for the import of hydrogen from Malaysia to Singapore. City Energy has expanded its EV charging business,

having secured 39 sites as of end December 2023, contributing toward the Singapore EV roadmap and Singapore Green Plan 2030.

CLIMATE CHANGE ADAPTATION Management Approach

KIT aims to support the transition to a low-carbon and circular economy and safeguard the environment through its portfolio, focusing on enhancing its three core business segments.

KIT's Approach to Climate Change Adaptation

This section describes KIT's approach to climate change adaptation, in alignment with the TCFD recommendations and its four core pillars.

2021
Roadmap
Established

2022
Conducted
Scenario Analysis

2023 – 2024
Enhanced scenario analysis
through quantification of selected
physical and transition risks

Establish Governance

- Established sustainability governance structure

Climate Scenario Analysis

- Identified current and anticipated climate-related risks and opportunities
- Developed appropriate climate scenarios and narratives
- Assessed potential impact of climate-related risks and opportunities across scenarios

Identify Potential Business Responses

- Identify appropriate business response to mitigate and manage material risks and opportunities

Integration

- Integrate analysis of climate-related risks and opportunities into decision making, financial planning and risk management
- Review and update climate-related metrics and targets
- Monitor implementation and performance

Monitor implementation progress of roadmap

Environmental Stewardship

KIT integrates sustainability into its operations through identifying climate risks and opportunities, and has sought to fully adopt the recommendations of the TCFD through progressive implementation, guided by KIT's TCFD implementation roadmap and the requirements of the Singapore Exchange.

KIT has been enhancing the scenario analysis with more quantitative outcomes of KIT's climate-related risks and opportunities. By understanding the financial implications posed to KIT, the Trustee-Manager will be able to better identify and implement relevant mitigation and adaptation measures to improve the resiliency of its financial performance, and create long-term value through the protection of its physical assets and future-proof its business model.

Governance

KIT is committed to transparency and accountability in managing climate-related risks and opportunities.

The table outlines the specific responsibilities of each team in relation to the assessment and management of climate-related issues.

Please refer to page 48 for more information on KIT's sustainability governance structure.

Strategy

To adequately mitigate risks and capitalise on potential opportunities, the Trustee-Manager acknowledges the need to integrate climate-related considerations into KIT's strategy, strengthening the resilience of KIT's portfolio and operations.

KIT utilised climate scenario analysis and carried out a qualitative assessment to identify potential material risks and opportunities within its portfolio. In 2023, the Trustee-Manager progressed towards quantifying the potential financial impact from physical risks.

Based on the results of the preliminary quantitative assessment, KIT's current portfolio remains resilient in the short term (up to 2030) across all considered potential futures. The results of the enhanced

KIT'S SUSTAINABILITY GOVERNANCE STRUCTURE

Departments	Responsibilities
Senior Management	<ul style="list-style-type: none"> Provide oversight to departments and executive decision making regarding all ESG-related considerations
Asset Management	<ul style="list-style-type: none"> Implement climate-related mitigation and adaptation initiatives, manage ESG data across businesses and assets Set overall direction and goals related to sustainability, climate change, and asset management including the identification and assessment of climate and sustainability-related risks
Finance	<ul style="list-style-type: none"> Identify financial implications of climate-related risks and opportunities, integrate climate-related risks into financial reporting
Investment	<ul style="list-style-type: none"> Integrate ESG-related considerations into investment decisions and potential future assets
Investor Relations and Sustainability	<ul style="list-style-type: none"> Support the Portfolio Management and Optimisation team in setting overall direction and goals related to sustainability, climate change, and asset management including the identification and assessment of climate and sustainability-related risks Ensure clear communication of KIT's ESG roadmap and useful and relevant information to stakeholders aligned with reporting best practices
Human Resources	<ul style="list-style-type: none"> Develop strategies related to talent management, capacity building and engagement in relation to climate initiatives
Legal	<ul style="list-style-type: none"> Ensure strategies and disclosures are in full compliance with relevant laws, manage legal and regulatory risks
Risk and Compliance	<ul style="list-style-type: none"> Integrate climate and sustainability-related risks into overall enterprise risk management and provide guidance to business stakeholders on the development of risk mitigation strategies

scenario analysis are presented in further details in this report.

KIT has been transforming its portfolio to ensure that the Trust remains relevant and future-ready to capitalise on opportunities in the transition to a low-carbon economy. Moving forward, the Trustee-Manager seeks to enhance the comprehensiveness of its assessment through the quantification of transition risks. The Trustee-Manager has commenced the process of quantifying transition risks, beginning with the risks prioritised based on its potential financial impact and data availability, including the increasing cost of carbon and energy.

The assessment of climate risks and sustainability credentials is also incorporated when evaluating potential investment opportunities. This includes reviewing sustainability performance, targets and potential opportunities to enhance energy efficiency and climate risk mitigation options where possible, including the cost and impact of carbon emissions in all major investment decisions.

The Trustee-Manager regularly reviews measures to ensure its

adequacy and effectiveness in addressing the potential impacts of both physical and transition risks.

OVERVIEW OF SCENARIO ANALYSIS

As a key component of the TCFD recommendations, scenario analysis acts as an essential decision-making tool for companies.

Scenario analysis does not constitute an exact forecast or prediction but is utilised to stress-test the resilience of current strategies, assets and projected transition plans against plausible futures. Scenario analysis can be used to identify the need for strengthening the resilience of the KIT portfolio and its capabilities in capitalising on potential opportunities.

Physical Risk Assessment Methodology

In 2023, seven of KIT's assets were assessed as part of its physical climate risk assessment¹. 11 individual physical risk variables were identified comprising a mix of chronic and acute risks.

Aligned with best practices, KIT referenced the Shared Socioeconomic

Pathways (SSPs) found within the latest Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) report for scenario analysis². Pathways were selected in alignment with the TCFD recommendations, requiring companies to consider a 2°C or lower scenario with higher transition risks, and another scenario with increased physical climate-related risks.

The three scenarios selected were analysed for the period up to 2030. Although KIT's portfolio is likely to evolve over time, longer timeframes beyond 2030 were chosen to consider how climate-related issues are likely to manifest over the medium- to long-term.

Quantitative Physical Risk Assessment Results

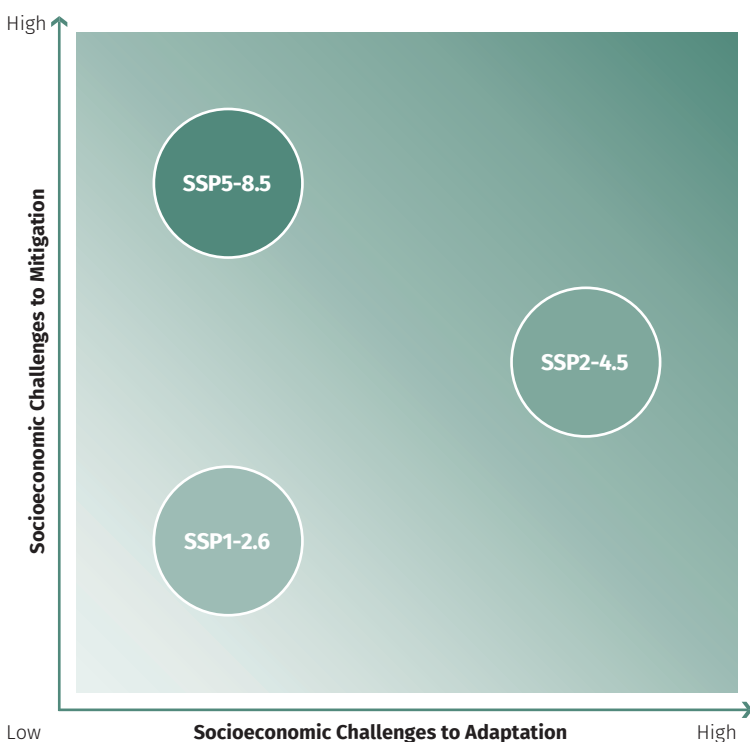
KIT's potential average annual incremental value at risk from damages (VaRD) per year from 2023 posed by physical risks ranged from S\$11 million to S\$14 million. These results do not account for mitigation measures (e.g. repairs, maintenance, upgrading of assets) and assume a consistent portfolio. The risk level was assessed referencing KIT's existing enterprise

External Data	Internal Data
Data Sources	
<ul style="list-style-type: none"> Data from Climate Insights from CLIMsystems comprising Global Climate Models ("GCMs") of the coupled model intercomparison project ("CMIP6") for periods from 2005 to 2030 for the selected Shared Socioeconomic Pathways (SSPs) scenarios SSP1-2.6, SSP2-4.5 and SSP5-8.5 from the latest Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) Country/location-specific historical climate and weather data 	<ul style="list-style-type: none"> Building characteristics (e.g. building types and materials) Building asset value (inclusive of land value)
Key Assumptions	
The model considers the following assumptions: <ul style="list-style-type: none"> No changes in portfolio of assets No implementation of mitigations 	
Limitations	
The assessment includes current assets and does not contain assets that were: <ul style="list-style-type: none"> Still under development or were acquired only after the point of assessment 	

risk management (ERM) methodology. The results are not a financial forecast, but instead provide an understanding of the trajectory of potential financial exposure to physical risks to inform decision-making and financial planning.

¹ City Energy, Ixom, Philippine Coastal Storage & Pipeline Corporation, SingSpring Desalination Plant, Keppel Merlimau Cogen Plant, Keppel Seghers Tuas Waste-to-Energy Plant and Eco Management Korea.
² The scenarios explore a range of possible future developments of anthropogenic drivers of climate change, such as greenhouse gases and air pollutants, population, technological and economic growth.

SELECTED SHARED SOCIOECONOMIC PATHWAYS



SSP5-8.5

- Current CO₂ emissions projected to double by 2050
- Fossil-fueled development
- High temperature increase of 4.4°C by 2100








SSP2-4.5

- Delayed emissions reduction
- Slow transition towards economic development
- Moderate temperature increase above 2.7°C by 2100

SSP1-2.6

- Severe emissions reduction
- Inclusive development that respects environmental boundaries
- Limited temperature increase, below 2°C by 2100

Environmental Stewardship

QUALITATIVE PHYSICAL RISK ASSESSMENT		
Risk Description	Description of Potential Business Impact	Business Response
 <p>Extreme precipitation Exposure of assets to substantial exceedance in the amount of rainfall delivered</p>	<ul style="list-style-type: none"> • Destruction of the built environment and natural environment • Reduced accessibility or function of building for users, impacting productivity 	<ul style="list-style-type: none"> • Regularly assess potential mitigation options to retrofit and improve existing assets • Review the resiliency of potential investments to physical climate risks
 <p>Extreme water level Extreme sea level elevations occurring with a confluence of events such as storms, high tides, and sea level change</p>		
 <p>Mean sea level rise Location-specific variations in sea level changes influenced by factors such as vertical land movement and regional ocean currents</p>		
 <p>Extreme temperature Unexpected severe temperature variations above or below normal conditions</p>	<ul style="list-style-type: none"> • Increased energy and water consumption costs to cool buildings • Reduced durability of building materials • Health and safety risks from prolonged exposure to excessive heat, causing human discomfort and affecting productivity and the indoor climate of buildings • Business disruptions resulting in penalties 	<ul style="list-style-type: none"> • Monitor indoor temperatures and adjust cooling systems as needed • Actively assess durability of current and future investments • Upgrade and retrofit as necessary to improve energy efficiency
 <p>Heat wave days Persistent period of high temperatures</p>		
 <p>Extreme wind speed Exposure of assets to an increased frequency of extreme wind gusts due to an increase in weather differentials</p>	<ul style="list-style-type: none"> • Increased frequencies and magnitude of property and equipment damage • Increased operational costs to repair and replace equipment 	<ul style="list-style-type: none"> • Enhance maintenance regime through monitoring building fixtures and materials
 <p>Fire risk Increased potential and frequency of fire-related risks associated with warmer, and low moisture conditions due to climate change</p>	<ul style="list-style-type: none"> • Destruction of property and the surrounding natural environment • Economic losses to rebuild or replace property 	<ul style="list-style-type: none"> • Implementation of fire prevention measures • Business continuity plans are regularly updated and communicated to relevant stakeholders to address potentially affected operational conditions

Transition Risks and Opportunities Assessment

Methodology

A qualitative transition risk assessment was conducted to identify and assess transition risks and opportunities that are material to KIT.

Implementing guidance from the TCFD recommendations, the assessment considered selected scenarios from the Network for Greening the Financial System (NGFS) and incorporates information on other factors from established data sources¹. This enables KIT to better assess the evolving implications on the organisation and its operations in various potential futures.

Quantification of Transition Risks and Opportunities

Building on the completion of the qualitative transition risk assessment, KIT is now in the phase of quantifying the potential financial exposure of selected climate transition risks, including the exposure to increasing price of carbon and increasing energy costs to improve the assessment of the potential financial exposure related to climate-related risks and opportunities.

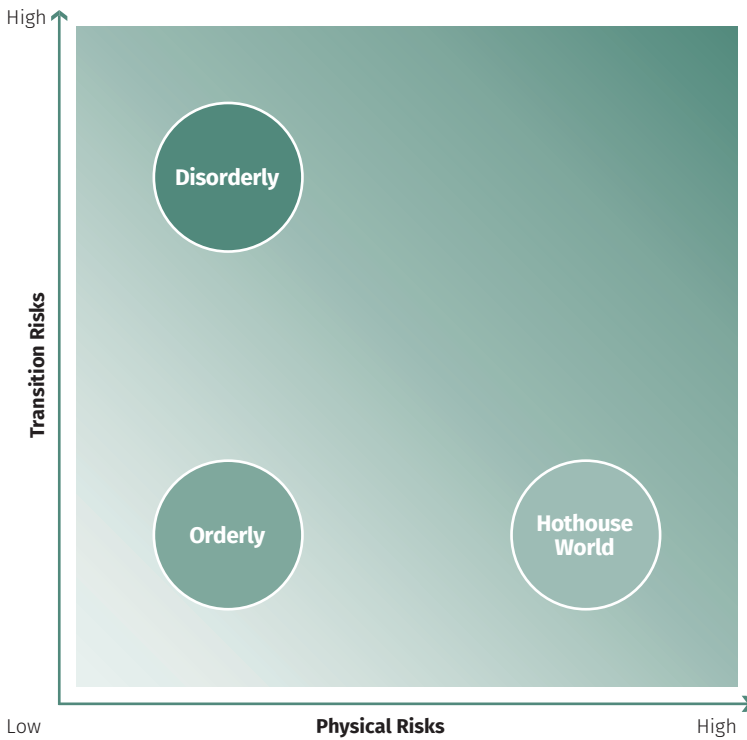
Aligned with the qualitative assessment, the quantification analysis and modelling will consider science-based projections and indicators from the NGFS and incorporate information

from established data sources¹. The model will also include KIT's evolving consumption patterns and its energy and emission targets. The analysis will enable KIT to better understand the evolving implications from transition risks, and stress test KIT's resilience and strategy through utilising the most extreme scenarios of i) Net Zero 2050 and ii) Current Policies.

This improved understanding of potential financial exposure to climate-related risks and opportunities from the results of ongoing and completed climate scenario analyses allows the Trustee-Manager to better prepare and strengthen risk management.

¹ KIT referenced indicators and projections from the Intergovernmental Panel on Climate Change (IPCC) and NGFS databases.

SELECTED NGFS SCENARIOS



Disorderly

Delayed transition

- Divergent introduction of climate policies across nations
- Varied implementation of clean technology
- Warming unlikely to remain below 2°C without strong policies

Orderly

Net Zero 2050

- Limit global warming to 1.5°C
- Immediate introduction of climate policy
- Rapid innovation in clean technology
- Coordinated action

Hothouse World

Current policies





- Limited climate policies introduced globally
- Significant global warming
- High sea level rise and exposure to physical risks



By understanding the financial implications posed to KIT, the Trustee-Manager will be able to better identify and implement relevant mitigation and adaptation measures to improve the resiliency of its financial performance.

Environmental Stewardship

QUALITATIVE TRANSITION RISK ASSESSMENT		
Risk Description	Description of Potential Business Impact	Business Response
Regulatory		
 <p>Increasing price of carbon Carbon tax in Singapore is set to increase, while Australia, South Korea, The Philippines and Europe have adopted methods to account for CO₂ emissions</p>	<ul style="list-style-type: none"> Increased operating costs due to direct and indirect carbon taxes from business activities including energy consumption and purchased goods and services 	<ul style="list-style-type: none"> Reduce reliance on carbon intensive fuels through use of green energy Commit to and ramp up emissions reduction and energy optimisation initiatives Actively track, monitor and analyse energy data to improve energy efficiency Actively assess the impact of carbon tax on both current portfolio and future potential investment
 <p>Enhanced reporting obligations In Singapore, the Singapore Exchange (SGX) has mandated issuers to provide climate-related reporting. Other upcoming frameworks such as developed by the International Sustainability Standards Board (ISSB) will also be implemented to strengthen climate reporting</p>	<ul style="list-style-type: none"> Additional costs to hire and upskill employees to ensure sufficient internal capacity and capabilities Potential financial penalties for non-compliance and costs related to reputational damage 	<ul style="list-style-type: none"> KIT is compliant with the current Singapore listing reporting obligation and reports in accordance with GRI reporting standards Actively monitor the development of new regulations and reporting frameworks including the ISSB standards Continuously upskill and develop in-house capabilities
 <p>Stricter statutory regulations imposed by government and regulatory bodies Singapore has existing regulations with mandatory compliance for new and existing buildings. In addition, regulations surrounding the energy sector such as energy price caps and active carbon trading may also impact the infrastructure sector</p>	<ul style="list-style-type: none"> Upgrade existing infrastructure and assets to meet evolving sustainability standards and requirements Increased operational costs to retrofit and invest in capital expenditures related to clean technology Non-compliance lead to financial penalties and reputational damage 	<ul style="list-style-type: none"> KIT is compliant with current regulations with several assets achieving various certifications in ISO 9001, 14001, 45001, 50001. KIT is also 'BBB' rated by MSCI ESG Continue to monitor and implement potential energy saving enhancements and best practices
Market		
 <p>Increased cost of materials and consumables As the building and construction industry comes under pressure to decarbonise, costs increase as more stringent requirements for low carbon alternatives for building materials are introduced</p>	<ul style="list-style-type: none"> Increased cost of materials and/or consumables for operations 	<ul style="list-style-type: none"> Incorporate the assessment of the impact of increasing long-term costs of materials on potential investments Explore the purchase of materials from sustainable and efficient suppliers
 <p>Increase in costs of energy and fuel Expected increase in electricity costs, particularly in the short-term</p>	<ul style="list-style-type: none"> Increased operational costs of buildings within the portfolio Reduced competitiveness as higher costs are passed on to customers 	<ul style="list-style-type: none"> Commit to and ramp up emissions reduction and energy optimisation initiatives Actively track, monitor and analyse energy data to improve energy efficiency Increase use of green energy to reduce reliance on carbon intensive fuels
Technology		
 <p>Unsuccessful investment in/ deployment of new technology Increased demand for low carbon infrastructure facilities would drive KIT to invest in low carbon alternatives. Investing in the wrong technology and service offerings may lead to lower cost competitiveness if more effective technologies become available</p>	<ul style="list-style-type: none"> Lower return on investments utilising less efficient technologies at higher costs compared to new innovations 	<ul style="list-style-type: none"> Assess the cost and benefit of potential asset enhancement investments and energy efficiency improvements
Reputation		
 <p>Shift in stakeholder expectations Pressure to decarbonise would lead to a demand for low carbon solutions. Investors and consumers could move away from fossil fuel-based facilities. KIT could be exposed to competition for capital and revenue if customers prefer more sustainable offerings</p>	<ul style="list-style-type: none"> Reduced capital availability due to failure to meet stakeholder expectations Reduced revenue as stakeholders move towards less energy intensive assets 	<ul style="list-style-type: none"> Actively reduce its energy consumption and optimise its portfolio energy performance through the implementation of energy-efficient technology, sustainable smart building features Actively diversify assets providing green energy solutions KIT has set a medium- to long-term target to increase exposure to renewable energy to 25% of AUM by 2030

OPPORTUNITIES		
Opportunity Description	Description of Potential Business Impact	Business Response
 Resource efficiency and energy source	<ul style="list-style-type: none"> Reduce operating costs through improving energy efficiency Increased revenue from clients in the medium- to long-term looking for higher energy efficiency/low carbon energy providers 	<ul style="list-style-type: none"> Continue to explore and invest in potential energy efficient technologies and initiatives KIT's renewable energy exposure comprises 19% of AUM
 Expansion of and increased demand for low carbon solutions	<ul style="list-style-type: none"> Improved market competitiveness, offering cost savings for clients through energy-efficient initiatives 	<ul style="list-style-type: none"> Increased revenue and business opportunities offering low carbon and sustainable services KIT has expanded its portfolio exposure to encompass renewable energy offerings such as wind and solar as well as the selling of RECs and Guarantee of Origins
 Improved access to capital	<ul style="list-style-type: none"> Increased access to capital from new investors and fund growth at a potentially cheaper rate through the utilisation of green loans/bonds Associated reputational gains through offering sustainable products and services 	<ul style="list-style-type: none"> Increase accessibility to finance in order to fund sustainable investment opportunities and initiatives to improve portfolio resiliency
 Incentives provided by government entities	<ul style="list-style-type: none"> Lower capital expenditures required to implement sustainability related initiatives Cost savings with lower expenditures 	<ul style="list-style-type: none"> Tap on government schemes and initiatives to increase cost savings and improve its reputation

Risk Management

KIT's ERM Framework, a component of the System of Management Controls, undertakes a holistic and systematic approach to risk management. The System of Management Controls outlines the governance and reporting structure, monitoring mechanisms, specific risk management processes and tools, as well as policies and limits in addressing and managing the key risks that have been identified.

These mechanisms guide the Trustee-Manager in promptly assessing the key risks and identifying mitigation actions in response to these risks. As part of the Trustee-Manager's ERM process, KIT considers both physical and transition climate risks. These analyses integrate climate change and factors with other risks, utilising common metrics and indicators to evaluate and prioritise the significance of climate-related risks. Through this process, KIT is then able to identify suitable mitigation and adaptation strategies.

The Trustee-Manager acknowledges the rapidly changing landscape of ESG risks and opportunities, and consistently reviews its mitigation actions to provide a prompt and effective response.

In addition to these efforts, the Board has put in place the Risk Tolerance Guiding Principles for the Trustee-Manager and KIT, which serve to determine the nature and extent of significant risks that the Board is willing to take in achieving its strategic objectives.

Metrics and Targets

KIT continues to track its GHG emissions following the GHG Protocol Corporate Standard and Corporate Value Chain (Scope 3) Standard using the equity share approach and reports against its Scope 1, 2 and relevant Scope 3 emissions.

The Trustee-Manager continued to make progress on its ongoing target to reduce carbon emissions intensity by

30% by 2030 based on 2019 levels by focusing on energy optimisation efforts and increasing the use of renewable energy at its assets. In 2023, carbon emissions intensity decreased by 36% relative to 2019 levels. The Trustee-Manager is evaluating its carbon emissions reduction strategy with the intention to set longer-term emissions reduction targets.

It also aims to increase its portfolio exposure to renewable energy to 25% of AUM by 2030. To achieve this, the Trustee-Manager will progressively increase its ownership in renewable assets and reduce its exposure to heavy carbon emitters, while leveraging technology innovation to increase the energy efficiency of its existing portfolio. KIT's exposure to renewables grew to 19% of AUM as at 2 January 2024, making steady progress towards its 2030 target.

For more information on KIT's GHG emissions, please refer to page 55.

Environmental Stewardship

WASTE MANAGEMENT

Management Approach

Effective waste management is not only important for preserving the environment, but also for conserving resources and safeguarding public health. KIT ensures that waste is managed responsibly and actively reduces its generation. Improper management can lead to adverse outcomes such as pollution and violation of laws and regulations, consequentially incurring damage to KIT’s reputation.

Waste generated from KIT’s assets are mostly non-hazardous. Any hazardous waste produced is collected and handled by licensed third-party professionals, which is then treated before being disposed.

Waste and recycling data is consolidated by a third-party waste collector and shared with the respective plant teams for monitoring and reporting purposes. Disposal is only done at authorised sites designated by local authorities such as the National Environment Agency (NEA) of Singapore.

KIT’s Senoko and Keppel Seghers Tuas WTE plants play an important role in landfill diversion by substantially reducing waste volume through converting waste into ash. Energy generated from the incineration process is captured and used to generate steam and electricity, thereby reducing reliance on fossil fuels. Scrap metal recovered is also collected at the WTE plants for recycling.

Performance and Progress

A total of 117,000 tonnes of non-hazardous landfill waste was generated from KIT’s portfolio of WTE assets in Singapore, which represents a 3% increase from 2022 due to higher incinerated waste tonnage at Keppel Seghers Tuas WTE Plant in 2023. Scrap metal recovery saw a substantial increase at 8,000 tonnes, as compared to 6,000 tonnes in 2022, representing a 74% recovery rate, achieving the targeted 70% recovery rate.

The acquisition of EMK expanded the Trust’s waste management capabilities to South Korea, including liquid waste management and a landfill.

City Energy’s Waste Management System has adopted the new voluntary standard, SS587 Management of End-of-life for information and communication technology equipment.

WATER

Management Approach

The effects of climate change have placed increasing pressure on water availability and quality. Sustainable management of water presents opportunities to reduce operational costs and ensures that businesses and communities can have continued access to secure and safe water supply.

Centred on water conservation, the Trustee-Manager has prioritised the implementation of water-efficient equipment, technologies and processes. In place of freshwater,

sources such as seawater, recycled water and rainwater are collected for washing or cooling machinery.

KIT is also exploring innovations that would safeguard the long-term availability of clean water. Water condensate collected from the medium-pressure cyclic gas-making plants at City Energy is reused in the cooling tower, contributing to 10% annual savings in water consumption.

The SingSpring Desalination Plant and the Keppel Seghers Ulu Pandan NEWater plant produce potable water from seawater and highly-treated reclaimed water, diversifying and contributing towards Singapore’s sustainable water supply.

The Trustee-Manager is also in the process of completing its acquisition of the Keppel Marina East Desalination Plant, Singapore’s first and only large-scale dual mode plant that is able to treat seawater or rainwater drawn from the Marina Reservoir. Keppel Marina East Desalination Plant’s innovative design with its treatment equipment completely underground, complemented by a green rooftop that offers a recreational space for public use.

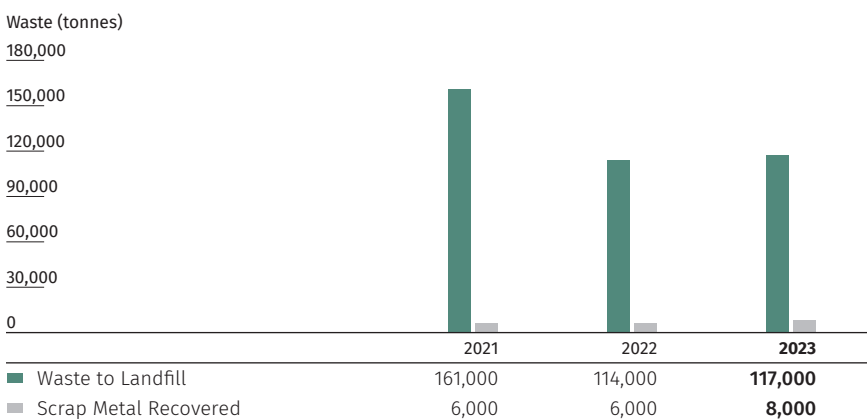
The Trustee-Manager acknowledges that any discharge of water and effluent from its facilities must be done responsibly, in compliance with the local environmental laws and regulations. Implementing these measures can prevent adverse water-related impacts on the local ecosystem.

Performance and Progress

KIT obtains its water supply from municipal water suppliers such as PUB or from water produced at its water plants. Specifically, Ixom, Philippine Coastal and EMK source a small percentage (approximately 4%) of water from rivers and underground streams for use in its operations. Each asset strictly follows local guidelines to ensure there is no significant impact to water sources.

A total of 1,623 megalitres (ML) of water were withdrawn for KIT’s operational requirements, a 6% increase from 2022. This increase in water withdrawal is mainly due to

WASTE TO LANDFILL AND SCRAP METAL RECOVERED



Note: The figures have been rounded off to the nearest thousand.

new acquisitions included in the portfolio. Amongst this, 941 ML (almost 60%) was from NEWater, reclaimed from wastewater production at KIT's NEWater plant, followed by potable water, industrial water, groundwater and a small percentage (approximately 1%) from river water.

The Trustee-Manager continues to explore ways to increase the amount of water recycled and reused within its operations. In 2023, a total of 541 ML was recycled, representing more than 30% of water used. This change was partly due to the addition of EMK and Senoko WTE plant's innovative filtration system comprising several layers of filter media, allowing for a more effective backwash. This filtered water is then collected for ash quenching and fire prevention.

In 2023, KIT discharged a total volume of 40,630 ML of water, of which 27,000 ML of water was discharged into surface waters and 14,000 ML of water was discharged into sewers that lead to rivers, treatment facilities and/or groundwater.

Impact assessments considering outfall designs ensure that discharge water does not significantly impact the environment. All effluent discharges into water courses or sewer systems are treated according to the relevant environmental standards, requirements and limits where KIT operates.

At Philippine Coastal, oil water separators (OWS) are used to process the occasional washing water from the fire water tanks and rainwater. The water discharged from the OWS to the river is closely monitored, while a certified third-party contractor is charged with the proper disposal and treatment of the sludge filtrate.

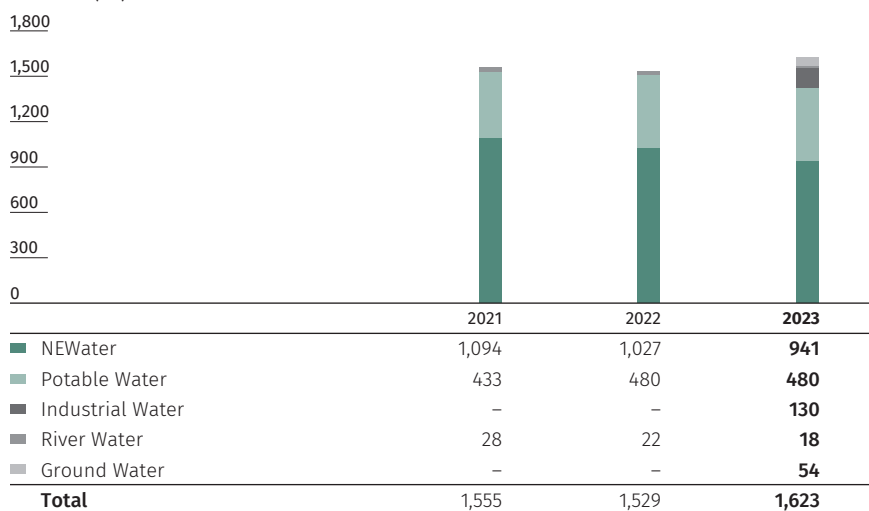
There were no incidents of trade effluent discharge leading to regulatory actions in 2023.

ENVIRONMENTAL PROTECTION Management Approach

The Trustee-Manager is cognisant that the activities of the assets within KIT's portfolio can potentially result in significant environmental impact, particularly in terms of emissions and effluents.

TOTAL WATER USAGE

Water Use (ML)



Note: The figures have been rounded off to the nearest thousand.

The Trustee-Manager remains vigilant in ensuring that all activities are carried out in compliance with the relevant environmental regulations and standards to minimise the potential negative impact on the surrounding ecosystems.

The Trustee-Manager adheres to established best practices when assessing and mitigating potential environmental risks and impacts. These practices include achieving ISO 14001 certification to validate industry-leading environmental performance, implementing regular operational meetings and incident monitoring to ensure all emissions and effluents comply with the approved regulatory limits and relevant environmental standards. The list of KIT assets and businesses that have attained sustainability certifications can be found on page 52.

In the event of any incidences, the Trustee-Manager has established reporting protocols for assets where the Trust has operational control. The Trustee-Manager will also notify and work with the relevant authorities to address and rectify any adverse impacts.

Prior to commencement, KIT's operations have performed an Environmental Impact Assessment (EIA). The EIA environmental baseline studies

can include water quality test reports, air emission sensor readings and monthly operations and maintenance reports. For high-risk sites, monitoring systems have been put in place. These studies aid in the identification of potential impacts on the environment and local communities which support the implementation of mitigation measures.

Performance and Progress

Keppel, KIT's sponsor and Operations & Maintenance (O&M) contractor, manages the emissions for KIT's Singapore assets.

In 2023, the highest level of nitrogen oxide (NOx) emitted was 191 milligrams per normal cubic metre (mg/Nm³) while the highest level of sulphur oxide (SOx) was 284 mg/Nm³. Both are well below the limits stipulated by the NEA's Environmental Protection and Management (Air Impurities) Regulations, which are 400 mg/Nm³ and 500 mg/Nm³ respectively. Highest level of particulate matter (PM) emitted was 9 mg/Nm³, which is also far below the NEA emission standard of up to 100 mg/Nm³.

There were no incidents of non-compliance with environmental laws and regulations reported in 2023.

Please refer to the Water section on page 64 for more information on effluent discharge.

RESPONSIBLE BUSINESS

KIT's commitment to responsible business conduct places ethics, integrity, transparency and accountability at the forefront, creating lasting value for its stakeholders.

ECONOMIC SUSTAINABILITY

Management Approach

As a publicly listed business trust, the Trustee-Manager is responsible for delivering sustainable returns to its Unitholders.

This long-term goal is achieved through a blend of regular distributions and capital growth underpinned by sustained portfolio growth while maintaining an optimal capital structure.

In its pursuit of economic growth, KIT has developed a portfolio of strategic businesses and assets that facilitates the transition to a low-carbon economy while providing critical services that safeguard human health, protect the environment and support the circular economy.

Furthermore, the Trustee-Manager's corporate strategy and business operations have incorporated ESG considerations and practices, contributing toward building

resilience, risk management and strong financial performance.

Performance and Progress

KIT continued to deliver a strong financial performance, with a record level EBITDA of \$447.6 million in FY 2023, supported by contributions from the new acquisitions, steady portfolio performance and another record year at Ixom and City Energy.

Distributable Income increased to \$316.8 million, and the Trust declared a 62% increase in distribution per Unit (DPU) to 6.19 cents for FY 2023. Including a special distribution of 2.33 cents.

Total assets under management was \$8.1 billion as at 2 January 2024, following the phase 1 completion of the German Solar Portfolio.

More information on KIT's strategic direction and financial performance can be found on pages 36 and 37 of the Annual Report.

CORPORATE GOVERNANCE

Management Approach

Strong corporate governance and responsible business conduct creates an environment of transparency and accountability, ultimately instilling trust among stakeholders and supporting financial stability.



The Trustee-Manager adopts and complies with the Code of Corporate Governance 2018 (the Code) issued by the Monetary Authority of Singapore. The Code provides a benchmark for corporate governance policies and practices, facilitating high levels of transparency and accountability to stakeholders. The Code describes the protocols that govern the Board's operations and outlines the key elements for good corporate governance such as having a good degree of independence and diversity. Five out of six directors on the Board are Independent Directors.

Sustainability has also been integrated through the incorporation of ESG factors into the Trustee-Manager's corporate scorecard and remuneration.

Amidst the rapidly changing business landscape, the Trustee-Manager is cognisant that effective risk management and robust internal controls are vital to enable swift and efficient responses, especially in the face of emerging ESG risks and opportunities.

KIT's System of Management Controls consists of the ERM Framework, which provides a comprehensive and structured approach to risk management. The framework provides guidance on the assessment of key risks (including its likelihood

and impact) and the corresponding mitigation measures which are continually evaluated for their efficacy. The Trustee-Manager and KIT are guided by the Risk Tolerance Guiding Principles provided by the Board which serve as a guide on the nature and risk appetite in achieving strategic objectives.

Further details on KIT's corporate governance guidelines and practices can be found on pages 191 to 221, and information on its risk management strategy and processes are on pages 222 to 223.

ETHICS AND INTEGRITY Management Approach

The Trustee-Manager has zero tolerance for corruption, bribery, fraud and unethical business practices. Unethical behaviours undermine the trust of stakeholders and can lead to reputational damage. High standards of ethics and integrity, together with strong corporate governance, contribute to a trusted and stable environment for business conduct and investment activities.

To support the implementation of ethical business practices, the Trustee-Manager has put in place key policies to guide its business operations. These include the KIT Code of Conduct, Anti-Bribery Policy, Corporate Statement on Human Rights, Whistle-Blower Policy, Insider Trading Policy and Competition Law

Responsible Business

Compliance Manual. These policies establish the code of conduct that directors and employees must adhere to when performing their duties and responsibilities, ensuring the highest standards of personal conduct and corporate integrity when engaging with competitors, customers, suppliers, other employees and key stakeholders.

The KIT Code of Conduct clearly states the employee's responsibility to uphold anti-corruption and anti-bribery principles. It defines ethical business standards for conflicts of interest, the offering and receiving of gifts, as well as hospitality and promotional expenditures. Employees are expected to disclose any actual and potential conflict of interest and refrain from engaging in conflicts when interacting with suppliers, customers, and other external parties. To avoid anti-competitive behaviour in its activities, the Trustee-Manager is guided by its Competition Law Compliance Manual.

Employees are required to familiarise themselves with these policies annually through avenues such as online training courses and making declarations to adhere to these policies. For new employees, the KIT Code of Conduct, Anti-Bribery and Whistle-Blower policies are introduced during their onboarding process. These policies are also readily accessible to all employees through an online portal.

Third party associates of KIT are required to adhere to KIT's Code of Conduct, which includes an anti-bribery and anti-corruption section. The Trustee-Manager has also implemented policies which define the standards of conduct expected of suppliers, their parent entities, subsidiaries, affiliated entities and employees.

Guided by the KIT Corporate Statement on Human Rights, the Trustee-Manager supports and

respects the fundamental principles set out in the UN Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. The Trustee-Manager takes a zero-tolerance stance for unethical labour practices such as child labour, forced labour, slavery and human trafficking.

The Trustee-Manager's commitment to safeguarding human rights extends to its supply chain and supports the eradication of such practices. As of April 2023, all business partners and suppliers are required to acknowledge that they have received, read and understood Keppel's Supplier Code of Conduct. Suppliers are also required to further verify that the Company has complied with and will continue to comply with Keppel's Supplier Code of Conduct. The Supplier Code of Conduct covers specific sections on business conduct (Governance), human rights (Social), safety and health (Social), and Environment Management (Environment) and policy stakeholders can be subject to audits when required.

To oversee overall corporate governance and manage anti-corruption efforts, the Regulatory Compliance Governance Structure was established comprising the Board and the Audit Risk Committee (ARC). The Board regularly reviews, updates and revises the anti-corruption policies, implementing corrective actions where needed. The ARC supports the Board in its management of regulatory compliance and is charged with implementing and enforcing efficient systems for compliance and governance.

If any stakeholders such as employees, customers, suppliers suspect any wrongdoings, KIT's Whistle-Blower Policy provides an independent and safe channel to raise concerns. Operated by an independent third party, this ensures reports can be made without fear of reprisal, promoting transparency and

accountability. Under the policy, matters are reported directly to the ARC Chairman. To ensure that the policy and investigation processes remain relevant, the Whistle-Blower Policy is reviewed annually by the ARC, with inputs from the Keppel Internal Audit team. For more details on the Whistle-blower Policy, see page 216 of the Annual Report.

In the event of reported incidences, the ARC will follow a set of guidelines which outlines proper investigation with appropriate closure actions upon completion. This includes administrative, disciplinary, civil and/or criminal actions and follow-up remedial actions to prevent recurrence.

In addition, the Trustee-Manager has a grievance handling process to enable employees to raise concerns without fear of reprisal. Should there be a grievance which is work related, employee related or problems between employee and persons having business dealings with the company, or any complaint or issues in relation to employee terms and conditions of employment, remuneration, working conditions, job responsibilities or health and safety, employees can submit their grievance through different channels. The grievance handling process is published in the intranet for employees' reference.

The reporting of any discrimination and harassment incident goes through a defined escalation process. We have an Investigation Procedure Manual which sets out the investigation protocols including the methodology for initiating and conducting investigations into suspected misconduct¹. Keppel's Internal Audit investigation team conducts independent investigations, in consultation with the Investigation Advisory Committee, with oversight from the Keppel's Audit Committee. Appropriate disciplinary action, including counselling, training, suspension or termination of employment, will be taken in the

¹ Includes bribery, corruption, fraud and misconduct such as dishonest or criminal acts, breach of laws and regulations, unethical conduct including discrimination and harassment, reprisal against a whistle-blower, or any other conduct which may cause financial or non-financial loss to Keppel or damage to Keppel's reputation.

event that an employee is found to have violated the rules set out in the KIT Code of Conduct.

The Trustee-Manager has established a formal policy regarding insider trading with KIT's securities. The policy sets out the consequences of insider trading and provides guidance on related transactions and is applicable to the directors, officers and employees of KIT.

On top of the Insider Trading Policy, the Trustee-Manager has a Dealing in Securities Policy which extends to all employees and the securities accounts in which employees have a vested interest. The trading of rights and subscribing to excess rights of KIT Units is subject to trade clearance/restrictions. For more details on the Dealing in Securities Policy, please see page 208 of the Annual Report for more details.

Performance and Progress

As a part of its annual compliance training, it is mandatory for all employees, including senior management and Board of Directors of Keppel Infrastructure Fund Management Pte Ltd, to receive mandatory training on anti-bribery and anti-corruption.

In 2023, there were no instances of non-compliance with laws or regulations, nor any incident of corruption, bribery or fraud that the Trustee-Manager is aware of.

ASSET QUALITY AND SAFETY Management Approach

KIT's diverse portfolio of assets and businesses involve the provision of essential services, including water, energy and town gas, as well as the manufacturing and distribution of essential chemicals and storage of petroleum products, serving a large customer base that includes government agencies and regulatory authorities responsible for overseeing the provision of public utilities. Reliable delivery of these services at the highest quality and safety standards is of utmost importance. This commitment is essential to protect public health and safety while achieving high levels of customer satisfaction.

The Trustee-Manager works closely with government agencies and authorities which are also involved in essential services. Meetings are held to ensure compliance with regulations, and to identify issues at an early stage for remedial action where appropriate.

Various assets have achieved certifications from internationally recognised standards as a testament of quality and adherence. A large majority of the assets are certified ISO 9001, ISO 14001 and ISO 50001 certified (see page 52 for the list of certifications attained). In the event of emergency situations, Business Continuity Plans (BCPs) encompassing emergency drills for evacuation, rescue, flu-pandemic conditions and power outages are in place for all assets. Regular reporting, accompanied by preventative measures such as regular maintenance, equipment upgrading, and annual capacity tests and audits are conducted to ensure quality and reliability throughout the portfolio.

To continue providing high levels of customer satisfaction and quality products and services, operations teams at the businesses and assets actively engage key customers to gain a deeper understanding of their requirements. Core areas of concern for customer satisfaction include O&M effectiveness, equipment condition, safety record and readiness to respond to emergencies, such as chemical spills, health pandemics, fire outbreaks, terror and cyber-attack threats.



Reliable delivery of essential services at the highest quality and safety standards is of utmost importance to KIT.

Responsible Business



In 2023, the Trustee-Manager fulfilled all contractual obligations related to the provision of services by its businesses and assets, with no major disruption to operations.

Customer satisfaction surveys were also conducted by some of the Trust's businesses to engage with their customers to understand their needs, assess their satisfaction levels and obtain inputs for continued improvement.

Performance and Progress

All contractual obligations associated with the provision of services by the Trustee-Manager's businesses and assets were delivered, without major operational disruptions.

In 2023, the Trustee-Manager fulfilled all contractual obligations related to the provision of services by its businesses and assets, with no major disruption to operations.

City Energy possesses the BizSafe star certification, the highest level of accreditation for workplace safety and health (WSH) and risk management excellence, and received a safety innovation award for its implementation of a vacuum system to unload catalysts from confined spaces. This innovation reduces the need for human intervention, creating a safer working environment.

PHYSICAL SECURITY OF ASSETS

Management Approach

KIT's businesses and assets are integral to providing critical services such as energy, water and town gas. Securing the Trust's physical infrastructure and assets is the cornerstone to the consistent delivery of its products and services.

Due to its role in providing nationally critical services, the Singapore government has labelled a selection of KIT's businesses and assets in Singapore as Key Installations (KINS). Heightened security measures including armed security, strict access control, intrusion detection systems and advanced surveillance measures are a requirement for KINS assets. National security such as the Singapore Police Force and the Police Coast Guard can be called upon to provide enhanced security support.

The Trustee-Manager also works closely with government agencies and O&M contractors to devise rigorous scenario planning exercises which ensures that the security

measures put in place remain rigorous and effective in the face of emerging threats.

In addition to conducting routine reviews and maintenance of site security systems, the Trustee-Manager maintains stringent measures related to areas such as access control, surveillance and conducting regular BCP exercises for all other assets.

Performance and Progress

Armed security service providers conducted mandatory Red Teaming exercises at the designated KINS to assess the efficiency and performance of the physical security systems at the respective plants. All exercises were completed with a 100% success rate.

For non-KINS plants, physical site risks are reviewed periodically and as part of its emergency response procedures, and regular security drills are conducted by plant operators.

In 2023, there were no physical security breaches affecting the operations of KIT's businesses and assets.

CYBERSECURITY AND DATA PRIVACY Management Approach

As digitalisation continues to increase in prominence across various business functions, the need for robust cybersecurity measures has become highly crucial in safeguarding data, information and corporate systems.

The Trustee-Manager aligns its operations with the national cybersecurity strategy and executes essential initiatives against cybersecurity threats in Singapore. A total of four critical infrastructure assets are compliant with the latest Cybersecurity Code of Practice.

The Keppel Cybersecurity and Keppel FM&I Information Technology (IT) teams manage cybersecurity and data privacy, along with monitoring of cybersecurity incidents. In response to the increasing threat of cybersecurity attacks, there is a comprehensive Keppel IT Governance Framework which contributes toward business resiliency with a focus on promoting the capabilities of the IT Security Operations Centre and IT infrastructure transformation.

KIT implements the Keppel Technology and Data Risk Management (TDRM) standards and framework. The risks associated with operating technology systems comprising technology, data and cyber risks are evaluated by Keppel. The TDRM also provides guidance for devising and carrying out risk mitigation and control measures that corresponds to the criticality of the information assets.

Cybersecurity incidents are closely monitored by the Keppel Cyber Security Centre (KCSC). The KCSC performs criticality assessments, threat analysis, security monitoring, and proactive threat detection. Once a cybersecurity incident is detected, the team will manage the incident in accordance with Keppel Cyber Security Incident Management and Reporting. The plan entails steps to identify, contain, eradicate, and recover from cybersecurity incident. The plan is also reviewed regularly to ensure it is up to date with regulatory requirements, technology, and industry best practices.

Annual reviews of the policies and various procedures involved in overseeing the monitoring and management of cybersecurity incidents helps ensure that they remain effective. These are the key elements of the policies:

- a. All cybersecurity incidents must be assigned to the cybersecurity incident response team.
- b. The annual assessment of risk must include all risks including technology, data and cyber risks.
- c. Vendor agreements are required to document compliance with cybersecurity measures.
- d. Project system security requirements must be identified considering the relevant compliance requirements and cyber security risk profile of the systems.
- e. Annual reviews of policies and procedures administering the management of cyber incidents from preparation, identification, tracking to closure are to be carried out for efficiency and effectiveness.

To enhance the adoption of good cybersecurity and data privacy practices, regular training such as the mandatory annual trainings on cybersecurity threats, policies and best practices are conducted alongside ongoing advisory efforts.

Performance and Progress

Keppel's annual series of cybersecurity training and awareness sessions covered key topics such as awareness around what constitutes a cybersecurity threat, the importance of timely reporting and procedures for resolution of security incidents. All employees attended the training.

There were no leaks, breaches, thefts and losses of customer data identified in 2023.

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

Management Approach

KIT's management approach is characterised by ethical business practices such as responsible sourcing, minimising environmental impact and ethical labour practices.

KIT's supplier network largely comprises providers of professional services, IT hardware and services, transportation services, equipment, and chemicals, most of which operate in its business premises.

In building a resilient and responsible supply chain, suppliers are evaluated by the Trustee-Manager in relation to the business value which they provide. Potential suppliers are rigorously screened for reputation, track record of service quality, safety and alignment with KIT's sustainability criteria.

All major suppliers which provide products and services valued at \$200,000 or more in a calendar year are mandated to acknowledge and adhere to the Keppel Supplier Code of Conduct and certify that the company has complied. The Code of Conduct encompasses topics on business conduct, labour practices, safety and health, as well as environmental management.

All contractors engaged by the Trustee-Manager are to comply with all applicable laws and regulations where they operate. To ensure contractor performance against quality, safety standards and KIT's sustainability criteria is up to mark, regular engagements with contractors are conducted.

The Trustee-Manager will continually evaluate suppliers and contractors to promote the adoption of sustainability principles throughout the supply chain. In addition, key suppliers, attended a Carbon Management Training on 20 November 2023 which allowed them to understand the carbon management fundamentals and how they can manage carbon emissions in their businesses to support KIT's sustainability goals.

Performance and Progress

There were no known instances of non-compliance with any applicable regulations regarding human rights and labour practices throughout KIT's supply chain in 2023.

PEOPLE AND COMMUNITY

We are deeply invested in supporting and contributing to the development of people and communities.

HUMAN CAPITAL MANAGEMENT Management Approach

Employees are the key drivers behind the growth and success of any business. A fulfilling and enriching work environment supports employee motivation.

The Trustee-Manager seeks to establish itself as an employer of choice by providing a conducive workplace that promotes open collaboration and innovation.

KIT's human capital management is centred around talent attraction and management, succession planning, learning and development, as well as employee engagement.

Every employee has a role to play in building a culture that drives positive impact. The Trustee-Manager has highlighted five key areas for human capital development.

Performance and Progress

Employee Profile

As at end-2023, the Trustee-Manager is supported by 21 full-time employees

Five Key Areas for Building Human Capital



Making a Difference

Provide platforms for employees to contribute to the communities

Having a Voice

Encourage employees to engage in company conversations and sharing of ideas for improvement

Feeling Valued

Foster a culture of recognition, appreciation and emphasis on employee wellbeing

Growing a Career

Enhance career development by providing pathways for skills acquisition

Inspiring Growth

Provide platforms for leadership development and encouraging employees to lead by example

based in Singapore, comprising 10 females and 11 males; 19 permanent staff and two contract employees.

None of the Trustee-Manager's employees are currently covered under any collective bargaining agreements.

Additionally, the Trustee-Manager continues to be supported by Keppel FM&I for shared functions such as investor relations and sustainability, risk and compliance, human resources, information technology, as well as legal and corporate secretarial services.



More information on the Manager’s Board of Directors and management team is available on pages 18 to 20.

Talent Attraction and Management

Talent attraction and retention is crucial for building a strong talent pool.

The Trustee-Manager adopts a multi-pronged approach in nurturing, developing and retaining talent, to ensure the sustainable growth and competitiveness of the business.

Talent is sourced from the varsity level and refined through deliberate selection strategies involving coaching and mentoring from experienced leadership and board members. Where skill gaps exist, experienced hires are added to the talent pool to mentor young talents, effectively establishing a robust pipeline for leadership.

In a highly competitive job market, compensation and benefits play a role in attracting and retaining talent. The Trustee-Manager provides extensive benefits, including healthcare and insurance coverage for life, health, disability and invalidity, as well as annual, medical and parental leave entitlements, and contributions to the local pension fund, the Central Provident Fund in Singapore.

The Trustee-Manager has a robust performance management framework which is aligned to its strategy, targets and values. Targets for senior leaders comprise a balanced scorecard approach. Of equal importance to financial targets are non-financial targets, such as health, safety, employee wellbeing, environmental and governance.

Performance reviews are carried out for all permanent employees to support career planning and development, providing a platform for employees to engage in open dialogues with their superiors on areas such as job satisfaction, feedback, and training opportunities for skills development in line with their career goals. Goals are set based on four key areas of financial, process, customers and stakeholders, as well as people. In 2023, all eligible Trustee-Manager’s employees received annual performance and career development reviews.

The Trustee-Manager also seeks to develop talent from within by identifying capable and high-potential employees for internal opportunities through its talent management process and preparing them for leadership responsibilities. To nurture young talents, the Trustee-Manager participated in the Keppel internship programme which offers students opportunities to acquire industry experience and practical knowledge.

Facilitating career mobility within the company helps to build talent pipeline, while supporting employees’ ambitions and professional development. The ‘UP’ framework has been developed and applied to enable this. The ‘UP’ framework seeks

NEW HIRES AND TURNOVER BY GENDER AND AGE GROUP IN 2023

	New Hire		Turnover ¹	
	No. of Employees	Rate (%)	No. of Employees	Rate (%)
By Gender				
Female	3	14	1	5
Male	4	19	2	10
By Age Group				
<30 years old	2	10	1	5
30 to 50 years old	5	24	2	10

Note: Numbers are reported based on full-time equivalent (FTE).

¹ Excludes the transfer of one employee within Keppel FM&I due to a reorganisation exercise.

People and Community

UP Framework:
Upskill, Uplift, Upstream

Upskill
Development of employees' organisational agility and growth mindset through skills upgrades and exposure to different roles in preparation for growth opportunities

Uplift
Encouraging career mobility across the Group as part of the OneKeppel culture and aligning employees' career ambitions with Keppel's purpose

Upstream
Building employee resilience and engagement through inculcating the Keppel Can Do spirit

to foster a high-performance culture by facilitating employees in pursuing their career goals via the Keppel support structure which consists of a range of internal and external training and learning opportunities.

Learning and Development

It is essential for employees to gain skills and knowledge to develop competencies for career advancement and to excel in their roles. Employees discuss their training needs with their supervisors and identify skills gaps using a skills navigation tool implemented by Human Resources.

Keppel's tagline of "One Keppel, Many Careers" exemplifies the ethos of providing opportunities and avenues for employees to advance in their career while creating value within the organisation. Employees are encouraged to take charge of their own development, and supervisors are coached to discuss development opportunities during performance reviews.

The Trustee-Manager ensures that a wide range of learning and development opportunities are easily accessible.

In 2023, KIT achieved an average of 28.4 hours of training per employee in 2023, an increase from 23.7 hours in 2022, and above KIT's 20 hours target.

There is also an Employee Development Scheme that supports employees who aspire to pursue higher professional certifications relevant to their careers. The fees for personal development or enrichment courses, such as MBA or degree programmes can be claimed through the Flexible Benefits Programme.

In 2023, Keppel FM&I held the Annual Learning Festival to reinforce the culture of continuous growth and innovation. It provides employees an avenue to gain new skills and knowledge. The Asset Management Learning Festival featured industry experts who covered topics on emerging trends in the business landscape. Session recordings were uploaded on the corporate HR platform to allow employees to access at their convenience.

With investors and global stakeholders placing a premium on strong ESG performance, access to courses on the United Nations Global Compact Academy is also available for employees to refresh and gain new knowledge and skills.

To ensure employees stay at the forefront of industry developments, a series of webinars conducted by senior management and industry leaders were organised in 2023. The webinars covered topics on real estate and

sustainable infrastructure investment in Asia Pacific and the US markets.

To cater to different learning styles and needs, bite-sized on-demand learning is also made available through LinkedIn Learning. A digital library of over 16,000 courses covering a wide range of topics is made available to all employees through this platform. 100% of employees found that what they learn at work helps them achieve their career goals.

Succession Planning

Succession planning is important to ensure the seamless transition of leadership responsibilities. The Trustee-Manager has a succession and talent management process in place which serves to identify and develop key talents to close potential leadership gaps. The identification and development of leadership potential for incoming and existing talents is facilitated by the KEP ("K"apacity, Execution, People) framework.

Regular reviews are conducted using the Leadership Potential Assessment tool to identify high potential employees and ensure that high-potential personnel are recognised and nurtured through strategic involvement from line managers and senior management.

Succession plans are in place for key management positions of the Trustee-Manager. These plans are tabled and discussed at Nominating and Remuneration Committee meetings. In addition, there are platforms for board members to interact with potential successors and younger talent. Succession planning is also part of senior management's annual targets.

The Career Review Committee holds bi-annual evaluations for succession planning, ensuring seamless leadership transitions and strategic interactions among our board members, senior leaders and up-and-coming talents.

TRAINING HOURS PER EMPLOYEE BY GENDER

Female		33.5
Male		24.3

AVERAGE TRAINING HOURS PER EMPLOYEE BY EMPLOYEE CATEGORY

Managerial ¹		13.7
Executive		31.1

¹ Managerial includes Senior Management and Heads of Department.



Keppel engages its employees through activities such as team building events and an annual Dinner and Dance.

The Trustee-Manager also leverages Keppel's centralised talent management platform to support its efforts in driving leadership and executive development. There are multiple platforms within the Keppel ecosystem including the Keppel Internship Programme, Keppel Associate Programme, Keppel Young Leaders, Emerging Leaders Programme, Advanced Leaders Programme and Keppel Fellows. Through these programmes, talent across the organisation learn and grow, build connections and form friendships which promotes collaboration.

Engaging Employees

An engaged workforce is pivotal to the success of a company's people strategy.

The pandemic led to a change in how people live, work and play. Recognising employees' desire for continued flexibility on work arrangements without sacrificing team camaraderie and collaboration, employees are allowed to work remotely once a week, enhancing employee satisfaction and work-life

balance, and contributing to a more resilient workforce.

Paying attention to the pulse of the company through active solicitation of feedback allows the Trustee-Manager to refine its people strategies.

The annual Employee Engagement Survey carried out by an external independent survey provider seeks to understand employee sentiments and experiences relating to leadership, execution, collaboration and agility, growth and development, psychological safety, engagement, and job satisfaction. The engagement score for 2023 was above 80%, providing insights for the organisation to make informed decisions in driving innovation and agility, collaboration, sustainability, as well as people development engagement.

Focus group discussions were carried out to garner in-depth data on areas identified for action through the survey results. Action plans were formulated from issues distilled and considered in the development of work plans for the year ahead, with

progress shared at regular employee townhall sessions, reinforcing management's commitment to address feedback received from the ground.

In-person employee engagement activities such as team building events and activities, townhalls and tea sessions with senior management help to strengthen social connections and build a positive and productive work environment. Other than the annual Dinner and Dance and festive celebrations, a durian fiesta and "Makan with Kawan", a lunch event where employees played childhood games were also organised.

In 2023, the Trustee-Manager organised a paint-ball team building event to promote team camaraderie.

As part of Keppel's Appreciation Month in August, senior leaders served food at a lunch and extended their appreciation for employees. Employees also wrote appreciation notes for one another, which were prominently displayed at the office cafe

People and Community

FEMALE REPRESENTATION

33.3%

Female directors on the Board

throughout the month and were subsequently handed to the team as keepsakes. A virtual event featuring a band performing song dedications for employees globally was also organised, alongside a OneKeppel Carnival where employees across divisions were able to mingle and bond through food and games.

Keeping employees abreast of corporate direction and initiatives is an essential tenet of employee engagement. Regular townhalls and tea sessions provide forums for employees to pose questions and receive clarifications. There is also an ongoing virtual platform where employees can pose questions and provide suggestions directly to CEO, Fund Management and CIO Keppel Ltd.

DIVERSITY AND INCLUSION Management Approach

The Trustee-Manager is committed to fostering an environment where individuals are respected, empowered and given equal opportunities to excel and contribute to the organisation's collective success. An inclusive workplace not only

embraces diverse points of view, but also creates a sense of belonging in which employees feel valued.

The Trustee-Manager takes a zero-tolerance stance against any form of discrimination. The KIT Code of Conduct reinforces this stance, incorporating the principles of human rights and anti-discrimination.

KIT believes in the importance of promoting an inclusive and harmonious workplace. We value and respect all employees regardless of ethnicity, gender, religious beliefs, nationality, age or physical disability. KIT's stance on diversity and inclusion is reflected in KIT's Diversity, Equity & Inclusion Policy, which prohibits discrimination on any basis. This policy, as well as the KIT Code of Conduct, are available on KIT's corporate website.

The Tripartite Guidelines on Fair Employment Practices (TAFEP) guides organisations in adopting fair and merit-based employment practice. To enforce a merit-based workplace, the Trustee-Manager adheres to TAFEP to ensure that the Employers' Pledge of Fair Employment Practices is upheld.

PERCENTAGE OF MALES AND FEMALES PER EMPLOYEE CATEGORY (%)

	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
Board	66.7	33.3	66.7	33.3	66.7	33.3
Managerial ¹	100.0	00.0	100.0	-	100.0	-
Executive	44.4	55.6	46.2	53.8	52.6	47.4

PERCENTAGE BY AGE GROUP PER EMPLOYEE CATEGORY (%)

	2023			2022			2021		
	<30 years old	30 to 50 years old	>50 years old	<30 years old	30 to 50 years old	>50 years old	<30 years old	30 to 50 years old	>50 years old
Board	-	-	100.0	-	-	100.0	-	-	100.0
Managerial ¹	-	66.7	33.3	-	66.7	33.3	-	66.7	33.3
Executive	33.3	66.7	-	30.8	69.2	-	36.8	63.2	-

¹ Managerial includes Senior Management and Heads of Department.



The Financial Wellbeing Month offered employees the chance to develop their financial literacy through webinars and games.

Fair Employment Practices is based upon five principles:

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, as well as implement progressive human resources 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.

Performance and Progress

The Trustee-Manager empowers individuals to create inclusive environments that celebrate diversity. This includes the provision of education and awareness on

diversity and inclusion through e-learning courses.

In 2023, the Trustee-Manager continued to maintain at least a 30% female representation on the Board.

The Trustee-Manager offers parental leave entitlements to eligible employees, which promotes the sharing of parental responsibilities. The Trustee-Manager encourage employees to take advantage of this benefit without the fear of compromising job security or career progression.

There were no incidents of discrimination reported in 2023.

Global Inclusion Festival

In October, Keppel organised its inaugural two-day Global Inclusion Festival to mark World Inclusion Day and to promote inclusivity. The festival had a turnout of more than 980 participants from eight countries, and covered information on building inclusive teams, as well as disability etiquette tips, and featuring a speaker from the Singapore Cancer Society who spoke about showing

empathy and compassion when handling hard conversations.

EMPLOYEE HEALTH AND WELLBEING Management Approach

The Trustee-Manager is committed to ensuring the health, safety and wellbeing of its employees and those employed by the businesses and assets under KIT's portfolio, some of which conduct high-risk operations.

The prioritisation of health and wellbeing remains paramount to create a safe environment which not only boosts productivity but also establishes a positive and sustainable work culture.

The Keppel Zero Fatality Strategy comprises five strategic thrusts which outline actionable measures to prevent workplace fatalities. They are (i) building a high-performance safety culture, (ii) adopting a proactive approach to safety management, (iii) leveraging technology to mitigate safety risks, (iv) harmonising global safety practices and competency, as well as (v) streamlining learning from incidents.

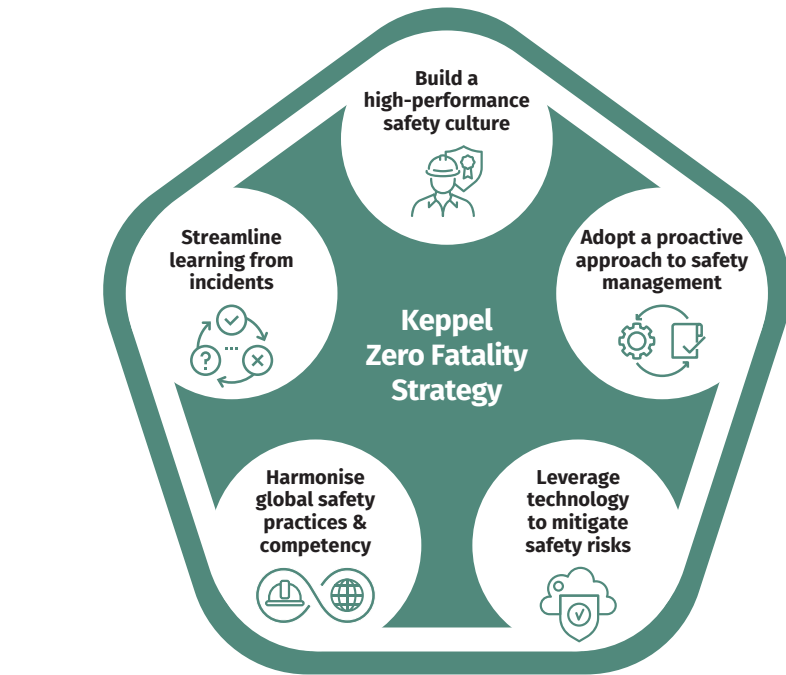
People and Community

The KIT Health, Safety, Security and Environment (HSSE) Policy is adopted at its business premises and operations where the Trust has effective control and influence, including when working with contractors. The BEC ensures that the KIT HSSE policy is communicated, implemented, and reviewed across all businesses and assets. The BEC reviews the safety performance and initiatives at quarterly meetings, along with periodic safety site visits to KIT’s operational sites. A new clause has also been included to involve workers in the development and implementation of strategies to improve HSSE culture and performance.

Hazard identification is conducted through risk assessments at KIT’s businesses and assets. Following this, mitigation plans are implemented to minimise risks. To strengthen our safety management system, regular audits are conducted by qualified HSSE personnel and independent consultants. Following the HSSE Incident Reporting and Investigation Procedure, it is mandatory to promptly report all HSSE incidents and near-misses. A root cause analysis will then be undertaken and lessons learned will be disseminated to prevent recurrence of similar incidences.

To continually ensure the integration and implementation of HSSE best practices, the Trustee-Manager works closely with its operational and maintenance contractors. This is especially important as some of KIT’s businesses and assets are classified as Major Hazard Installations in Singapore. It is critical that the safety regime comprising safety management protocols and risk mitigation measures are in accordance with the Workplace Safety and Health (WSH) regulations. To cultivate a strong safety culture and prevent all avoidable health and safety incidents, the Trustee-Manager prioritises communicating HSSE concerns, procedures and mitigation measures.

Keppel employees, including those in subsidiary companies, are expected to comply with all safety policies and



SAFETY CERTIFICATIONS AND AWARDS

Business/Asset	Award
City Energy	Workplace Safety & Health Council (WSHC) BizSAFE Level Star SS 651: 2019 safety and health management system for the chemical industry ISO 45001 Keppel Group Safety Convention: Innovation Award Workplace Safety & Health Council (WSHC) Safety Innovation Award 2023
Keppel Merlimau Cogen Plant	ISO 45001
Keppel Seghers Tuas WTE Plant	ISO 45001
Senoko WTE Plant	ISO 45001
Keppel Seghers Ulu Pandan NEWater Plant	ISO 45001
SingSpring Desalination Plant	ISO 45001 Workplace Safety & Health Council (WSHC) BizSAFE Level Star
Philippine Coastal Storage & Pipeline Corporation	Keppel Group Safety Convention: Individual Award ISO 45001

procedures. To empower employees in their roles, regular refresher safety trainings such as safety drills and annual global safety time-outs ensure they remain updated on HSSE policies and procedures. The Keppel Stop Work policy also allows workers at KIT’s assets to be proactive in reporting any unsafe situations and stop unsafe practices. Other avenues include regular safety toolbox meetings which serve as a platform to encourage feedback and suggest improvements to the work environment. In line with

the HSSE policy, it is mandatory for all major incidents to be reported within 24 hours and for a full report to be available within two weeks.

The Trustee-Manager regularly engages operators and contractors through various channels such as 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.

In addition to the various engagement channels, all operational and maintenance partners are required to implement communication and training efforts. Training and guidance on safety are guided by KIT's five key safety principles:

1. Every incident is preventable;
2. HSE is an integral part of KIT's 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.

Performance and Progress

Unfortunately, in 2023, there were eight reportable incidents, of which there was one fatality involving a subcontractor at KIT's overseas asset.

Most of the incidents were related to manual handling and slip, trip and fall incidents.

The Trustee-Manager continually reviews safety measures and with each incident convenes with the asset teams to carry out a prompt and thorough investigation. Following the subcontractor worker's incident, safety standdowns were conducted at all sites and safe work procedures were strengthened to reinforce safety awareness. Following this, sharing sessions relating to subcontractor management were carried out to raise safety awareness across the portfolio.

Training sessions, exercises and drills continued in 2023 across KIT's businesses and assets. Trainings were carried out for Root Cause Analysis by Keppel's Health Safety and Environment team to enable proper incident investigation and Philippine Coastal carried out Global High Impact Risk Activities (GHIRA) training. Evacuation drills for incidences such as fires and explosions and a Power System Crisis exercise were held in collaboration with the Energy Market Authority of Singapore.

All of KIT's assets in Singapore have fulfilled the heightened safety measures and mandatory time-out required by the Ministry of Manpower to carry out a thorough review of safety procedures.

	2023	2022	2021
Accident Frequency Rate (AFR) ¹	1.2	1.6	0.9
Accident Severity Rate (ASR) ²	918.7 ⁷	42.8	14.1
Total Recordable Incidents	23	24	16
Total Recordable Incident Rate (TRIR) ³	3.4	3.9	2.9
High Consequence Work-Related Injuries ⁴	0	0	0
High Consequence Work-Related Injuries Rate ⁵	0	0	0
Total Number of Fatal Injuries	1	0	0
Fatal Injury Rate ⁶	43	0	0
Total Man-Hours Worked	6,745,000	6,228,000	5,460,000

$$^1 \text{ Accident Frequency Rate (AFR)} = \frac{\text{No. of workplace accidents reported}}{\text{No. of man-hours worked}} \times 1,000,000$$

$$^2 \text{ Accident Severity Rate (ASR)} = \frac{\text{No. of man-days lost to workplace accidents}}{\text{No. of man-hours worked}} \times 1,000,000$$

$$^3 \text{ Total Recordable Incident Rate (TRIR)} = \frac{\text{No. of recordable work-related work-related injuries or illnesses}}{\text{No. of man-hours worked}} \times 1,000,000$$

⁴ High Consequence Work-Related Injuries: One from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months (e.g. amputation of limb, fracture with complications).

$$^5 \text{ High Consequence Work-Related Injuries Rate} = \frac{\text{No. of high consequence work-related injuries}}{\text{No. of man-hours worked}} \times 1,000,000$$

$$^6 \text{ Fatal Injury Rate (Fatal injuries per 100,000 employed persons)} = \frac{\text{No. of fatality}}{\text{Average daily manpower}} \times 1,000,000$$

⁷ Exceptionally high number due to a fatal incident involving a subcontractor at one of KIT's overseas sites. A fatal case is considered as 6,000 man days lost.



All of KIT's assets in Singapore have fulfilled the heightened safety measures and mandatory time-out required by the Ministry of Manpower to carry out a thorough review of safety procedures.

People and Community

“I wish to extend my heartfelt gratitude for the invaluable collaborations between our organisations since 2014. This year, we had quite a number of new members who attended the activities. Thank you for continuously looking out for our beneficiaries and providing them with unforgettable experiences. We look forward building a closer relationship in the upcoming year.”

JUDY WEE, Executive Director of MDAS

Supporting Employee Health and Wellbeing

The Trustee-Manager believes in taking a holistic approach to health and wellbeing and that extends beyond occupational health and safety. Besides healthcare benefits, various programmes are organised across Keppel to promote employees' overall health and wellness. Keppel has designated specific months to spotlight different aspects of employee wellbeing.

For Financial Wellbeing Month, the theme this year was “Level-up, Money Smart”. Webinars were organised on financial literacy around retirement and investments, and games were held to facilitate understanding of various financial instruments like stock investing.

Physical Wellbeing Month was commemorated in June and was themed “Level-up, Step up” to encourage active and healthy lifestyles. Part of

this initiative, the K’Steps Challenge, saw a record 217,632,404 steps being clocked by staff worldwide, greatly exceeding the 180 million steps target. In tandem with this initiative, the Keppel Care Foundation donated S\$21,000 to the non-governmental organisation, Conservation International, where S\$1,000 was donated for every 10 million steps clocked. Webinars on work ergonomics, heart health and healthy eating were also carried out to promote physical wellbeing.

In conjunction with Global World Mental Health Day, October was dedicated as a Mental Wellbeing Month with a theme of “Level-up, Mind Fit”. Staff shared personal stories on how they manage their priorities and care for their mental wellbeing. Webinars on how to deal with stress and prevent burnout were held, as well as mindfulness activities to help promote relaxation, improve mood, and reduce stress.

Through the Employee Assistance Programme (EAP), Keppel continues to extend mental health support to employees and their families' mental health in collaboration with the Singapore Counselling Centre. The centre offers face-to-face or online counselling sessions with qualified counsellors on a confidential basis for employees and their dependents.

COMMUNITY DEVELOPMENT AND ENGAGEMENT

Management Approach

As a responsible corporate citizen, the Trustee-Manager believes in contributing to the local communities wherever it operates. Through supporting community initiatives via charitable donations and participating in community engagement activities, the Trustee-Manager uplifts the community and promotes environmental stewardship.

The Trustee-Manager also encourages employees at its businesses and assets to give back to communities. All employees are given two days of paid volunteerism leave each year as an initiative to encourage participation in corporate social responsibility and community initiatives.

Performance and Progress

In 2023, the Trustee-Manager and KIT contributed more than \$353,000 in donations to support various philanthropic initiatives and community needs. On top of this, more than 900 hours have been devoted to supporting community outreach activities during the year together with Keppel FM&I.

This includes continued partnerships with Keppel FM&I's adopted charity, the Muscular Dystrophy Association (Singapore) (MDAS), as well as The Salvation Army and Blossom World Society.



The Trustee-Manager believes in contributing to the communities wherever it operates with community outreach programmes.

“My volunteering experience was a gratitude reminder to myself. Bringing joy and putting a smile on the beneficiaries are truly rewarding. I learned valuable skills, which have helped me grow as a person. It’s meaningful to know that our team efforts and time made a difference, no matter how big or small.”

PUI KUAN, Deputy Manager, Keppel Infrastructure Fund Management Pte Ltd

Community Engagement in 2023



Bento-making with MDAS

In celebration of Mother’s Day, a bento-making workshop was organised where volunteers and beneficiaries prepared bentos in appreciation of their caregivers.



Gifts of Care

To support the social enterprise arm of The Salvation Army, Red Shield Industries, volunteers assisted in the packing, sorting, labelling and organising of donated items at the Red Shield Industries’ Warehouse.



Raising Awareness on Impacts to Nature

To promote awareness on the impact that plastic has on climate change, beaches, oceans, and marine life, Keppel partnered with Blossom World Society and organised a beach cleaning at Sembawang Park.



Excursions with MDAS

To promote art appreciation, volunteers organised an excursion for MDAS beneficiaries to visit Van Gogh: The Immersive Experience showcase at Resorts World Sentosa. Volunteers and beneficiaries also visited the Bird Paradise in 2023.



Board Games with MDAS

Volunteers spent a fun-filled afternoon playing board games with MDAS beneficiaries at the Mind Cafe.

GRI Content Index

Statement of Use	Keppel Infrastructure Trust has reported in accordance with the GRI Standards for the period from 1 January to 31 December 2023
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	Not applicable

GRI Standard	Disclosure Number	Disclosure Title	Page References	Omission
General Disclosures				
Organisational Profile				
GRI 2: General Disclosures 2021	2-1	Organisational details	8, 9, 46	
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GRI 3: Material Topics 2021	3-1	Process to determine material topics	49	
	3-2	List of material topics	49	

GRI Standard	Disclosure Number	Disclosure Title	Page References	Omission
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	305-3	Other indirect (Scope 3) GHG emissions	55, 56	
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Climate Change Adaptation				
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GRI 3: Material Topics 2021	3-3	Management of material topics	64	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	64	
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GRI 3: Material Topics 2021	3-3	Management of material topics	66	
Ethics and Integrity				
GRI 3: Material Topics 2021	3-3	Management of material topics	67	
GRI 205 Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	67, 68, 69	
	205-3	Confirmed incidents of corruption and actions taken	67, 68, 69	

GRI Content Index

GRI Standard	Disclosure Number	Disclosure Title	Page References	Omission
Asset Quality and Safety				
GRI 3: Material Topics 2021	3-3	Management of material topics	69	
Physical Security of Assets				
GRI 3: Material Topics 2021	3-3	Management of material topics	70	
Cybersecurity and Data Privacy				
GRI 3: Material Topics 2021	3-3	Management of material topics	71	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	71	
Sustainable Supply Chain Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	71	
People and Community				
Human Capital Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	72	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	72, 73	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	73	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	74	
	404-2	Programs for upgrading employee skills and transition assistance programs	74, 75	
	404-3	Percentage of employees receiving regular performance and career development reviews	73	
Diversity and Inclusion				
GRI 3: Material Topics 2021	3-3	Management of material topics	76, 77	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	76	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	77	
Employee Health and Wellbeing				
GRI 3: Material Topics 2021	3-3	Management of material topics	77, 78, 79	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	77, 78, 79	
	403-2	Hazard identification, risk assessment, and incident investigation	78	
	403-5	Worker training on occupational health and safety	77, 78, 79	
	403-6	Promotion of worker health	79, 80	
	403-9	Work-related injuries	78, 79	
Community Development and Engagement				
GRI 3: Material Topics 2021	3-3	Management of material topics	80, 81	

Trustee-Manager's Statement & Financial Statements

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Trustee-Manager's Statement

Keppel Infrastructure Fund Management Pte. Ltd. was appointed as the Trustee-Manager of Keppel Infrastructure Trust (the "Trust") on 18 May 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 31 December 2023.

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 93 to 190 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 31 December 2023, 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 2004 (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 31 December 2023 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 material 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)
Mark Andrew Yeo Kah Chong
Chong Suk Shien
Adrian Chan Pengee
Ng Kin Sze (Appointed on 1 June 2023)
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		Deemed interest	
	At beginning of financial year	At end of financial year	At beginning of financial year	At end of financial year
Interests in Keppel Infrastructure Trust (Units)				
Daniel Cuthbert Ee Hock Huat	262,792	365,431	–	–
Mark Andrew Yeo Kah Chong	260,163	338,100	–	–
Chong Suk Shien	34,400	78,800	–	–
Adrian Chan Pengee	–	10,700	–	–
Ng Kin Sze	–	189,000	–	–

The unitholdings of the above directors as at 21 January 2024 were the same as those at 31 December 2023.

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)
Daniel Cuthbert Ee Hock Huat
Kunnasagaran Chinniah (Resigned on 1 May 2023)
Adrian Chan Pengee (Appointed on 1 May 2023)

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:

- The audit plan and results of the internal auditor's examination and evaluation of the Group's systems of internal accounting controls;
- The Group's financial and operating results and accounting policies;
- 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;
- The adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems;
- The half-yearly, nine-months and annual announcements on the results and financial position of the Trust and the Group;

Trustee-Manager's Statement

AUDIT AND RISK COMMITTEE (continued)

- f. The co-operation and assistance given by the Trustee-Manager's officers to the Group's external auditors; and
- g. The appointment and 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 nominates Messrs KPMG LLP for appointment as the external auditors of the Group in place of the retiring auditors, Messrs Deloitte & Touche LLP, at the forthcoming Annual General Meeting of the unitholders.

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

Daniel Ee

DANIEL CUTHBERT EE HOCK HUAT
Chairman

Christina Tan

CHRISTINA TAN HUA MUI
Director

Singapore
14 March 2024

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 material adverse effect on the business of the Trust or on the interests of all the unitholders of the Trust as a whole.



NEO TZU CHAO, KEVIN
Chief Executive Officer

Singapore
14 March 2024

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 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in unitholders' funds, the 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 material accounting policies information as set out on pages 93 to 190.

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 2004 (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 31 December 2023 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
<p>Impairment of Assets – property, plant and equipment, finite-lived intangible assets and goodwill</p> <p>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.</p> <p>These assets represent a significant portion of the Group's total assets and their proportion as at 31 December 2023 are as follows:</p> <ul style="list-style-type: none"> • Property, plant and equipment (27.9% of Group's total assets); • Goodwill (20.2% of Group's total assets); and • Finite-lived intangible assets (6.4% of Group's total assets). <p>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 9 to the financial statements.</p>	<p>Our audit procedures focused on evaluating and challenging the key assumptions used by the Trustee-Manager in concluding the impairment review. These procedures included:</p> <ul style="list-style-type: none"> • 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. <p>Based on our procedures, we noted the Trustee-Manager's key assumptions to be within a reasonable range of our expectations.</p> <p>We have also assessed the adequacy and appropriateness of the disclosures made in the consolidated financial statements.</p>

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 2023, 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 2023, Trust Structure, Corporate Information, Sustainability Report, Trustee-Manager's Statement, Statement by the Chief Executive Officer, Corporate Governance, Risk Management and Financial Calendar and Statistics of Unitholdings which we obtained prior to the date of this auditor's report.

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 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.

Independent Auditor's Report to the Unitholders of Keppel Infrastructure Trust

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

Auditor's Responsibility for the Audit of the Financial Statements (continued)

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.

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 Trustee-Manager on behalf of the Trust 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

14 March 2024

Statements of Financial Position

As at 31 December 2023

	Note	GROUP		TRUST	
		2023 \$'000	2022 \$'000 Reclassified*	2023 \$'000	2022 \$'000
Non-Current Assets					
Property, plant and equipment	6	1,566,005	1,657,539	–	–
Right-of-use assets	7	90,096	99,720	–	–
Investment properties	8	2,448	10,200	–	–
Intangibles	9	1,496,030	1,558,610	–	–
Investment in subsidiaries	10	–	–	1,523,540	1,869,882
Investment in joint venture	11	440,103	399,470	–	–
Notes receivables	12	–	–	623,140	682,557
Loan receivable from joint venture	13	263,677	269,724	–	–
Loan receivables from subsidiaries	14	–	–	46,954	5,715
Service concession receivables	15	93,044	132,604	–	–
Finance lease receivables	16	38,587	50,888	–	–
Derivative financial instruments	21	44,424	78,951	1,040	1,979
Investment in financial assets	17	363,695	362,623	–	–
Other assets	18	90,097	104,990	–	–
Total non-current assets		4,488,206	4,725,319	2,194,674	2,560,133
Current Assets					
Cash and bank deposits	19	482,584	535,729	152,231	184,950
Investment in financial assets	17	24	24	–	–
Trade and other receivables	20	308,528	316,391	13,642	12,776
Loan receivable from a subsidiary	14	–	–	6,686	–
Service concession receivables	15	39,560	52,024	–	–
Finance lease receivables	16	12,300	11,799	–	–
Derivative financial instruments	21	3,442	5,641	1,557	4,649
Inventories	22	241,328	280,144	–	–
Other assets	18	41,206	35,685	15	66
Total current assets		1,128,972	1,237,437	174,131	202,441
Total assets		5,617,178	5,962,756	2,368,805	2,762,574
Current Liabilities					
Borrowings	23	107,500	800,844	–	579,549
Trade and other payables	24	382,721	452,389	46,673	26,074
Provisions	25	31,524	34,655	–	–
Derivative financial instruments	21	4,721	3,907	620	–
Lease liabilities	26	13,087	13,207	–	–
Income tax payable		13,394	21,593	439	241
Total current liabilities		552,947	1,326,595	47,732	605,864
Net Current assets/(liabilities)		576,025	(89,158)	126,399	(403,423)

* In accordance with SFRS(I) 3 Business Combinations, pursuant to the ongoing purchase price allocation exercise for the acquisition of Eco Management Korea Holdings Co., Ltd. ("EMK"), the Group has reclassified an amount of S\$10.2 million from Property, plant and equipment (Note 6) to Investment properties (Note 8). There is no material impact to the amount of goodwill arising from acquisition and consolidated income statement arising from the reclassification amount.

See accompanying notes to financial statements.

Statements of Financial Position

As at 31 December 2023

	Note	GROUP		TRUST	
		2023 \$'000	2022 \$'000 Reclassified*	2023 \$'000	2022 \$'000
Non-Current Liabilities					
Borrowings	23	2,609,511	2,106,321	703,041	498,840
Notes payable to non-controlling interests	27	245,000	245,000	–	–
Loan from a related party	28	45,054	2,179	–	–
Loan from a subsidiary		–	–	142,000	–
Derivative financial instruments	21	3,555	1,857	1,613	–
Other payables	28	203,542	185,370	–	–
Provisions	25	17,698	17,082	–	–
Lease liabilities	26	60,373	67,911	–	–
Defined benefit obligation	29	1,389	5,163	–	–
Purchase commitments for minority interests' shares	48	17,164	–	–	–
Deferred tax liabilities	30	71,996	98,122	–	–
Total non-current liabilities		3,275,282	2,729,005	846,654	498,840
Total liabilities		3,828,229	4,055,600	894,386	1,104,704
Net Assets		1,788,949	1,907,156	1,474,419	1,657,870
Represented by:					
Unitholders' Funds					
Units in issue	31	2,923,863	2,629,502	2,923,863	2,629,502
Hedging reserve	32	16,882	50,012	365	6,629
Translation reserve		(59,840)	(41,408)	–	–
Capital reserve	33	26,452	46,214	–	–
Defined benefit plan reserve	29	7,310	6,444	–	–
Share based payment reserve	34	176	2,142	–	–
Accumulated losses		(2,024,363)	(1,728,980)	(2,047,467)	(1,575,919)
Total Unitholders' Funds		890,480	963,926	876,761	1,060,212
Perpetual securities	35	597,658	597,658	597,658	597,658
Total Equityholders' Funds		1,488,138	1,561,584	1,474,419	1,657,870
Non-controlling interests		300,811	345,572	–	–
		1,788,949	1,907,156	1,474,419	1,657,870

* In accordance with SFRS(I) 3 Business Combinations, pursuant to the ongoing purchase price allocation exercise for the acquisition of Eco Management Korea Holdings Co., Ltd. ("EMK"), the Group has reclassified an amount of S\$10.2 million from Property, plant and equipment (Note 6) to Investment properties (Note 8). There is no material impact to the amount of goodwill arising from acquisition and consolidated income statement arising from the reclassification amount.

See accompanying notes to financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2023

	Note	2023 \$'000	2022 \$'000
Revenue	37	2,035,920	2,005,946
Other income	38	35,731	7,572
Other gains/(losses) – net	39	17,408	18,760
Expenses			
Fuel and electricity costs		(173,992)	(195,193)
Gas transportation, freight and storage costs		(222,294)	(205,717)
Raw materials, consumables used and changes in inventories		(712,966)	(804,119)
Depreciation and amortisation		(205,127)	(156,684)
Impairment loss on financial assets	43	(540)	(1,166)
Staff costs	40	(200,260)	(181,818)
Operation and maintenance costs		(139,616)	(102,212)
Finance costs	41	(162,000)	(111,693)
Trustee-Manager's fees	42	(56,568)	(41,457)
Other operating expenses		(128,564)	(145,016)
Total expenses		(2,001,927)	(1,945,075)
Profit before joint venture		87,132	87,203
Share of results/(loss) of joint venture		41,759	(63,719)
Profit before tax	43	128,891	23,484
Income tax expense	44	(21,825)	(26,313)
Profit/(loss) for the year		107,066	(2,829)
Other comprehensive income:			
<u>Items that may be reclassified subsequently to profit or loss:</u>			
<u>Cash flow hedges:</u>			
– Fair value (loss)/gain		(23,145)	67,601
– Transfer to profit or loss		(21,433)	(5,891)
Currency translation differences relating to consolidation of foreign operations		(16,575)	(31,376)
Currency translation differences reclassified to profit or loss on disposal of foreign subsidiaries		–	(113)
<u>Item that will not be reclassified subsequently to profit or loss:</u>			
Remeasurement of defined benefit obligation	29	1,273	17,655
Income tax relating to items that will not be reclassified subsequently	29	(407)	(5,193)
Other comprehensive income, net of tax		(60,287)	42,683
Total comprehensive income		46,779	39,854
Profit/(loss) attributable to:			
Unitholders of the Trust		112,911	868
Perpetual securities holders	35	27,150	27,150
Equityholders of the Trust		140,061	28,018
Non-controlling interests		(32,995)	(30,847)
		107,066	(2,829)
Total comprehensive income attributable to:			
Unitholders of the Trust		62,215	34,219
Perpetual securities holders	35	27,150	27,150
Equityholders of the Trust		89,365	61,369
Non-controlling interests		(42,586)	(21,515)
		46,779	39,854
Earnings per unit attributable to unitholders of the Trust, expressed in cents			
– basic and diluted	45	2.09	0.02

See accompanying notes to financial statements.

Statements of Changes in Unitholders' Funds

For the financial year ended 31 December 2023

Note	Attributable to Unitholders of the Trust											Total \$'000
	Units in issue (Note 31) \$'000	Treasury units (Note 31) \$'000	Hedging reserve (Note 32) \$'000	Translation reserve \$'000	Capital reserve (Note 33) \$'000	Defined benefit plan reserve (Note 29) \$'000	Share-based payment reserve (Note 34) \$'000	Accumulated losses \$'000	Total unitholders' funds \$'000	Perpetual securities (Note 35) \$'000	Non-controlling interests \$'000	
GROUP												
At 1 January 2023	2,629,502	-	50,012	(41,408)	46,214	6,444	2,142	(1,728,980)	963,926	597,658	345,572	1,907,156
Total comprehensive income												
Profit/(loss) for the year	-	-	-	-	-	-	-	112,911	112,911	27,150	(32,995)	107,066
Other comprehensive income for the year	-	-	(33,130)	(18,432)	-	866	-	-	(50,696)	-	(9,591)	(60,287)
Total	-	-	(33,130)	(18,432)	-	866	-	112,911	62,215	27,150	(42,586)	46,779
<u>Transactions with owners, recognised directly in equity</u>												
Contributions by and distributions to owners:												
Units issued	31	299,956	-	-	-	-	-	-	299,956	-	-	299,956
Issuance costs		(5,595)	-	-	-	-	-	-	(5,595)	-	-	(5,595)
Contribution by non-controlling shareholders		-	-	-	-	-	-	-	-	-	5,206	5,206
Transfer from equity to liability upon change in settlement method of share-based payments		-	-	-	-	-	(2,254)	(26,578)	(28,832)	-	-	(28,832)
Effects of changes in minority interests with purchase commitments	33	-	-	-	(19,762)	-	-	-	(19,762)	-	-	(19,762)
Recognition of share-based payments	34	-	-	-	-	-	288	-	288	-	-	288
Distributions paid	35,36	-	-	-	-	-	-	(381,716)	(381,716)	(27,150)	(13,329)	(422,195)
Total		294,361	-	-	(19,762)	-	(1,966)	(408,294)	(135,661)	(27,150)	(8,123)	(170,934)
<u>Changes in ownership interest in subsidiaries</u>												
Acquisition of interest in a subsidiary		-	-	-	-	-	-	-	-	-	5,948	5,948
At 31 December 2023		2,923,863	-	16,882	(59,840)	26,452	7,310	(2,024,363)	890,480	597,658	300,811	1,788,949
Attributable to Unitholders of the Trust												
Note	Units in issue (Note 31) \$'000	Treasury units (Note 31) \$'000	Hedging reserve (Note 32) \$'000	Translation reserve \$'000	Capital reserve (Note 33) \$'000	Defined benefit plan reserve (Note 29) \$'000	Share-based payment reserve (Note 34) \$'000	Accumulated losses \$'000	Total unitholders' funds \$'000	Perpetual securities (Note 35) \$'000	Non-controlling interests \$'000	Total \$'000
GROUP												
At 1 January 2022	2,629,211	-	3,837	(16,122)	38,710	(6,018)	773	(1,538,673)	1,111,718	597,622	30,725	1,740,065
Total comprehensive income												
Profit/(loss) for the year	-	-	-	-	-	-	-	868	868	27,150	(30,847)	(2,829)
Other comprehensive income for the year	-	-	46,175	(25,286)	-	12,462	-	-	33,351	-	9,332	42,683
Total	-	-	46,175	(25,286)	-	12,462	-	868	34,219	27,150	(21,515)	39,854
<u>Transactions with owners, recognised directly in equity</u>												
Contributions by and distributions to owners:												
Units issued	31	291	-	-	-	-	-	-	291	-	-	291
Reversal of issuance cost		-	-	-	-	-	-	-	-	36	-	36
Effects of acquiring part of non-controlling interests in a subsidiary	33	-	-	-	7,504	-	-	-	7,504	-	(4,360)	3,144
Recognition of share-based payments	34	-	-	-	-	-	1,369	-	1,369	-	-	1,369
Distributions paid	35,36	-	-	-	-	-	-	(191,175)	(191,175)	(27,150)	(339)	(218,664)
Total		291	-	-	7,504	-	1,369	(191,175)	(182,011)	(27,114)	(4,699)	(213,824)
<u>Changes in ownership interest in subsidiaries</u>												
Acquisition of interest in a subsidiary		-	-	-	-	-	-	-	-	-	341,061	341,061
Total		-	-	-	-	-	-	-	-	-	341,061	341,061
At 31 December 2022		2,629,502	-	50,012	(41,408)	46,214	6,444	(1,728,980)	963,926	597,658	345,572	1,907,156

See accompanying notes to financial statements.

	Note	Units in issue (Note 31) \$'000	Treasury Units (Note 31) \$'000	Hedging reserve (Note 32) \$'000	Accumulated losses \$'000	Total unitholders' funds \$'000	Perpetual securities (Note 35) \$'000	Total \$'000
TRUST								
At 1 January 2023		2,629,502	–	6,629	(1,575,919)	1,060,212	597,658	1,657,870
<u>Total comprehensive income</u>								
Profit/(loss) for the year		–	–	–	(89,832)	(89,832)	27,150	(62,682)
Other comprehensive income for the year		–	–	(6,264)	–	(6,264)	–	(6,264)
Total		–	–	(6,264)	(89,832)	(96,096)	27,150	(68,946)
<u>Transactions with owners, recognised directly in equity</u>								
Contributions by and distributions to owners:								
Units issued	31	299,956	–	–	–	299,956	–	299,956
Issuance cost		(5,595)	–	–	–	(5,595)	–	(5,595)
Distributions paid	35,36	–	–	–	(381,716)	(381,716)	(27,150)	(408,866)
Total		294,361	–	–	(381,716)	(87,355)	(27,150)	(114,505)
At 31 December 2023		2,923,863	–	365	(2,047,467)	876,761	597,658	1,474,419

	Note	Units in issue (Note 31) \$'000	Treasury Units (Note 31) \$'000	Hedging reserve (Note 32) \$'000	Accumulated losses \$'000	Total unitholders' funds \$'000	Perpetual securities (Note 35) \$'000	Total \$'000
TRUST								
At 1 January 2022		2,629,211	–	875	(1,325,759)	1,304,327	597,622	1,901,949
<u>Total comprehensive income</u>								
Profit/(loss) for the year		–	–	–	(58,985)	(58,985)	27,150	(31,835)
Other comprehensive income for the year		–	–	5,754	–	5,754	–	5,754
Total		–	–	5,754	(58,985)	(53,231)	27,150	(26,081)
<u>Transactions with owners, recognised directly in equity</u>								
Contributions by and distributions to owners:								
Units issued	31	291	–	–	–	291	–	291
Reversal of issuance cost		–	–	–	–	–	36	36
Distributions paid	35,36	–	–	–	(191,175)	(191,175)	(27,150)	(218,325)
Total		291	–	–	(191,175)	(190,884)	(27,114)	(217,998)
At 31 December 2022		2,629,502	–	6,629	(1,575,919)	1,060,212	597,658	1,657,870

See accompanying notes to financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2023

	Note	2023 \$'000	2022 \$'000
Operating activities			
Profit before tax		128,891	23,484
Adjustments for:			
Depreciation and amortisation	6,7,8,9	205,127	156,684
Finance costs	41	162,000	111,693
Interest income	38	(26,455)	(5,630)
Impairment loss on financial assets	43	540	1,166
Fixed assets written down	6	1,772	–
Intangibles written down	9	5	–
Fair value gain on derivative financial instruments	39	(2,340)	(52)
Fair value gain on investment in financial assets at fair value through profit or loss (“FVTPL”)	39	(9,261)	(20,823)
Share-based payment expense		288	873
Loss on disposal of property, plant and equipment and investment property		514	551
Gain on disposal of subsidiaries	10,39	–	(459)
Share of (gain)/loss of joint venture		(41,759)	63,719
Unrealised foreign exchange (gain)/loss		(8,746)	15,954
Management fees paid in units	31	387	291
Operating cash flows before movements in working capital		410,963	347,451
Trade and other receivables		22,434	(24,017)
Service concession receivables		52,025	50,556
Finance lease receivables		11,799	11,346
Trade and other payables		(73,283)	25,537
Inventories		39,448	(30,061)
Cash generated from operations		463,386	380,812
Interest received		26,395	5,412
Interest paid		(148,441)	(103,618)
Income tax paid		(48,381)	(40,183)
Net cash from operating activities		292,959	242,423
Investing activities			
Acquisition of subsidiaries, net of cash acquired	48	(14,160)	(672,573)
Net cash inflow on disposal of subsidiaries	10	–	2,086
Investment in financial assets measured at FVTPL		–	(336,620)
Proceeds of capital redemptions from joint ventures		13,998	–
Repayment of advances from joint venture		14,242	–
Investment in joint venture		(12,880)	(532,595)
Purchase of property, plant and equipment, right-of-use assets and intangible assets		(54,789)	(44,422)
Proceeds from sale of property, plant and equipment		399	424
Proceeds from sale of investment property		7,881	–
Net cash used in investing activities		(45,309)	(1,583,700)
Financing activities			
Decrease/(Increase) in restricted cash	19	5,486	(1,509)
Proceeds from issuance of units (net)		293,974	–
Proceeds from non-controlling interests of subsidiaries		5,206	341,206
Acquisition of non-controlled interests in a subsidiary		–	(12,402)
Proceeds from issuance of perpetual securities (net)		–	36
Proceeds from borrowings		1,143,197	1,493,674
Repayment of borrowings		(1,301,001)	(516,423)
Loan from a related party		42,875	2,179
Repayment of obligations under finance leases		(18,029)	(16,441)
Payment of loan upfront fees		(13,277)	(9,598)
Distribution paid to perpetual securities holders	35	(27,150)	(27,150)
Distributions paid to unitholders of the Trust	36	(381,716)	(191,175)
Distributions paid by subsidiaries to non-controlling interests		(13,329)	(339)
Settlement of share-based payment plan		(32,383)	–
Net cash (used in)/from financing activities		(296,147)	1,062,058
Net decrease in cash and cash equivalents		(48,497)	(279,219)
Cash and cash equivalents at beginning of year		526,868	809,751
Effects of currency translation on cash and cash equivalents		838	(3,664)
Cash and cash equivalents at end of year	19	479,209	526,868

See accompanying notes to financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2023

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 5 January 2007 and is regulated by the Singapore Business Trusts Act 2004.

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 10.

The Trust was admitted to the Official List of the Main Board of Singapore Exchange Securities Trading Limited on 12 February 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 31 December 2023 were authorised for issue by the Board of Directors of the Trustee-Manager on 14 March 2024.

2. MATERIAL ACCOUNTING POLICIES INFORMATION

Basis of Accounting – The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the material accounting policy information 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 1 January 2023, the Group and the Trust adopted all the new and revised SFRS(I)s pronouncements that are relevant to its operations mandatorily effective for an accounting period that begins on 1 January 2023.

The following are the new or amended SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s, that are relevant to the Group:

- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of accounting policies
- Amendments to SFRS(I) 1-8: Definition of Accounting Estimates
- Amendments to SFRS (I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to SFRS(I) 1-12: International Tax Reform – Pillar Two Model Rules

The adoption of the above new or amended SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s has no material effect on the disclosures or on the amounts reported in the consolidated financial statements of the Group, except as discussed below.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Adoption of New and Revised Standards (continued)

Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of accounting policies

The Group has adopted the amendments to SFRS(I) 1-1 for the first time in the current year. The amendments change the requirements in SFRS(I) 1-1 with regard to disclosure of accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in SFRS(I) 1-1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Group has applied materiality guidance in SFRS(I) Practice Statement 2 in identifying its material accounting policies for disclosures in the related notes. The previous term 'significant accounting policies' used throughout the financial statements has been replaced with 'material accounting policies information'.

Amendments to SFRS(I) 1-8: Definition of Accounting Estimate

The Group has adopted the amendments to SFRS(I) 1-8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are 'monetary amounts in financial statements that are subject to measurement uncertainty'. The definition of a change in accounting estimates was deleted. The amendments are not expected to have a material impact on the Group in the period of initial adoption.

Amendments to SFRS (I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has adopted the amendments to SFRS(I) 1-12 for the first time in the current year. The amendments narrow the scope of the initial recognition exemption, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences (e.g. leases and decommissioning obligations). Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

The Group had previously recognised deferred tax for leases on an aggregate temporary difference basis. Following the amendments, the group is required to recognise separately deferred tax asset and deferred tax liability for the deductible and taxable temporary differences in relation to its lease liabilities and right-of-use assets respectively. There was no impact to the opening retained earnings as at 1 January 2023 as a result of the change, and there was also no impact on the statement of financial position as the resulting deferred tax consequences qualify for offsetting under SFRS(I) 1-12.

Amendments to SFRS(I) 1-12: International Tax Reform – Pillar Two Model Rules

The Group has adopted the amendments to SFRS(I) 1-12 for the first time in the current year. The scope of SFRS(I) 1-12 was amended to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD"), including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in SFRS(I) 1-12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. Following the amendments, the Group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

Please refer to Note 53 on the impact of Pillar Two model rules on the Group and the Trust during the year.

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 and each item of the other comprehensive income are attributed to the equityholders of the Trust and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the equityholders 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.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Optional concentration test – The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Asset acquisitions – When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets and financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

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 and measured under SFRS(I) 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting (the "Conceptual Framework") except for transactions and events within the scope of SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets or SFRS(I) INT 21 Levies, in which the Group applies SFRS(I) 1-37 or SFRS(I) INT 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

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;
- 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; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in SFRS(I) 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for 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 to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

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 retrospectively 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 in the Group's 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, except for trade receivables that do not have a significant financing component which are measured at transaction price. 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.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently 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
- 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 measured subsequently at fair value through profit or loss ("FVTPL").

Despite the foregoing, 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 that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3 applies; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or fair value through other comprehensive income ("FVTOCI") criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Financial Instruments (continued)

Financial assets (continued)

Classification of financial assets (continued)

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 gains/(losses) – 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 gains/(losses) – 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 gains/(losses) – 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. However, if 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.

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.

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 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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Financial Instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Significant increase in credit risk (continued)

Despite the foregoing, 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 or if an external rating is not available, the asset has an internal rating of ‘performing’. Performing means that the counterparty has a strong financial position and there is no past due amount.

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.

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.

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, except for assets for which the simplified approach was used.

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.

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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Financial Instruments (continued)

Financial liabilities and equity instruments (continued)

Equity instruments (continued)

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 measured subsequently 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 at FVTPL

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 either:

- 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 either:

- 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 gains/(losses) – 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 FVTPL 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 contract liabilities

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 are measured initially 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 gains/(losses) – net" line item in profit or loss for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES INFORMATION (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 and caps. Further details of derivative financial instruments are disclosed in Note 21.

Derivatives are recognised initially 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.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both a legally enforceable right and intention to offset. The impact of the master netting arrangements on the Group's financial position is disclosed in Note 21. A derivative is presented as a non-current asset or non-current liability if the remaining maturity of this instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

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 21 sets out details of the fair values of the derivative instruments used for hedging purposes.

Movements in the hedging reserve in equity are detailed in Note 32.

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 gains/(losses) – 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. For cashflow hedge, 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

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application of SFRS(I) 16 or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under SFRS(I) 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

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 its incremental borrowing rate.

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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Financial Instruments (continued)

Leases (continued)

The Group as lessee (continued)

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- 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 at the date of assessment;
- 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, less any lease incentives receivable, based on the lease term of the modified lease 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.

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 has applied the practical expedient which permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification and accordingly has accounted for any changes in lease payments resulting from the COVID-19-related rent concessions applying SFRS(I) 16 as if the change were not a lease modification.

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 digester. 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 (except for landfill) is calculated using a straight line method to allocate their depreciable amounts over their estimated useful lives as follows:

Building	20 to 40 years
Landfill classified under Building and leasehold land	Units of production method
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

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Property, Plant and Equipment (continued)

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.

Investment Property – Investment properties are properties held to earn rentals and/or for capital appreciation (including properties under construction for such purposes). Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

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 arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business, less accumulated impairment losses, if any.

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 with finite useful lives 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 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.

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.

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. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

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 to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

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. Changes in net assets of the joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest in that 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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Joint Venture (continued)

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 Group assesses whether there is objective evidence that the interest in a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that 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 the Group ceases to have joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former joint venture and the retained interest is a financial asset within the scope of SFRS(I) 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal or partial disposal of the relevant joint venture.

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. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

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;
- Distribution 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, liquefied petroleum gas (“LPG”) 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 and LPG to commercial and industrial customers. Revenue is recognised upon completion of the gas filling transaction and when control of the natural gas or LPG has transferred to its customer, being when the natural gas or LPG 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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Revenue Recognition (continued)

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.

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 waste management services, encompassing solid and liquid waste management and landfill, to variety of customers including government municipalities and large industrial conglomerates in South Korea. The Group collects the waste from the customers and transport to its waste treatment facilities which includes incineration plants and landfill for treatment. The service income is recognised in the period in where the services, being collection, transportation, and treatment of the waste, are provided by the Group.

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 wages and salaries, annual leave and sick leave in the period the 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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Income Tax (continued)

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. 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 deferred tax 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.

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.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, ultimate costs incurred for provisions for decommissioning and restoration, the Group applies SFRS(I)1-12 requirements to the lease liabilities, the provisions for decommissioning and restoration and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

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.

i. Allocation of goodwill

The Group completed the acquisition of the business in Bituminous Products Pty. Ltd. ("BP"), Aromatic Ingredients Pty. Ltd. ("AI"), Pure Ingredients Pty. Ltd. ("PI") through its Ixom sub-group and Eco Management Korea Holdings Co., Ltd. ("EMK") in 2022. In the current year, the Group completed the acquisition of Tan Soon Huat Gas Supply Pte. Ltd. ("TSH") on 1 October 2023 (see Note 48). 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 prior acquisition of the Crystal Assets was allocated to City Energy of the Energy Transition business segment. Goodwill arising from the prior acquisitions of Ixom, Medora, ABP, SCR, BP and PI were solely attributable to Ixom Group of the Distribution & Storage business segment. Goodwill arising from the acquisition of EMK was allocated to One Eco Group of the Environmental Services business segment. Goodwill arising from the acquisition of TSH is solely attributable to City Energy Group of the Energy Transition business segment.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

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. Fair value measurements and valuation process

For the Group's investment in financial assets that are classified under Level 3 of the fair value hierarchy, the valuation is based on models or inputs that are less observable or unobservable in the market and the determination of fair value requires significant judgement. The estimated value does not necessarily represent the amount that may be ultimately realised due to the occurrence of future events which could not be reasonably determined as at the end of the reporting period. The unobservable inputs that required significant judgement have been disclosed in Note 4.

ii. Impairment of non-financial assets and investment in joint ventures

The Group assesses at each reporting date whether there are any indicators of impairment for all non-financial assets and investments in joint ventures, other than goodwill.

Where such indicators exist, the Group makes an estimate of the asset's recoverable amount based on the higher of its fair value less costs of disposal and its value-in-use of the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. In assessing value-in-use, the Group estimates the future cash flows expected from the asset, the growth rate and an appropriate discount rate that reflects current market assessments of the time value of money and the risks specific to the assets in order to calculate the present value of the future cash flows. Impairment losses are recognised in the profit or loss.

The carrying amounts of non-financial assets at the end of the reporting period are disclosed in Notes 10 and 12 while the carrying amounts of investment in joint venture at the end of the reporting period are disclosed in Note 11.

iii. Impairment of goodwill

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 the higher of its fair value less costs of disposal and its value-in-use of the CGUs. In determining fair value less costs of disposal, the calculation is based on available data conducted at arm's length, for similar assets or observable market prices less the incremental costs of disposal of the assets. In assessing value-in-use, this requires the Group to estimate the future cash flows expected from the CGU, the growth rate and an appropriate discount rate that reflects current market assessments of the time value of money and the risks specific to the CGUs 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 9.

iv. Purchase Price Allocation

During the year, the Group completed the acquisition of Tan Soon Huat Gas Supply Pte. Ltd. ("TSH"). In the previous year, the Group completed the acquisition of Eco Management Korea Holdings Co., Ltd. ("EMK"), Bituminous Products Pty. Ltd. ("BP"), Aromatic Ingredients Pty. Ltd. ("AI") and Pure Ingredients Pty Ltd. ("PI").

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, determination of discount rate used for deferred consideration, assessments of the contingent considerations and derivatives embedded. The Group's disclosure of the above is set out in Note 48.

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

a. Categories of Financial Instruments

	GROUP		TRUST	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Financial Assets				
Financial assets at amortised cost	1,191,578	1,311,269	842,652	888,468
Finance lease receivables	50,887	62,687	–	–
Financial assets measured at FVTPL	363,607	362,560	–	–
Derivative instruments:				
Designated in hedge accounting relationships	47,866	84,592	2,597	6,628
Total	1,653,938	1,821,108	845,249	895,096
Financial Liabilities				
Financial liabilities at amortised cost	3,396,132	3,582,470	893,673	1,104,463
Lease liabilities	73,460	81,118	–	–
Derivative instruments:				
Designated in hedge accounting relationships	8,246	5,742	2,233	–
Not designated in hedge accounting relationships	30	22	–	–
Total	3,477,868	3,669,352	895,906	1,104,463

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 and caps, 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, South Korea, 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 Australian dollar ("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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (continued)

b. Financial Risk Management Policies and Objectives (continued)

i. Foreign exchange risk management (continued)

The Group is exposed to currency translation risk on net assets in foreign operations. Currency exposures to the net assets in Australia and South Korea 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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
GROUP				
USD	53,249	55,329	15,835	20,182
AUD	371	3,649	2,148	27,697
JPY	4	5	23	153
NZD	74	37	3,009	401
SGD	6,990	4,037	2,543	11,695
EUR	1,015	2,061	90,162	161
Others	52	221	311	1,347
TRUST				
AUD	–	–	2,101	27,632
USD	–	–	1,000	4,874
EUR	–	–	90,069	–

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	
	2023 \$'000	2022 \$'000
GROUP		
USD	(1,871)	(1,757)
AUD	89	1,202
JPY	1	7
NZD	151	18
SGD	(222)	383
EUR	4,457	(95)
Others	13	55
TRUST		
AUD	105	1,382
USD	50	244
EUR	4,503	–

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.

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.

In prior year, the Group was exposed Singapore Swap Offer Rate (“SOR”) interest rate benchmark within its hedge accounting relationships, which was subject to interest rate benchmark reform (“IBOR”). The exposures arise on derivatives and non-derivative financial assets and liabilities referenced to SOR. The Group has cash flow hedge relationships affected by the interest rate benchmark reform. Certain bank borrowings of the Group were previously hedged in a cash flow hedge using a 1 to 3 months SOR to fixed interest rate swap contract. The Group entered into an equal but offsetting derivative against the original derivative and a new off-market derivative based on SORA plus fixed spread on the same terms as the original derivative (i.e. the fair value on day one of the new SORA derivative was the same as the original SOR derivative). This change was effected as a direct consequence of the reform and on an economically equivalent basis. The Group updated the hedge documentation to include the new derivatives and amended the designated hedged risk to “variability in the cash flows of the bank borrowings resulting from changes in SORA”. The hedge relationship was not discontinued and the accumulated gain in the cash flow hedge reserve is recalculated based on SORA.

All the affected hedged items and hedging instruments have been transitioned to Singapore Overnight Rate Average (“SORA”) in the current year. The hedge documentation has been amended accordingly.

Details of the various derivative financial instruments held by the Group and Trust are disclosed in Note 21. 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				
2023				
Borrowings at floating interest rate	3,113	-	(3,113)	-
Interest rate swaps and caps accounted for under cash flow hedge	-	(7,017)	-	7,017
2022				
Borrowings at floating interest rate	2,607	-	(2,607)	-
Interest rate swaps accounted for under cash flow hedge	-	(8,058)	-	8,058

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 31 December 2023, 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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

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 Group's current credit risk framework comprises the following categories:

Category	Description	Basis for recognising expected 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

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	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
GROUP						
2023						
Trade receivables	20	Performing	Lifetime ECL	256,430	–	256,430
Trade receivables	20	Doubtful	Lifetime ECL	25,817	(3,426)	22,391
Other receivables	20	Performing	12-month ECL	29,697	–	29,697
Service concession receivables	15	Performing	12-month ECL	132,604	–	132,604
Finance lease receivables	16	Performing	Lifetime ECL	50,887	–	50,887
Loan receivables from Joint Venture	13	Performing	12-month ECL	263,677	–	263,677
					(3,426)	
2022						
Trade receivables	20	Performing	Lifetime ECL	286,464	–	286,464
Trade receivables	20	Doubtful	Lifetime ECL	17,080	(3,369)	13,711
Other receivables	20	Performing	12-month ECL	15,301	–	15,301
Service concession receivables	15	Performing	12-month ECL	184,628	–	184,628
Finance lease receivables	16	Performing	Lifetime ECL	62,687	–	62,687
Loan receivables from Joint Venture	13	Performing	12-month ECL	269,724	–	269,724
					(3,369)	
TRUST						
2023						
Other receivables	20	Performing	12-month ECL	13,633	–	13,633
Notes receivables	12	Performing	Lifetime ECL	732,441	(109,301)	623,140
Loan receivables from subsidiaries	14	Performing	12-month ECL	53,640	–	53,640
					(109,301)	
2022						
Other receivables	20	Performing	12-month ECL	11,861	–	11,861
Notes receivables	12	Performing	Lifetime ECL	778,712	(96,155)	682,557
Loan receivables from subsidiaries	14	Performing	12-month ECL	5,715	–	5,715
					(96,155)	

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:

	2023		2022	
	\$'000	%	\$'000	%
GROUP				
<u>By operating segments</u>				
Energy Transition				
– City Energy ¹ (Performing)	44,049	17	41,852	14
– City Energy ¹ (Doubtful)	1,295	1	1,012	1
Distribution & Storage				
– Ixom ² (Performing)	148,218	56	185,516	64
– Ixom ² (Doubtful)	23,749	9	15,139	5
Environment Services				
– EMK (Performing) ²	16,186	6	16,388	6
– EMK (Doubtful) ²	773	–	929	–
Singapore Waste & Water ³ (Performing)	28,355	11	28,172	10
Others (Performing)	30	–	30	–
	262,655	100	289,038	100
<u>By geographic distribution</u>				
Singapore	74,238	28	71,045	25
Australia	108,297	41	132,314	46
New Zealand	51,335	20	50,350	17
South Korea	16,959	6	17,317	6
Others	11,826	5	18,012	6
	262,655	100	289,038	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 24, is an amount of \$45,532,000 (2022: \$41,416,000), which can, subject to certain conditions, be used to set off against the corresponding outstanding receivables when the circumstances warrant.

² The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

³ 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 \$45,532,000 as at 31 December 2023 (2022: \$41,416,000), which can be used to offset the impaired receivables when the circumstances warrant.

Notes to the Financial Statements

For the financial year ended 31 December 2023

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (continued)

b. Financial Risk Management Policies and Objectives (continued)

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.

	Effective interest rate per annum %	Within 1 year \$'000	Within 2 to 5 years \$'000	More than 5 years \$'000	Adjustment \$'000	Total \$'000
GROUP						
2023						
Non-interest bearing	–	346,277	7,386	62,218	–	415,881
Variable interest rate instruments ¹	2.45 – 6.27	118,009	2,137,032	–	(315,006)	1,939,975
Fixed interest rate instruments	2.70 – 17.50	101,128	1,105,910	841,855	(934,410)	1,114,483
		<u>565,414</u>	<u>3,250,328</u>	<u>904,073</u>	<u>(1,249,476)</u>	<u>3,470,339</u>
2022						
Non-interest bearing	–	414,736	–	–	–	414,736
Variable interest rate instruments ¹	2.88 – 8.95	808,249	1,896,354	–	(234,185)	2,470,418
Fixed interest rate instruments	2.90 – 17.50	61,968	689,852	887,935	(861,321)	778,434
		<u>1,284,953</u>	<u>2,586,206</u>	<u>887,935</u>	<u>(1,095,506)</u>	<u>3,663,588</u>
TRUST						
2023						
Non-interest bearing	–	46,673	–	–	–	46,673
Variable interest rate instruments	4.67 – 5.09	19,112	439,222	–	(61,334)	397,000
Fixed interest rate instruments	3.00 – 4.11	16,275	485,666	–	(51,941)	450,000
		<u>82,060</u>	<u>924,888</u>	<u>–</u>	<u>(113,275)</u>	<u>893,673</u>
2022						
Non-interest bearing	–	26,074	–	–	–	26,074
Variable interest rate instruments	3.8	598,367	65,400	–	(34,218)	629,549
Fixed interest rate instruments	3.00 – 4.11	29,475	567,150	–	(147,785)	448,840
		<u>653,916</u>	<u>632,550</u>	<u>–</u>	<u>(182,003)</u>	<u>1,104,463</u>

¹ Included the cash flows on the Group's sustainability-linked loan of \$612.5 million (2022: \$700.0 million) where the loan interest could be reduced when certain carbon-emission targets are met. The interest payments on this sustainability-linked loan takes into consideration the Group's expectation to meet the sustainability-linked performance targets and may change from time to time.

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 per annum %	Within 1 year \$'000	Within 2 to 5 years \$'000	More than 5 years \$'000	Adjustment \$'000	Total \$'000
GROUP						
2023						
Non-interest bearing	-	384,844	5,685	22	-	390,551
Fixed interest rate instruments	1.01 – 15.32	304,071	169,094	549,057	(349,353)	672,869
Variable interest rate instruments	0.02 – 3.65	179,043	-	-	(112)	178,931
		<u>867,958</u>	<u>174,779</u>	<u>549,079</u>	<u>(349,465)</u>	<u>1,242,351</u>
2022						
Non-interest bearing	-	491,478	63	-	-	491,541
Fixed interest rate instruments	0.95 – 15.32	398,249	177,844	515,173	(261,975)	829,291
Variable interest rate instruments	0.22 – 1.29	53,124	-	-	-	53,124
		<u>942,851</u>	<u>177,907</u>	<u>515,173</u>	<u>(261,975)</u>	<u>1,373,956</u>
TRUST						
2023						
Non-interest bearing	-	19,940	-	46,952	-	66,892
Fixed interest rate instruments	6.00 – 17.50	169,518	343,140	1,259,726	(989,140)	783,244
Variable interest rate instruments	4.67	113,827	-	-	(12)	113,815
		<u>303,285</u>	<u>343,140</u>	<u>1,306,678</u>	<u>(989,152)</u>	<u>963,951</u>
2022						
Non-interest bearing	-	15,248	-	-	-	15,248
Fixed interest rate instruments	2.00 – 17.50	237,176	455,007	1,337,772	(1,200,929)	829,026
Variable interest rate instruments	2.00 – 2.37	38,616	5,803	-	(225)	44,194
		<u>291,040</u>	<u>460,810</u>	<u>1,337,772</u>	<u>(1,201,154)</u>	<u>888,468</u>

Notes to the Financial Statements

For the financial year ended 31 December 2023

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (continued)

b. Financial Risk Management Policies and Objectives (continued)

v. Liquidity risk management (continued)

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 instruments 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			
2023			
Net settled:			
Interest rate swaps and caps	-	38,861	-
Foreign currency forward	(1,249)	(237)	-
Commodity swaps	(30)	2,245	-
2022			
Net settled:			
Interest rate swaps	126	78,926	-
Foreign currency forward	1,632	(1,832)	-
Commodity swaps	(22)	-	-
TRUST			
2023			
Net settled:			
Interest rate swaps	-	(335)	-
Foreign currency forward	937	(238)	-
2022			
Net settled:			
Interest rate swaps	-	1,935	-
Foreign currency forward	4,673	-	-

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.

vi. **Fair value of financial assets and financial liabilities**

The following table presents the asset and liabilities measured at fair value.

Financial assets/ financial liabilities	Fair value as at 31 December				Valuation techniques	Fair value hierarchy	Significant unobservable inputs	Sensitivity of unobservable inputs
	2023		2022					
	Assets \$'000	Liabilities \$'000	Assets \$'000	Liabilities \$'000				
GROUP								
Investments in financial assets designated as at FVTPL	363,607	-	362,560	-	Discounted cash flows which include assumptions not supported by observable market data	Level 3	i. Gas volumes above the minimum volume commitment ("non-MVC") ii. Growth rate of tariffs received for non-MVC volumes iii. Discount rate	Note 2
Interest rate swaps and caps	38,861	-	79,051	(1,857)	Note 1	Level 2	N.A.	N.A.
Foreign currency forward	3,554	(5,040)	5,541	(3,885)	Note 1	Level 2	N.A.	N.A.
Commodity swap	2,245	(30)	-	(22)	Note 1	Level 2	N.A.	N.A.
Contingent consideration	-	-	-	-	Estimation of average annual EBITDA not supported by observable market data	Level 3	Forecast of annual EBITDA	N.A.
Purchase commitments for minority interests' shares	-	(17,164)	-	-	Estimation of average annual EBITDA not supported by observable market data	Level 3	i. Forecast of annual EBITDA ii. Discount rate	N.A.

Note 1: 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 values of interest rate swaps and caps are calculated as the present value of the estimated future cash flows.

Note 2: Investment in financial assets designated as at FVTPL mainly refers to the investment in Aramco Gas Pipelines Company ("AGPC"). Quarterly tariff payments received are backed by a minimum volume commitment from Aramco. The discounted cash flows include projection of gas volumes and tariff payments for the non-MVC volumes. The volume projections were provided by an external consultant based on the expected future economic outlook of Saudi Arabia, local policies, supply and demand of oil and gas etc.

Assuming all other variables were held constant, if the following significant unobservable inputs increased/decreased by 1%, the fair value of the investment in AGPC would increase/(decrease) by:

- i. Non-MVC volumes: \$0.32 million / (\$0.44 million)
- ii. Growth rate of tariffs received on non-MVC volumes from Aramco: \$21.0 million / (\$19.1 million)
- iii. Discount rate: (\$22.7 million) / \$25.5 million

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For the financial year ended 31 December 2023

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (continued)

b. Financial Risk Management Policies and Objectives (continued)

i. Assets and liabilities measured at fair value

Financial assets/ financial liabilities	Fair value as at				Valuation technique(s) and key input(s)
	2023		2022		
	Assets \$'000	Liabilities \$'000	Assets \$'000	Liabilities \$'000	
TRUST					
Interest rate swaps	–	(335)	1,954	–	The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at end of each reporting period.
Foreign currency forward	1,670	(970)	4,674	–	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.

There were no transfers between the different levels of the fair value hierarchy during the financial years ended 31 December 2023 and 2022.

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 interests. For the Trust, the Trustee-Manager monitors capital based on ratio of the Trust's net borrowings to total assets.

	GROUP		TRUST	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Net borrowings	2,234,427	2,371,436	550,810	893,439
Total assets	5,617,178	5,962,756	2,368,805	2,762,574
Ratio	40%	40%	23%	32%

There are no externally imposed capital requirements for the financial years ended 31 December 2023 and 2022, other than the loan covenants disclosed in Note 23.

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 Ltd 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	
		2023 \$'000	2022 \$'000
Sale of goods and services	i	156,141	127,632
Purchases of goods and services	i	(352,444)	(338,549)
Operating lease expense	ii	(673)	(1,023)
Interest expense	i	(46,976)	(43,200)
Interest income	i	4,272	3,788
Professional fees	i	3,161	(724)
Trustee-Manager's fees	iii	(56,627)	(48,808)
Distributions paid	iv	(69,598)	(34,817)
Proceeds from issuance of units	v	70,524	–

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 42.

iv. Relates to total distributions paid to a related party during the year that is a substantial unitholder of the Trust.

v. Relates to gross proceeds received from issuance of units to related parties during the equity fund raising exercise completed by KIT in 2023 as disclosed in Note 31.

Notes to the Financial Statements

For the financial year ended 31 December 2023

6. PROPERTY, PLANT AND EQUIPMENT

	Freehold land \$'000	Building and leasehold land \$'000	Power plant \$'000	Other plant and machinery ² \$'000	Computers, vehicles, furniture, fittings and equipment \$'000	Stand-by equipment and assets under construction \$'000	Total \$'000
GROUP							
Cost							
At 1 January 2022	54,651	28,628	1,626,196	424,926	8,183	38,193	2,180,777
Additions	–	–	16,840	10,668	1,742	10,233	39,483
Acquisition of subsidiaries (Note 48)	87,443	29,718	–	144,117	4,201	7,371	272,850
Written off	–	–	–	(6)	(333)	–	(339)
Disposals	–	–	–	(1,378)	(83)	–	(1,461)
Disposal of a subsidiary	–	(1,078)	–	(3,827)	–	–	(4,905)
Currency translation differences	(5,458)	(1,945)	–	(25,583)	(111)	(1,436)	(34,533)
Reclassification (Note 9)	–	–	–	12,840	24	(11,342)	1,522
Finalisation of purchase price allocation ¹ (Note 8)	–	(10,555)	–	–	–	–	(10,555)
At 31 December 2022 (Reclassified)	136,636	44,768	1,643,036	561,757	13,623	43,019	2,442,839
Additions	–	821	–	19,449	2,622	28,839	51,731
Acquisition of subsidiaries (Note 48)	–	–	–	1,287	4,315	–	5,620
Written off	–	(373)	–	(2,239)	(363)	(9)	(2,984)
Disposals	–	(38)	–	(3,390)	(871)	–	(4,299)
Currency translation differences	(2,429)	(2,628)	–	(14,733)	958	(1,448)	(20,280)
Reclassification (Note 8 and 9)	–	618	–	15,169	20	(18,617)	(2,810)
At 31 December 2023	134,207	43,168	1,643,036	577,300	20,304	51,784	2,469,799
Accumulated depreciation and impairment:							
At 1 January 2022	–	9,061	470,123	195,306	7,386	–	681,876
Depreciation charge	–	1,410	76,619	37,741	685	–	116,455
Written off	–	–	–	(6)	(333)	–	(339)
Disposals	–	–	–	(403)	(83)	–	(486)
Disposal of a subsidiary	–	(679)	–	(3,645)	–	–	(4,324)
Currency translation differences	–	(668)	–	(7,209)	(5)	–	(7,882)
At 31 December 2022 (Reclassified)	–	9,124	546,742	221,784	7,650	–	785,300
Depreciation charge	–	1,875	76,947	47,433	2,601	–	128,856
Acquisition of subsidiaries (Note 48)	–	–	–	462	18	–	480
Written off	–	(94)	–	(821)	(297)	–	(1,212)
Disposals	–	(24)	–	(2,268)	(730)	–	(3,022)
Currency translation differences	–	(1,738)	–	(6,050)	1,164	–	(6,624)
Reclassification (Note 8)	–	16	–	–	–	–	16
At 31 December 2023	–	9,159	623,689	260,540	10,406	–	903,794
Carrying amount:							
At 31 December 2022	136,636	35,644	1,096,294	339,973	5,973	43,019	1,657,539
At 31 December 2023	134,207	34,009	1,019,347	316,760	9,898	51,784	1,566,005

¹ In 2022, included in this category are two pieces of land with net carrying amount of \$10,200,000 which are leased to collect rental income. The addition of these land was part of the business combination in relation to the acquisition of EMK during 2022. The two pieces of lands are carried at cost less accumulated depreciation and have a useful life of 10 years. Prior year's figures were restated subsequent to the finalisation of purchase price allocation exercise for the acquisition of EMK, and the Group has reclassified the net carrying amount from Property, plant and equipment to Investment properties (Note 8).

² Included in this category is a carrying amount of \$4,733,000 (2022: \$4,414,000) which pertains to plant and machinery under the Energy Transition business segment with useful lives ranging from 14 to 25 years.

Certain property, plant and equipment with carrying amount of \$297,470,000 (2022: \$317,980,000) are pledged as security for borrowings (Note 23).

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 60 years (2022: 3 to 60 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 \$7,507,000 (2022: \$11,334,000) in 2023.

	Land, buildings, office, warehouse and retail space \$'000	Computers, vehicles, furniture, fittings and equipment \$'000	Total \$'000
GROUP			
Cost:			
At 1 January 2022	102,731	38,717	141,448
Acquisition of subsidiaries (Note 48)	3,515	920	4,435
Disposal of a subsidiary	(385)	(375)	(760)
Additions	3,679	7,655	11,334
Termination and retirement	(558)	(3,488)	(4,046)
Currency translation differences	(3,854)	(1,985)	(5,839)
	105,128	41,444	146,572
At 31 December 2022	105,128	41,444	146,572
Acquisition of subsidiaries (Note 48)	1,422	–	1,422
Additions	5,615	1,892	7,507
Termination and retirement	(1,810)	(5,785)	(7,595)
Currency translation differences	(2,852)	(1,203)	(4,055)
At 31 December 2023	107,503	36,348	143,851
Accumulated depreciation:			
At 1 January 2022	23,052	15,314	38,366
Disposal of a subsidiary	(34)	(20)	(54)
Depreciation charge	8,622	6,065	14,687
Termination and retirement	(476)	(3,473)	(3,949)
Currency translation differences	(1,161)	(1,037)	(2,198)
	30,003	16,849	46,852
At 31 December 2022	30,003	16,849	46,852
Depreciation charge	9,285	6,607	15,892
Termination and retirement	(1,788)	(5,448)	(7,236)
Currency translation differences	(1,044)	(709)	(1,753)
At 31 December 2023	36,456	17,299	53,755
Carrying amount:			
At 31 December 2022	75,125	24,595	99,720
At 31 December 2023	71,047	19,049	90,096

Certain right-of-use assets with carrying amount of \$46,184,000 (2022: \$54,162,000) are pledged as security for borrowings (Note 23).

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For the financial year ended 31 December 2023

8. INVESTMENT PROPERTIES

	GROUP	
	2023 \$'000	2022 \$'000 Reclassified
Cost:		
At 1 January	10,220	–
Finalisation of purchase price allocation (Note 6)	–	10,555
Disposals	(7,545)	–
Reclassification (Note 6)	(138)	–
Currency translation differences	(71)	(335)
At 31 December	2,466	10,220
Accumulated Depreciation:		
At 1 January	20	–
Depreciation charge	73	20
Disposals	(59)	–
Reclassification (Note 6)	(16)	–
At 31 December	18	20
Carrying amount:		
At 31 December	2,448	10,200

The property rental income earned by the group from its investment properties, all of which is leased out under operating leases, amounted to \$68,000 (2022: \$23,000). Direct operating expenses arising on the investment property, all of which generated rental income in the year, amounted to \$73,000 (2022: \$21,000).

As at 31 December 2023, there were no investment properties (2022: Nil) pledged as security for borrowings.

The investment properties held by the Group as at 31 December 2023 are as follows:

Location	Existing use	Tenure	Unexpired lease term
Wonsi-dong, Ansan-si, Gyeonggi-do, Korea	Factory	Leasehold	Disposed in FY2023
Seokpo-ri, Hwaseong-si, Gyeonggi-do, Korea	Factory	Leasehold	0.2 years

9. INTANGIBLES

	GROUP	
	2023 \$'000	2022 \$'000
Goodwill arising on consolidation	1,135,727	1,145,221
Concession arrangements	10,261	13,520
Customer contracts and relationships	337,361	391,605
Software	12,681	8,264
	360,303	413,389
	1,496,030	1,558,610

Movements during the year are as follow:

	Goodwill \$'000	Concession arrangements \$'000	Customer contracts and relationships \$'000	Software \$'000	Total \$'000
Cost:					
At 1 January 2022	826,775	38,234	235,884	18,083	1,118,976
Acquisition of subsidiaries (Note 48)	354,279	-	359,763	465	714,507
Additions	-	-	-	4,939	4,939
Reclassification (Note 6)	-	-	-	(1,522)	(1,522)
Currency translation differences	(35,833)	-	(14,195)	(1,195)	(51,223)
At 31 December 2022	1,145,221	38,234	581,452	20,770	1,785,677
Acquisition of subsidiaries (Note 48)	12,076	-	3,450	-	15,526
Additions	-	-	-	2,979	2,979
Reclassification (Note 6)	-	-	-	2,948	2,948
Written-off	-	-	-	(7)	(7)
Currency translation differences	(21,570)	-	(4,269)	(809)	(26,648)
At 31 December 2023	1,135,727	38,234	580,633	25,881	1,780,475
Accumulated amortisation and impairment:					
At 1 January 2022	-	21,455	172,386	12,042	205,883
Amortisation	-	3,259	21,064	1,199	25,522
Currency translation differences	-	-	(3,603)	(735)	(4,338)
At 31 December 2022	-	24,714	189,847	12,506	227,067
Amortisation	-	3,259	55,841	1,206	60,306
Written-off	-	-	-	(2)	(2)
Currency translation differences	-	-	(2,416)	(510)	(2,926)
At 31 December 2023	-	27,973	243,272	13,200	284,445
Carrying amount:					
At 31 December 2022	1,145,221	13,520	391,605	8,264	1,558,610
At 31 December 2023	1,135,727	10,261	337,361	12,681	1,496,030

Certain intangibles with carrying amount of \$494,882,000 (2022: \$532,747,000) are pledged as security for borrowings (Note 23).

Notes to the Financial Statements

For the financial year ended 31 December 2023

9. INTANGIBLES (continued)

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: Energy Transition, Distribution & Storage and Environmental Services. Based on the relative fair value approach, the goodwill arising from the Crystal Assets Acquisition and Ixom Acquisition was allocated to the Energy Transition and Distribution & Storage business segments respectively.

In 2022, the Trust, through its Ixom sub-group, acquired Bituminous Products Holdings Pty. Ltd. (“Bituminous Products”), which is one of Australia’s leading manufacturers and suppliers of bitumen-based and associated products for road surfacing and general industrial use. The Trust, through its subsidiary One Eco Co., Ltd., also acquired Eco Management Korea Holdings Co., Ltd. (“EMK”), whose principal activities include waste treatment and recycling and waste-to-energy services.

During the year, the Trust, through its City Energy sub-group, completed the acquisition of a 51% stake in Tan Soon Huat Gas Supply Pte. Ltd. (“TSH”), the second largest Liquefied Petroleum Gas (“LPG”) cylinder distributor to residential, commercial and industrial customers in Singapore, as disclosed in Note 48.

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			
2023			
Environmental services:			
EMK	304,487	1.0	9.1
Energy Transition:			
City Energy	391,573	1.8	8.0
Distribution & Storage:			
Ixom	439,668	2.5	11.9
2022			
Environmental services:			
EMK	305,366	1.0	10.1
Energy Transition:			
City Energy	379,497	1.8	8.0
Distribution & Storage:			
Ixom	460,358	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 the higher of fair value less costs of disposal (“FVLCD”) and its value-in-use of the CGUs. Based on the impairment assessment, FVLCD method is adopted for EMK while value-in-use method is adopted for City Energy and Ixom.

In assessing fair value less costs of disposal, the Group adopts the Income approach in the valuation of the fair value of the CGU. There is use of a discounted cash flow which incorporates the capacity expansion and business optimisation strategies of EMK and use of estimated pre-tax discount rates that reflect current market assessments of the time value of money and the risks specific to EMK. The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the Trustee-Manager based on a period of more than five years for EMK on the basis that its main landfill business has a finite useful life that will end in more than five years after the end of the current reporting period.

In assessing value-in-use, the key assumptions in the 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 City Energy and Ixom. 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 and for a period of more than five years for City Energy as it is currently the sole producer and retailer of town gas.

Sensitivity analysis

Based on the recoverable amount 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 recoverable amount as follows:

	2023		2022	
	Increase	Decrease	Increase	Decrease
Environmental services:				
EMK	(79,666)	101,618	(62,017)	75,829
Energy Transition:				
City Energy	(112,061)	155,354	(105,885)	146,724
Distribution & Storage:				
Ixom	(197,206)	258,047	(191,265)	250,498

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, except for EMK and Bituminous Products (CGU under Ixom) which are sensitive to a reasonably change in discount rate. A reasonably possible change in the discount rate of 1.0% would result in the carrying value of both EMK and Bituminous Products exceeding the recoverable amount.

The continued profitability and growth of the Bituminous Products business is dependent on retained client revenue and future growth from its products deployed to its respective markets. If either of these factors are unsuccessful or delayed, it could result in the carrying value of the Bituminous Products CGU exceeding its recoverable amount.

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 0.67 to 10.84 years (2022: 1.67 to 11.84 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 years (2022: 1 to 26 years).

10. INVESTMENT IN SUBSIDIARIES

	TRUST	
	2023 \$'000	2022 \$'000
Investments, at cost	1,651,151	1,627,675
Advances to subsidiaries	645,123	902,845
Less: Allowance for impairment	(772,734)	(660,638)
	1,523,540	1,869,882
Movement in allowance account:		
Beginning of year	660,638	580,457
Charge for the year	112,096	80,181
End of year	772,734	660,638

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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

10. INVESTMENT IN SUBSIDIARIES (continued)

Details of the Group's significant subsidiaries and information about the composition of the Group 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	
		2023 %	2022 %
City Energy Pte. Ltd. ^{1a,2}	Trustee of City Energy Trust (Singapore)	100	100
City Energy Trust ^{1a}	Production and retail of town gas, retail of natural gas and sales of gas appliances (Singapore)	100	100
City-OG Gas Energy Services Pte. Ltd. ^{1a,2}	Retailing of natural gas and related activities (Singapore)	51	51
City Energy Go Pte. Ltd. ^{1a}	Sale of electricity to users of electric vehicles at charging stations (Singapore)	100	100
Sun City Energy Pte. Ltd. ^{1a,2}	Generation of electricity by other sources (Singapore)	100	–
City Energy (LPG) Pte. Ltd. ^{1a}	Manufacture of gas; distribution of gaseous fuels through mains (Singapore)	100	–
TSH Gas Pte. Ltd. ^{1a}	Manufacture of gas; distribution of gaseous fuels through mains (Singapore)	51	–
SingSpring Pte. Ltd. ^{1a,2}	Trustee of SingSpring Trust (Singapore)	100	100
SingSpring Trust ^{1a}	Operation of a seawater desalination plant (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,2}	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 NWater Development Co Pte. Ltd. ^{1a,2}	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,2}	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
CityLink Investments Pte. Ltd. ^{1a,2}	Investment holding (Singapore)	100	100
Ix Holdings Pte. Ltd. ^{1a,2}	Investment holding (Singapore)	100	100
Bay Terminal Holdings Pte. Ltd. ^{1a,2}	Investment holding (Singapore)	100	100
Bay Terminal Infrastructure Pte. Ltd. ^{1a,2}	Investment holding (Singapore)	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 specialty 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
Australian Botanical Products Pty Ltd ^{1b}	Supply of essential oils, carrier oils, raw materials and fragrances (Australia)	100	100
Sydney Essential Oil Co Pty Ltd ^{1b}	Dormant (Australia)	100	100
Bronson And Jacobs (S.E. Asia) Pte Limited ²	Supply and distribution of water treatment chemicals, industrial and specialty chemicals (Singapore)	100	100
PT Bronson & Jacobs Indonesia ²	Supply and distribution of water treatment chemicals, industrial and specialty chemicals (Indonesia)	100	100

Name of subsidiaries	Principal activities (Country of incorporation or residence)	Proportion of ownership interest and voting power held	
		2023 %	2022 %
Bronson & Jacobs (Malaysia) Sdn Bhd ^{^2}	Supply and distribution of water treatment chemicals, industrial and specialty chemicals (Malaysia)	100	100
Bronson & Jacobs International Company Ltd ^{^2,4}	Supply and distribution of water treatment chemicals, industrial and specialty chemicals (Thailand)	49	49
Miex UK Limited ^{^2}	Sale of water treatment infrastructure and facilities and related services (UK)	100	100
Ixom Watercare Inc ^{^2}	Sale of water treatment infrastructure and facilities and related services (USA)	100	100
Ixom Finance New Zealand Limited ^{^2}	Provision of financial and treasury services (New Zealand)	100	100
Ixom Chemicals Trading Agency (Beijing) Co. Ltd ^{^2}	Supply and distribution of water treatment chemicals, industrial and specialty chemicals (China)	100	100
Bituminous Products Holdings Pty Ltd ^{^1b}	Investment holding (Australia)	100	100
Bituminous Products Pty Ltd ^{^1b}	Supply of bitumen-based products and associated products for road surfacing and general industrial use (Australia)	100	100
Bay Philippines Holdings Corporation ^{1d}	Investment holding (Philippines)	100	100
Saturn1 Infrastructure Holdings Pte. Ltd. ^{1a,2}	Investment holding (Singapore)	100	100
Windy EU Holdings Pte. Ltd. ^{1a,2}	Investment holding (Singapore)	82	82
Neptune1 Infrastructure Holdings Pte. Ltd. ^{1a}	Investment holding (Singapore)	82	82
One Eco Co., Ltd. ^{1c}	Investment holding (South Korea)	52	52
Eco Management Korea Holdings Co., Ltd. ^{#1c}	Investment holding (South Korea)	52	52
Korea Environmental Development Co., Ltd. ^{#1c}	Collection and treatment of waste and sale of steam from waste incineration (South Korea)	52	52
Vinotec Co., Ltd. ^{#1c}	Collection and treatment of solid waste and sale of by-products (hot water and electricity) from waste incineration (South Korea)	52	52
EMK SeungKyung Co., Ltd. ^{#1c}	Collection and treatment of waste and sale of steam from waste incineration (South Korea)	52	52
Dana Energy Solution Co., Ltd. ^{#1c}	Collection and treatment of waste and sale of steam from waste incineration (South Korea)	52	52
Green Energy Co., Ltd. ^{#1c}	Production and sale of refined oil (South Korea)	52	52
EMK Ulsan Co., Ltd. ^{#1c}	Disposal of liquid waste and solidification of scattering materials (South Korea)	52	52
Top Eco Co., Ltd. ^{#1c}	Disposal of liquid waste and production of wasted derived fuel (South Korea)	52	52
KD Environment Co., Ltd. ^{#1c}	Operation of waste landfills (South Korea)	52	52
Sunny Infra Holdings Pte. Ltd. ^{2,3}	Investment holding (Singapore)	100	–
Radiant Infra Holdings Pte. Ltd. ^{2,3}	Investment holding (Singapore)	100	–

[^] Collectively known as Ixom.

[#] Collectively known as Eco Management Korea (“EMK”).

^{1a} Audited by Deloitte & Touche LLP, Singapore.

^{1b} Audited by Deloitte Touche Tohmatsu, Australia for the Group’s consolidation purpose.

^{1c} Audited by KPMG Samjong Accounting Corp., South Korea.

^{1d} Audited by EY SGV & Co., Philippines

² Not material for the Group’s consolidation purpose.

³ Incorporated 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.

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For the financial year ended 31 December 2023

10. INVESTMENT IN SUBSIDIARIES (continued)

Disposal of subsidiaries

In prior year, the Trust, through its Ixom sub-group, completed the divestment of Central Pacific Chemicals Ltd on 31 January 2022. The book value of the net assets of the subsidiaries disposed were as follows:

	\$'000
Property, plant and equipment	(581)
Right-of-use assets	(706)
Deferred tax assets	(243)
Inventories	(375)
Financial assets	(807)
Financial liabilities	34
Lease liabilities	713
Provisions	186
Net assets derecognised	(1,779)
Consideration received	2,351
Foreign currency translation reserves realised	(113)
Gain on disposal	459
Net cash inflow on disposal:	
Cash consideration	2,351
Transaction cost	(60)
Less: Cash and cash equivalents disposed of	(205)
	2,086

Interest in subsidiaries with material non-controlling interests ("NCI")

The Group has the following subsidiaries that have NCI that are material to the Group.

Name of subsidiaries	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by NCI	
		2023 %	2022 %
Keppel Merlimau Cogen Pte. Ltd.	Singapore	49	49
Neptune1 Infrastructure Holdings Pte. Ltd.	Singapore	18	18
One Eco Co., Ltd.*	South Korea	48	48
TSH Gas Pte. Ltd.	Singapore	49	-

* This represents the consolidated One Eco Co., Ltd. and its subsidiaries.

Summarised financial information of subsidiaries with material NCI

Summarised financial information and consolidation adjustments but before intragroup eliminations are as follows:

Keppel Merlimau Cogen Pte. Ltd.

Summarised statement of financial position

	2023 \$'000	2022 \$'000
Current assets	104,366	160,331
Current liabilities	(163,322)	(212,322)
Net current liabilities	(58,956)	(51,991)
Non-current assets	1,213,236	1,311,987
Non-current liabilities	(1,253,966)	(1,257,053)
Net non-current (liabilities)/assets	(40,730)	54,934
Net (liabilities)/assets	(99,686)	2,943
Equity attributable to unitholders of the Trust	(56,559)	4,889
NCI	(43,127)	(1,946)

Summarised statement of profit or loss and other comprehensive income

	2023 \$'000	2022 \$'000
Revenue	130,943	132,226
Loss before tax	(84,105)	(71,486)
Income tax credit	6,101	2,140
Loss for the year	(78,004)	(69,346)
Loss attributable to unitholders of the Trust	(38,505)	(34,090)
Loss attributable to NCI	(39,499)	(35,256)
Loss for the year	(78,004)	(69,346)
Other comprehensive (loss)/income attributable to unitholders of the Trust	(12,559)	16,419
Other comprehensive (loss)/income attributable to NCI	(12,066)	15,776
Other comprehensive (loss)/income for the year	(24,625)	32,195
Total comprehensive loss attributable to unitholders of the Trust	(51,064)	(17,671)
Total comprehensive loss to NCI	(51,565)	(19,480)
Total comprehensive loss for the year	(102,629)	(37,151)
Other summarised information		
Net cash (used in)/from operating activities	(56,671)	17,841

Notes to the Financial Statements

For the financial year ended 31 December 2023

10. INVESTMENT IN SUBSIDIARIES (continued)

Summarised financial information of subsidiaries with material NCI (continued)

Neptune1 Infrastructure Holdings Pte. Ltd.

Summarised statement of financial position

	2023 \$'000	2022 \$'000
Current assets	7,279	15,496
Current liabilities	(16)	(2,640)
Net current assets	7,263	12,856
Non-current assets	453,940	429,699
Non-current liabilities	–	–
Net non-current assets	453,940	429,699
Net assets	461,203	442,555
Equity attributable to unitholders of the Trust	378,186	362,895
NCI	83,017	79,660

Summarised statement of profit or loss and other comprehensive income

	Year ended 31 December 2023 \$'000	For the period from 22 December 2022 to 31 December 2022 \$'000
Revenue	–	–
Share of results in a joint venture	19,602	1,132
Profit before tax	37,667	1,664
Income tax expense	–	–
Profit for the year	37,667	1,664
Profit attributable to unitholders of the Trust	30,887	1,364
Profit attributable to NCI	6,780	300
Profit for the year	37,667	1,664
Other comprehensive income/(loss) attributable to unitholders of the Trust	11,051	(1,474)
Other comprehensive income/(loss) attributable to NCI	2,426	(324)
Other comprehensive income/(loss) for the year	13,477	(1,798)
Total comprehensive income/(loss) attributable to unitholders of the Trust	41,938	(110)
Total comprehensive income/(loss) attributable to NCI	9,206	(24)
Total comprehensive income/(loss) for the year	51,144	(134)
Other summarised information		
Net cash (used in)/from operating activities	(3,389)	2,551

One Eco Co., Ltd.

Summarised group statement of financial position

	2023 \$'000	2022 \$'000
Current assets	79,129	50,673
Current liabilities	(21,054)	(23,781)
Net current assets	58,075	26,892
Non-current assets	824,881	880,620
Non-current liabilities	(417,545)	(410,542)
Net non-current assets	407,336	470,078
Net assets	465,411	496,970
Equity attributable to unitholders of the Trust	242,014	258,424
NCI	223,397	238,546

Summarised group statement of profit or loss and other comprehensive income

	Year ended 31 December 2023 \$'000	For the period from 20 October 2022 to 31 December 2022 \$'000
Revenue	125,744	20,766
Loss before tax	(35,852)	(7,118)
Income tax credit	8,670	4,884
Loss for the year	(27,182)	(2,234)
Loss attributable to unitholders of the Trust	(14,135)	(1,162)
Loss attributable to NCI	(13,047)	(1,072)
Loss for the year	(27,182)	(2,234)
Other comprehensive loss attributable to unitholders of the Trust	(714)	(6,491)
Other comprehensive loss attributable to NCI	(659)	(5,991)
Other comprehensive loss for the year	(1,373)	(12,482)
Total comprehensive loss attributable to unitholders of the Trust	(14,849)	(7,653)
Total comprehensive loss attributable to NCI	(13,706)	(7,063)
Total comprehensive loss for the year	(28,555)	(14,716)
Other summarised information		
Net cash from operating activities	17,396	4,545

There are no significant restrictions on the ability of the group to access or use assets and settle liabilities.

Notes to the Financial Statements

For the financial year ended 31 December 2023

10. INVESTMENT IN SUBSIDIARIES (continued)**Summarised financial information of subsidiaries with material NCI** (continued)**TSH Gas Pte. Ltd.***Summarised statement of financial position*

	2023 \$'000
Current assets	9,268
Current liabilities	(8,568)
Net current assets	700
Non-current assets	35,835
Non-current liabilities	(14,451)
Net non-current assets	21,384
Net assets	22,084
Equity attributable to unitholders of the Trust	11,263
NCI	10,821

Summarised statement of profit or loss and other comprehensive income

	For the period from 1 October 2023 to 31 December 2023 \$'000
Revenue	4,457
Profit before tax	201
Income tax expense	–
Profit for the year	201
Profit attributable to unitholders of the Trust	103
Profit attributable to NCI	98
Profit for the year	201
Other comprehensive income attributable to unitholders of the Trust	–
Other comprehensive income attributable to NCI	–
Other comprehensive income for the year	–
Total comprehensive income attributable to unitholders of the Trust	103
Total comprehensive income attributable to NCI	98
Total comprehensive income for the year	201
Other summarised information	
Net cash from operating activities	422

Impairment testing of investment in subsidiaries

During the year, the Trustee-Manager performed an impairment assessment for the Trust's investments in its subsidiaries. Allowances for impairment was recognised for the following subsidiaries:

SingSpring Trust, Senoko Trust, Ulu Pandan Trust and Tuas DBOO Trust ("subtrusts") and Keppel Merlimau Cogen Pte. Ltd. ("KMC")

On 18 May 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 30 June 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.

On 30 June 2022, the Trust acquired the remaining 30% equity stake in SingSpring Trust ("SST") which owns SingSpring Desalination Plant. The total purchase consideration was \$12 million, of which \$3 million of QPDS previously held by non-controlling interests was purchased.

On 31 December 2023, the QPDS of Ulu Pandan Trust matured and was redeemed at 100% of the principal amount. Upon maturity, the principal QPDS of \$46.2 million and allowance for impairment on the QPDS of \$26.3 million were transferred to the cost of investment and allowance for impairment respectively for the Trust's investment in Ulu Pandan Trust.

The service concessions of the subtrusts (Note 15) 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.

Bay Terminal Holdings Pte. Ltd. ("BTH")

On 29 January 2021, the Trust completed the acquisition of 50% equity stake in the Philippine Coastal Storage & Pipeline Corporation Group ("Philippine Coastal") which is directly held by its wholly owned subsidiary Bay Philippines Holdings Corporation ("BPH"). BPH's intermediate holding parent companies are Bay Terminal Infrastructure Pte. Ltd. ("BTI") and Bay Terminal Holdings Pte. Ltd. ("BTH"), in which BTH is the holding company directly held by the Trust. The Trust paid a total consideration of approximately \$202.1 million (inclusive of capitalised transaction costs) through advances lent to BTH.

One Eco Co., Ltd. ("One Eco")

On 20 October 2022, the Trust acquired a 52% equity stake in Eco Management Korea Holdings Co., Ltd. ("EMK") through its subsidiary One Eco Co., Ltd. in South Korea. The Trust injected a total purchase consideration of \$278.0 million (inclusive of capitalised transaction costs) into One Eco via new issue of 29,120 ordinary shares and 249,860 redeemable preference shares for acquisition.

Based on the impairment assessments performed on the costs of investment in subsidiaries against their recoverable amounts, allowances for impairment of \$8.7 million (2022: \$26.6 million), \$6.1 million (2022: \$16.1 million), \$8.2 million (2022: Nil), \$27.9 million (2022: Nil) \$34.9 million (2022: Nil) were recognised in profit or loss for the investments in SingSpring Trust, Tuas DBOO Trust, Ulu Pandan Trust, BTH and One Eco respectively. No allowance for impairment (2022: \$37.4 million) were recognised in profit or loss for the investments in KMC during the year.

The recoverable amount was determined based on the higher of its fair value less costs of disposal ("FVLCD") and its value-in-use of the asset. Value-in-use method was adopted for the impairment assessments of all the subtrusts and BTH and FVLCD method was adopted for the impairment assessment of KMC and One Eco.

In assessing the fair value less costs of disposal of KMC and One Eco, the Trustee-Manager uses the income approach in the valuation of the fair value of the assets and the fair value measurement is categorised under Level 3 in the Fair value hierarchy. Discounted cash flows are computed for both assets, which incorporated specific operating characteristics of the assets and use of estimated pre-tax discount rates that reflect current market assessments of the time value of money and the risks specific to KMC and One Eco. For KMC, there was inclusion of the life extension capital expenditure to extend the operating life of KMC to fulfil its contracted capacity in its discounted cash flows. The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the Trustee-Manager covering a period of 22.0 years (2022: 18.5 years) for KMC and the discount rates used were 6.0% (2022: 6.2%) per annum. The cash flow forecasts for One Eco covered a period of 8.0 years (2022: Nil) on the basis that its main landfill business has a finite useful life that will end in more than five years after the end of the current reporting period and the discount rates used were 9.1% per annum (2022: Nil).

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10. INVESTMENT IN SUBSIDIARIES (continued)

Impairment testing of investment in subsidiaries (continued)

In assessing value-in-use, the key assumptions for the 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 subtrusters. The growth rates of 2.0% (2022: 2.0%) per annum used for subtrusters 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 1.0 to 11.25 years (2022: 1.67 to 11.84 years) for the subtrusters and a period of 35.0 years (2022: Nil) for BTH. The discount rates used were 6.5% (2022: 5.8%) per annum for SingSpring Trust, 5.9% (2022: 6.2%) per annum for Tuas DBOO Trust, 6.9% per annum for Senoko Trust (2022: 6.2%), 7.0% per annum for Ulu Pandan Trust (2022: 6.2%) and range of 10.6% to 12.4% per annum for BTH (2022: Nil).

Sensitivity analysis

Based on the recoverable amounts 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 recoverable amounts as follows:

	2023		2022	
	Increase \$'000	Decrease \$'000	Increase \$'000	Decrease \$'000
SingSpring Trust	(352)	360	(681)	770
Senoko Trust	(187)	190	(747)	763
Ulu Pandan Trust	(133)	137	(314)	325
Tuas DBOO Trust	(3,906)	4,213	(4,585)	4,969
Bay Terminal Holdings Pte. Ltd.	(26,068)	30,078	-	-
Keppel Merlimau Cogen Pte. Ltd.	(34,146)	37,864	(76,863)	85,932
One Eco., Co. Ltd.	(41,426)	52,842	-	-

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	
		2023	2022
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	7	5
Production and retail of town gas, retail of natural gas and sales of gas appliances	Singapore	1	1
Supply and distribution of water treatment chemicals, industrial and specialty chemicals	Singapore	1	1
Sale of electricity to users of electric vehicles at charging stations	Singapore	1	1
Trustee	Singapore	5	5
Operation of a seawater desalination plant	Singapore	1	1
Generation of electricity by other sources	Singapore	1	-
Manufacture of gas; distribution of gaseous fuels through mains	Singapore	1	-
Provision of financial and treasury services	Australia	1	1
Investment holding	Australia	7	7
Supply of essential oils, carrier oils, raw materials and fragrances	Australia	1	1
Dormant	Australia	1	1
Supply and distribution of water treatment chemicals, industrial and specialty chemicals	Australia	1	1
Supply of bitumen-based products and associated products	Australia	1	1
Supply and distribution of water treatment chemicals, industrial and specialty chemicals	China	1	1
Supply and distribution of water treatment chemicals, industrial and specialty chemicals	Indonesia	1	1
Supply and distribution of water treatment chemicals, industrial and specialty chemicals	Malaysia	1	1
Investment holding	Philippines	1	1
Provision of financial and treasury services	New Zealand	1	1
Sale of water treatment infrastructure and facilities and related services	United Kingdom	1	1
Sale of water treatment infrastructure and facilities and related services	United States of America	1	1
		40	36

Principal activity	Place of incorporation and operation	Number of non-wholly owned subsidiaries	
		2023	2022
Tolling arrangement for a power plant	Singapore	1	1
Retailing of natural gas and related activities	Singapore	1	1
Manufacture of gas; distribution of gaseous fuels through mains	Singapore	1	–
Investment holding	Singapore	2	2
Supply and distribution of water treatment chemicals, industrial and specialty chemicals	Thailand	1	1
Investment holding	South Korea	2	2
Collection and treatment of waste and sale of steam from waste incineration	South Korea	3	3
Collection and treatment of solid waste and sale of by-products (hot water and electricity) from waste incineration	South Korea	1	1
Disposal of liquid waste and solidification of scattering materials	South Korea	1	1
Disposal of liquid waste and production of wasted derived fuel	South Korea	1	1
Production and sale of refined oil	South Korea	1	1
Operation of waste landfills	South Korea	1	1
		16	15

11. INVESTMENT IN JOINT VENTURE

	GROUP	
	2023 \$'000	2022 \$'000
Cost of investment in joint venture	470,050	457,170
Share of post-acquisition profit, net of distributions received	(40,586)	(68,347)
Share of reserves	1,217	5,664
Currency translation differences	9,422	4,983
	440,103	399,470

Details of the Group's joint venture at the end of financial year is as follows:

Name of joint venture	Principal activities (Country of incorporation or residence)	Proportion of ownership interest and voting rights held by the Group	
		2023 %	2022 %
KM Infrastructure Holdings, Inc. ¹	Investment holding (Philippines)	50	50
Razor Crest Storage Infrastructure Holdings Corporation ¹	Investment holding (Philippines)	50	50
Hyperion Storage Holdings Corporation ¹	Investment holding (Philippines)	50	50
Philippine Tank Storage International (Holdings) Inc. ("PTSI") ¹	Investment holding (Philippines)	50	50
Philippine Coastal Storage & Pipeline Coastal ¹	Petroleum products import storage facility (Philippines)	50	50
Wind Fund I AS ^{2,4}	Investment Holding (Norway)	33.33	33.33
Borkum Riffgrund 2 Investor Holding GmbH ^{3,5}	Investment Holding (Germany)	50.01	50.01

¹ Audited by SyCip Gorres Velayo & Co.

² Audited by KPMG Norway.

³ Audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft.

⁴ Held by non-wholly owned subsidiary, Windy EU Holdings Pte. Ltd.

⁵ Held by non-wholly owned subsidiary, Neptune 1 Infrastructure Holdings Pte. Ltd.

The above joint venture is accounted for using the equity method in these consolidated financial statements as set out in the Group's accounting policies in Note 2.

On 8 September 2022, Windy EU Holdings Pte. Ltd, together with its co-investment partners Kommunal Landspensjonskasse and MEAG MUNICH ERGO AssetManagement GmbH, through Wind Fund I AS, completed the acquisition of a 49% stake in onshore wind platforms in Norway and Sweden from Fred. Olsen Renewables. The initial investment is for 258MW of operating projects, with 1.3GW of pipeline potential across the Nordics and UK. Windy EU Holdings Pte. Ltd invested amount for the initial investment is approximately S\$82.1 million (EUR58.6 million).

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11. INVESTMENT IN JOINT VENTURE (continued)

On 22 December 2022, Neptune1 Infrastructure Holdings Pte. Ltd., completed the acquisition of 50.01% interest in Borkum Riffgrund 2 Investor Holding GmbH (BKR2) which, together with Ørsted Wind Power A/S, holds the investment in an operating 465MW German offshore wind farm. The total purchase consideration is approximately S\$427.5 million (EUR305 million) which was for the acquisition of the shares in BKR2 of approximately S\$156.9 million (EUR110.3 million), together with shareholder loan (Note 13) and interest receivable of approximately S\$270.8 million (EUR190.5 million) and S\$6 million (EUR4.2 million) respectively.

In May 2023, Windy EU Holdings committed a purchase consideration of approximately S\$6.9 million (EUR4.7 million) for a 16.3% stake in Fäbodliden II, a 17MW Swedish onshore wind farm. The investment is part of the deal where KIT and Keppel Renewable Investments Pte. Ltd., together with its co-investment partners, Kommunal Landspensjonskasse and MEAG MUNICH ERGO Asset Management GmbH, have the exclusive right and obligation to co-invest in 49% of all Fred. Olsen Renewables AS eligible pipeline of onshore wind energy assets in Sweden and the United Kingdom when the assets achieve final investment decision.

Summarised financial information in respect of the Group's material joint venture is set out below. The summarised financial information below represents amounts included in the financial statements of the joint venture, not the entity's share of these amounts, and are prepared in accordance with SFRS(I) Accounting Standards and are adjusted to reflect fair value adjustments upon acquisition or accounting policy alignments. Dividends received from the joint venture represent the actual amounts attributable and hence received by the Group.

KM Infrastructure Holdings, Inc.

	2023 \$'000	2022 \$'000
Current assets	45,808	39,978
Non-current assets	666,499	700,406
Total assets	712,307	740,384
Current liabilities	21,214	10,612
Non-current liabilities	394,769	447,582
Total liabilities	415,983	458,194

The above amounts of assets and liabilities include the following:

	2023 \$'000	2022 \$'000
Cash and cash equivalents	35,439	31,390
Current financial liabilities (excluding trade and other payables and provisions)	(16,851)	(7,158)
Non-current financial liabilities (excluding trade and other payables and provisions)	(373,691)	(389,922)

	2023 \$'000	2022 \$'000
Revenue	64,989	57,651
Profit/(loss) before tax	45,547	(121,440)
Profit/(loss) for the year, representing total comprehensive income	43,666	(122,891)

The above profit/(loss) for the year include the following:

	2023 \$'000	2022 \$'000
Depreciation and amortisation expense	(13,414)	(14,142)
Interest income	17	13
Interest expense	(19,280)	(15,403)
Income tax expense	(1,881)	(1,451)

	2023 \$'000	2022 \$'000
Net assets of joint venture	296,324	282,190
Proportion of the Group's ownership	50%	50%
Group's share of net assets	148,162	141,095
Transaction costs	7,392	7,392
Carrying amount of the Group's interest in joint venture	155,554	148,487

Wind Fund I AS

	2023 \$'000	2022 \$'000
Current assets	2,329	242
Non-current assets	238,056	231,124
Total assets	240,385	231,366
Current liabilities	8	31
Non-current liabilities	–	–
Total liabilities	8	31

The above amounts of assets and liabilities include the following:

	2023 \$'000	2022 \$'000
Cash and cash equivalents	2,304	242

	Year ended 31 December 2023 \$'000	For the period from 8 September 2022 to 31 December 2022 \$'000
Other income	82	16
Profit/(loss) before tax	5,277	(10,217)
Profit/(loss) for the year, representing total comprehensive income	5,508	(10,217)

The above profit/(loss) for the year include the following:

	Year ended 31 December 2023 \$'000	For the period from 8 September 2022 to 31 December 2022 \$'000
Interest income	82	16
Interest expense	–	(2)
Income tax credit	303	–

	2023 \$'000	2022 \$'000
Net assets of joint venture	240,377	231,335
Proportion of the Group's ownership	33.33%	33.33%
Group's share of net assets	80,126	77,104
Transaction costs	7,330	7,073
Carrying amount of the Group's interest in joint venture	87,456	84,177

Capital expenditure, borne by Windy EU Holdings Pte. Ltd., contracted for in respect of further investment in additional onshore windfarms through Wind Fund I AS as at 31 December 2023 but not recognised in the financial statements amounted to \$140,786,000 (2022: S\$143,600,000).

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11. INVESTMENT IN JOINT VENTURE (continued)

Borkum Riffgrund 2 Investor Holding GmbH ("BKR2")

	2023 \$'000	2022 \$'000
Current assets	81,648	860
Non-current assets	1,518,803	1,650,878
Total assets	1,600,451	1,651,738
Current liabilities	122,354	121,717
Non-current liabilities	1,114,447	1,215,541
Total liabilities	1,236,801	1,337,258

The above amounts of assets and liabilities include the following:

	2023 \$'000	2022 \$'000
Cash and cash equivalents	81,222	843
Current financial liabilities (excluding trade and other payables and provisions)	113,863	121,684
Non-current financial liabilities (excluding trade and other payables and provisions)	1,108,949	1,215,541

	Year ended 31 December 2023 \$'000	For the period from 22 December 2022 to 31 December 2022 \$'000
Other income	18,452	535
Profit before tax	45,022	2,263
Profit for the year, representing total comprehensive income	39,195	2,263

The above profit for the year include the following:

	Year ended 31 December 2023 \$'000	For the period from 22 December 2022 to 31 December 2022 \$'000
Interest income	18,542	535
Interest expense	(56,037)	(1,516)
Income tax expense	(5,827)	-

	2023 \$'000	2022 \$'000
Net assets of joint venture	363,650	314,480
Proportion of the Group's ownership	50.01%	50.01%
Group's share of net assets	181,861	157,271
Transaction costs	15,232	9,535
Carrying amount of the Group's interest in joint venture	197,093	166,806

The shares in BKR2 and its partnership interests in the windfarm are pledged for the benefit of the Security Trustee (Deutsche Trustee Company Limited) to secure BKR2's obligations under the bond financing. A transfer of such shares or partnership interests is restricted pursuant to the terms of the bond financing. No guarantee is provided by the Group in this regard.

12. NOTES RECEIVABLES

	TRUST	
	2023 \$'000	2022 \$'000
Notes issued by subsidiaries	732,441	778,712
Less: Allowance for impairment	(109,301)	(96,155)
	623,140	682,557

- a. The notes receivable of \$195,570,000 (2022: \$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% (2022: 13.0%) per annum, payable quarterly.
- b. The notes receivable of \$38,000,000 (2022: \$38,000,000) 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% (2022: 6.5%) per annum, payable quarterly.
- c. The notes receivables of \$45,801,000 (2022: \$82,584,000) and \$88,769,000 (2022: \$91,473,000) from subsidiaries mature in Year 2024 and 2028 respectively. The fixed interest rate for the notes is 6.0% (2022: 6.0%) per annum, payable semi-annually.
- d. The notes receivable of \$255,000,000 (2022: \$255,000,000) from a subsidiary mature in Year 2040, with fixed interest rate of 17.5% (2022: 17.5%) per annum, payable quarterly.
- e. The notes receivable of \$19,930,000 (2022: \$19,930,000) from a subsidiary matured on 31 December 2023, with fixed interest rate of 6.0% (2022: 6.0%) per annum. On maturity date, the principal balance was redeemed at 100% of the principal amount, together with any interest accrued, upon after such date, the notes will cease to bear interest. The notes receivable was subsequently transferred to investment cost in subsidiary upon maturity.

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.

During the year, the Trustee-Manager performed an impairment assessment on the notes receivable against their recoverable amounts and allowances for impairment of \$39.4 million (2022: \$58.1 million) were recognised in profit or loss. On 31 December 2023, an allowance of impairment of \$26.3 million was also written back and transferred to allowance for impairment in subsidiary due to the redemption of the principal balance on maturity.

The Trustee-Manager estimates that the carrying value of the notes receivables approximate their fair value as these notes may be redeemed prior to their maturity dates on any interest payment date, and taking into consideration its recoverable amount based on the higher of its fair value less costs of disposal and its value-in-use calculations. Please refer to Note 10 for the key assumptions used for the determination of the recoverable amount.

13. LOAN RECEIVABLE FROM JOINT VENTURE

	GROUP	
	2023 \$'000	2022 \$'000
Loan receivable from BKR2 (Note 11)	263,677	269,724

As at 31 December 2023, the loan receivable from BKR2 amounted to \$263,677,000 (EUR180,650,000), bears interest at 7% per annum and due for repayment on 31 December 2040.

Notes to the Financial Statements

For the financial year ended 31 December 2023

14. LOAN RECEIVABLES FROM SUBSIDIARIES

Included in the loan receivables from subsidiaries are loan receivables of \$6,686,000 (2022: \$3,387,000) from two subsidiaries which are 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 4.57% (2022: 2.37%) per annum.

The Trustee-Manager estimates that the carrying values of the loan receivables from the subsidiaries approximate its fair value as the loan amount receivable bears interest at floating rates.

Other loan receivables from subsidiaries are interest free and repayable on demand. For one of the other loan receivables, they are repayable when the subsidiary's senior debts are repaid.

For the purpose of impairment assessment, the loan receivable from subsidiaries 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 subsidiaries 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 loan receivables.

15. SERVICE CONCESSION RECEIVABLES

	GROUP	
	2023 \$'000	2022 \$'000
Service concession receivables	132,604	184,628
Less: Due within 12 months	(39,560)	(52,024)
Due after 12 months	93,044	132,604

This relates to service concession receivables from the following plants:

a. Senoko Plant

A 15-year contract commencing on 1 September 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 26 September 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. Subsequent to the end of the reporting period, the concession agreement has been extended by three years and comes with an option to further extend for up to one year.

b. Tuas DBOO Plant

A 25-year Design-Build-Own-Operate ("DBOO") contract commencing on 30 October 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 28 March 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% (2022: 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.

16. 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	
	2023 \$'000	2022 \$'000
Minimum finance lease receivables:		
Not later than one year	13,290	13,254
Later than one year but not later than five years	12,814	26,104
Total minimum lease receivables	26,104	39,358
Less: Future finance income	(1,479)	(2,933)
Present value of minimum lease receivables	24,625	36,425
Unguaranteed residual value	26,262	26,262
Net investment in finance lease	50,887	62,687
Less: Present value of finance lease receivables not later than one year	(12,300)	(11,799)
Non-current financial lease receivables	38,587	50,888

The present value of the finance lease receivables is analysed as follows:

	2023 \$'000	2022 \$'000
Not later than one year	12,300	11,799
Later than one year but not later than five years	12,325	24,626
Present value of minimum lease receivables	24,625	36,425

The finance lease receivables relate to the lease arrangement under a Water Purchase Agreement ("WPA") and lease agreement for a food waste digester.

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For the financial year ended 31 December 2023

16. FINANCE LEASE RECEIVABLES (continued)

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 15 December 2025. The desalination plant is located on a piece of leasehold land with lease period expiring in January 2034.

In 2020, another subsidiary of the Group had entered into a lease agreement for food waste digester with lease period expiring 31 December 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% (2022: 3.91% and 15.32%) per annum for the WPA and lease agreement for food waste digester respectively.

In accordance with SFRS(I) 16 Leases, the WPA and lease agreement for food waste digester are lease arrangements and are classified as finance leases.

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.

As at 31 December 2023, nil finance lease receivables are pledged for certain borrowings (Note 23) (2022: \$62,367,000).

17. INVESTMENT IN FINANCIAL ASSETS

	GROUP			
	Current	Non-Current	Current	Non-Current
	2023 \$'000	2023 \$'000	2022 \$'000	2022 \$'000
Investment in financial assets designated as at FVTPL				
– Unquoted investment in Aramco Gas Pipelines Company ("AGPC")	–	363,564	–	362,517
– Unquoted shares	–	43	–	43
Financial assets measured at amortised cost				
– Bonds issued by Korea government	24	88	24	63
Total investment in financial assets	24	363,695	24	362,623

In 2022, the Group completed the investment of US\$250 million (S\$336.6 million), alongside other investors, for an indirect minority and non-controlling stake into a special purpose vehicle, which has acquired a 49% stake in AGPC. Transaction cost of S\$26.7 million was incurred in relation to the acquisition.

AGPC leased the rights to use of Aramco's gas pipeline network in Saudi Arabia for a 20-year period, and concurrently, granted back to Aramco the exclusive rights to use, transport through, operate and maintain the gas pipeline network during the 20-year period in exchange for a quarterly volume-based tariff which will be backed by minimum volume commitments.

The valuation methodology for the investment in AGPC is disclosed in note 4(b)(vi).

18. OTHER ASSETS

	GROUP		TRUST	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Deposits	3,679	2,457	8	8
Prepayments	112,349	125,780	7	58
Contract costs	10,529	9,050	–	–
Others	4,746	3,388	–	–
	131,303	140,675	15	66
Less: Current portion	(41,206)	(35,685)	(15)	(66)
Non-current portion	90,097	104,990	–	–

Other assets of \$6,115,000 (2022: \$4,365,000) are pledged for certain borrowings (Note 23).

Included in the prepayments balance is an amount of \$99,546,000 (2022: \$114,877,000) 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.

Included in the contract costs balance are costs to obtain contracts related to one-off and upfront cash incentives paid to customers and piping cost incurred in order to entice customers to sign up contract with the Group. These costs are the only cost that the Group would not have incurred if the contract had not been obtained. Whilst the Group incurs other costs that are necessary to facilitate a sale, those costs would have been incurred even if the customer decided not to execute the contract and therefore have not been capitalised.

These contract costs are amortised on a straight-line basis over the period of gas supply contract (in general, 2 to 15 years) as this reflects the period over which services is transferred to the customer. In 2022, there was no impairment loss in relation to the costs capitalised.

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.

19. CASH AND BANK DEPOSITS

	GROUP		TRUST	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash and bank deposits	482,584	535,729	152,231	184,950
Less: Restricted cash	(3,375)	(8,861)		
Cash and cash equivalents in the consolidated statement of cash flows	479,209	526,868		

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.

Short-term deposits are made for an average period of 2 months (2022: 2 months). The weighted average effective interest rate for the Group and Trust were 1.6% (2022: 0.95%) and 2.5% (2022: 2.0%) per annum respectively.

Cash and bank deposits of \$33,085,000 (2022: \$48,879,000) are pledged for certain borrowings (Note 23).

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For the financial year ended 31 December 2023

20. TRADE AND OTHER RECEIVABLES

	GROUP		TRUST	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade receivables				
– Third parties	248,642	267,515	–	–
– Related parties	19,592	14,527	–	–
Unbilled receivables	14,013	21,502	–	–
Less: Allowance for impairment (third parties)	(3,426)	(3,369)	–	–
Trade receivables – net	278,821	300,175	–	–
Other receivables	19,353	8,731	4,134	2,762
Interest receivable	504	298	4	–
Amounts due from related parties (non-trade)	3,492	684	1,237	607
Amounts due from joint venture (non-trade)	6,358	6,503	–	–
Amounts due from subsidiaries (non-trade)	–	–	8,267	9,407
	308,528	316,391	13,642	12,776

Trade and other receivables of \$187,567,000 (2022: \$222,634,000) are pledged for certain borrowings (Note 23).

Trade Receivables

Trade receivables are non-interest bearing and are generally receivable on 30 to 90 (2022: 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 Energy Trust's ("CET"), Eco Management Korea's ("EMK") 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 CET, EMK 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 CET's receivables, the Group has recognised a loss allowance of 100% (2022: 100%) against all receivables which are credit impaired because historical experience has indicated that these receivables are generally not recoverable.
- ii. For Ixom's receivables, as at 31 December 2023, expected credit loss rates vary from 0.0% (2022: 0.0%) for receivables overdue from 0 day to 5.6% (2022: 5.9%) for receivables overdue over 90 days.
- iii. For EMK's receivables, as at 31 December 2023 expected credit loss rates vary from 0.0% (2022: 0.0%) for receivables overdue from 0 day to 97.9% (2022: 97.7%) for receivables overdue over 120 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.

Other Receivables

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.

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 1 January 2022	2,785
Acquisition of subsidiaries	1,242
Disposal of a subsidiary	(333)
Amounts written off	(806)
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	583
Currency translation differences	(102)
	<hr/>
Balance as at 31 December 2022	3,369
Amounts written off	(761)
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	807
Currency translation differences	11
	<hr/>
Balance as at 31 December 2023	3,426

During the year, the Group has written off \$761,000 (2022: \$806,000) of trade and other receivables.

Notes to the Financial Statements

For the financial year ended 31 December 2023

21. DERIVATIVE FINANCIAL INSTRUMENTS

	Average contracted rate	Notional contract amount	Asset \$'000	Liability \$'000
GROUP				
2023				
Cash flow hedges:				
– Foreign currency forward	*	\$198.9 million	2,070	5,040
– Interest rate swaps and caps	1.29% – 4.11%	\$1,490.4 million	43,551	3,206
– Commodity Swap	EUR 29/MWh – EUR 250/MWh	122,537 MWh	2,245	–
Less: Current portion			(3,442)	(4,691)
Non-current portion			44,424	3,555
Fair value through profit or loss:				
– Commodity Swap	USD 75/barrel – USD 91/barrel	33,020 barrel	–	30
Less: Current portion			–	(30)
Non-current portion			–	–
2022				
Cash flow hedges:				
– Foreign currency forward	*	\$183.4 million	5,541	3,885
– Interest rate swaps	1.29% – 2.70%	\$635.4 million	79,051	–
– Commodity Swap	EUR 29/MWh – EUR 250/MWh	185,018 MWh	–	1,857
Less: Current portion			(5,641)	(3,885)
Non-current portion			78,951	1,857
Fair value through profit or loss:				
– Commodity Swap	USD 84/mt	2,590 mt	–	22
Less: Current portion			–	(22)
Non-current portion			–	–

* Foreign currency forward contracts are denominated in NZD, USD, EUR and AUD (2022: NZD, JPY, USD, EUR and AUD). The notional contract amount represents total notional amounts translated to SGD.

Certain derivative financial assets of \$5,692,000 (2022: \$866,000) are pledged for certain borrowings (Note 23).

	Average contracted rate	Notional contract amount	Asset \$'000	Liability \$'000
TRUST				
2023				
Cash flow hedges:				
– Foreign currency forward	A\$1.14/S\$1, US\$0.74/S\$1	\$115.3 million	1,669	970
– Interest rate swap	1.52% – 3.39%	\$150.0 million	928	1,263
Less: Current portion			(1,557)	(620)
Non-current portion			1,040	1,613
2022				
Cash flow hedges:				
– Foreign currency forward	A\$0.98/S\$1, US\$0.74/S\$1	\$49.9 million	4,674	–
– Interest rate swap	1.52%	\$50.0 million	1,954	–
Less: Current portion			(4,649)	–
Non-current portion			1,979	–

Interest rate swaps and caps

Interest rate swaps and caps include 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 and caps 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 and caps 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 2023 to Year 2028. The Group and Trust have entered into interest rate swaps and caps to manage the Group's exposure to cash flow interest rate risk on its borrowings.

Commodity swaps

Commodity swaps include (a) a fuel swap contract entered into by a subsidiary to hedge a fixed price contract offered to a customer and (b) financial power purchase agreements entered into by a subsidiary to hedge a fixed power price on the power output generation from its wind farms. Fair value gains and losses on the fuel hedge derivative liability and derivative asset are recognised in profit or loss. Fair value gains and losses on the effective hedge portion of the power price hedge is recognised in the hedging reserve and are transferred to profit or loss over the contract period.

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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

22. INVENTORIES

	GROUP	
	2023 \$'000	2022 \$'000
Fuel	18,570	19,981
Spare parts and accessories	39,858	40,004
Pipes and fittings	706	588
Chemical finished goods	156,385	198,063
Chemical raw materials	25,809	21,508
	241,328	280,144

Inventories of \$169,212,000 (2022: \$207,642,000) are pledged for certain borrowings (Note 23).

23. BORROWINGS

	GROUP		TRUST	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current				
Bank loans	107,500	800,844	–	579,549
Non-current				
Bank loans	2,160,310	1,657,371	253,840	49,890
Medium term notes	449,201	448,950	449,201	448,950
	2,609,511	2,106,321	703,041	498,840
Total borrowings	2,717,011	2,907,165	703,041	1,078,389

The weighted average effective interest rates per annum at the end of the reporting period were as follows:

	GROUP		TRUST	
	2023 %	2022 %	2023 %	2022 %
Borrowings	4.25	3.67	3.81	3.63

- In 2020, the Group successfully refinanced its term loan of a subsidiary, which was repayable in 30 June 2020, extending the maturity date till 30 June 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 \$611,429,000 (2022: \$698,506,000). Repayment has commenced during the year and will continue until 2027.
- During the year, the Group obtained a new facility of \$400,000,000, in which \$148,000,000 and \$30,000,000 were drawn down by a subsidiary to refinance its existing bank term loans that extended their maturities to January 2028 and January 2030 respectively. The Group drew down a term loan of \$142,000,000 and a revolving credit facility loan of \$20,000,000 during the year that are both repayable in January 2028. The carrying amount of the bank loans as at the end of the financial year is \$339,153,000 (2022: \$182,450,000) and are unsecured.
- In 2022, the Trust obtained a new \$100,000,000 term loan and revolving credit facility. The Trust drawn an unsecured term loan from the facility that is repayable in February 2025. The carrying amount of the bank loan as at the end of the financial year is \$49,940,000 (2022: \$49,890,000).
- On 1 December 2021, the Trust issued notes (the "Series 003 Notes") with principal amount of \$200,000,000 bearing interest at fixed rate of 3% per annum under the \$2,000,000,000 Multicurrency Debt Issuance Programme. The Series 003 Notes matures on 1 December 2026 and is unsecured. The carrying amount of the outstanding notes as at the end of the financial year is \$199,708,000 (2022: \$199,608,000).

On 5 May 2022, the Trust issued notes (the "Series 004 Notes") with principal amount of \$250,000,000 bearing interest at fixed rate of 4.11% per annum under the \$2,000,000,000 Multicurrency Debt Issuance Programme. The Series 004 Notes matures on 5 May 2027 and is unsecured. The Trust has outstanding notes of \$249,493,000 (2022: \$249,342,000) as at the end of the financial year.

- e. A subsidiary obtained an A\$607,400,000 five-year senior, secured loan facility from a group of lenders in February 2019. The Group successfully increased the facility to A\$732,400,000 in December 2021 and further increased the facility to A\$1,040,000 in July 2023. 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 end of the financial year was \$723,042,000 (2022: \$607,177,000).
- f. In October 2022, a subsidiary obtained a KR₩\$390,000,000,000 five-year secured loan facility. The bank loan is secured by a charge over the shares of all of the entities in the subsidiary group and its cash and bank accounts. The carrying amount of the bank loan is \$340,346,000 as at 31 December 2023 (2022: \$324,910,000).
- g. In 2022, The Trust obtained a \$590,000,000 equity bridge loan to fund its new acquisitions and drew down on the facility with equity bridge loans that were repayable in 2023. The equity bridge loans are unsecured and the Trust had outstanding loans of \$579,549,000 as at 31 December 2022.

During the year, the Trust obtained three new loan facilities, amounting to \$205,000,000 which are unsecured and are repayable with varying maturity dates between 2026 to 2028. The Trust drew down a term loan of \$143,979,000 to partially refinance its equity bridge loans repayable in 2023 and another term loan of \$61,021,000 to fund new acquisitions. The remaining balance of the equity bridge loans were fully repaid with the proceeds from its equity fund raise and drawing of an intercompany loan advance from a subsidiary during 2023. The carrying amount of the outstanding term loans is \$203,900,000 as at 31 December 2023.

- h. As at 31 December 2022, the bank loans of \$15,733,000 obtained by a subsidiary were secured by a first ranking charge over its assets and business undertakings. In addition, the loan was secured by a charge over the units in the subsidiary and a charge over the shares in the Trustee-Manager of the subsidiary. Repayments commenced in 2007 and was fully repaid during 2023, hence there is no outstanding bank loan balance as at 31 December 2023.

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 \$1,240,207,000 (2022: \$1,451,642,000) 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.

	1 January 2023 \$'000	Financing cash flows ⁽¹⁾ \$'000	Acquisition of subsidiaries (Note 48) \$'000	Non-cash changes		31 December 2023 \$'000
				Foreign exchange movement \$'000	Other changes ⁽²⁾ (Note 41) \$'000	
Borrowings	2,907,165	(171,081)	–	(26,390)	7,317	2,717,011

	1 January 2022 \$'000	Financing cash flows ⁽¹⁾ \$'000	Acquisition of subsidiaries (Note 48) \$'000	Non-cash changes		31 December 2022 \$'000
				Foreign exchange movement \$'000	Other changes ⁽²⁾ (Note 41) \$'000	
Borrowings	1,730,399	967,653	234,958	(30,860)	5,015	2,907,165

¹ The cash flows comprise of the amount of proceeds from borrowings netted with the amount of repayments of borrowings and payment of loan upfront fees in the statement of cash flows.

² Other changes include unamortised upfront fee.

Notes to the Financial Statements

For the financial year ended 31 December 2023

24. TRADE AND OTHER PAYABLES

	GROUP		TRUST	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade payables:				
– Third parties	138,111	190,728	–	–
– Related parties	10,878	4,709	–	–
Other payables:				
– Third parties	12,466	9,097	848	390
– Trustee-Manager	41,977	8,724	41,977	8,724
– Related parties	33,771	84,593	2	–
Accruals	73,898	86,760	659	12,683
Interest payable	8,160	5,563	3,187	4,277
Advance payments received	17,928	20,799	–	–
Refundable customer deposits	45,532	41,416	–	–
	382,721	452,389	46,673	26,074

Trade and other payables are non-interest bearing and are normally settled on 30 to 60 (2022: 30 to 60) days' terms.

25. PROVISIONS

	GROUP	
	2023 \$'000	2022 \$'000
Current		
Employee entitlements	23,074	26,122
Provision for reinstatement cost	5,802	5,789
Others	2,648	2,744
	31,524	34,655
Non-current		
Employee entitlements	1,093	1,065
Provision for decommissioning costs	6,685	6,175
Provision for reinstatement cost	9,920	9,842
	17,698	17,082
Total as at 31 December	49,222	51,737

Movements in the provisions are as follows:

	Employee entitlements \$'000	Decommissioning costs \$'000	Reinstatement costs \$'000	Others \$'000	Total \$'000
Balance as at 1 January 2022	25,386	4,513	18,296	4,054	52,249
Acquisition of subsidiaries (Note 48)	988	1,229	95	–	2,312
Disposal of subsidiaries (Note 10)	(27)	–	(159)	–	(186)
Additions	23,468	474	1	–	23,943
Unwinding of discounts (Note 41)	–	–	319	–	319
Reduction arising from payment	(21,228)	–	(1,968)	(1,133)	(24,329)
Currency translation differences	(1,400)	(41)	(953)	(177)	(2,571)
Balance as at 31 December 2022	27,187	6,175	15,631	2,744	51,737
Acquisition of subsidiaries (Note 48)	21	–	691	–	712
Disposal of subsidiaries (Note 10)	–	–	–	–	–
Additions	16,339	71	5	15	16,430
Unwinding of discounts (Note 41)	–	442	350	–	792
Reduction arising from payment	(18,260)	–	(281)	–	(18,541)
Currency translation differences	(1,120)	(3)	(674)	(111)	(1,908)
Balance as at 31 December 2023	24,167	6,685	15,722	2,648	49,222

Employee Entitlements

The provision represents annual leave, other short-term employee benefits and long service leave entitlements accrued for 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.

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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

26. LEASE LIABILITIES

	GROUP	
	2023 \$'000	2022 \$'000
Maturity analysis:		
Year 1	15,512	17,005
Year 2	8,485	9,589
Year 3	7,407	9,116
Year 4	6,452	8,523
Year 5	5,707	7,966
Year 6 onwards	61,404	64,717
	104,967	116,916
Less: Unearned interest	(31,507)	(35,798)
	73,460	81,118
Analysed as:		
Current	13,087	13,207
Non-current	60,373	67,911

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 3.69% (2022: 4.94%) 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 been included in lease liabilities as the Group is reasonably certain to exercise these extension option. These extension options are exercisable by the Group and not by the lessor.

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.

	1 January 2023 \$'000	Financing cash flows \$'000	Acquisition of subsidiaries (Note 48) \$'000	Non-cash changes		31 December 2023 \$'000
				New leases entered \$'000	Foreign exchange movement \$'000	
Lease liabilities	81,118	(18,029)	–	7,443	2,928	73,460

	1 January 2022 \$'000	Financing cash flows \$'000	Acquisition of subsidiaries (Note 48) \$'000	Disposal of subsidiary (Note 10) \$'000	Non-cash changes		31 December 2022 \$'000
					New leases entered \$'000	Foreign exchange movement \$'000	
Lease liabilities	82,729	(16,441)	4,208	(713)	11,335	–	81,118

27. 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. Pursuant to the acquisition of remaining 30% equity interest in SingSpring Trust ("SST") on 30 June 2022, notes payable to non-controlling interests was derecognised.
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 prior to its maturity date on any interest payment date.

28. LOAN FROM A RELATED PARTY AND OTHER PAYABLES (NON-CURRENT)

	GROUP	
	2023 \$'000	2022 \$'000
Loan from a related party	45,054	2,179
Advance payments received	74,309	88,754
Other payables	122,529	96,616
Deferred consideration	6,704	–
Other payables	203,542	185,370

Loan from a related party

This relates to loan payables between a subsidiary and its non-controlling interests, which are interest free and repayable when the subsidiary's senior debts are repaid.

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.

	1 January 2022 \$'000	Financing cash flows \$'000	31 December 2022 and 1 January 2023 \$'000	Financing cash flows \$'000	31 December 2023 \$'000
Loan from a related party	–	2,179	2,179	42,875	45,054

Advance payments received

This relates to amounts that have been received and services yet to be rendered after 12 months from the end of the reporting period.

Other payables

Other payables are non-interest bearing and unsecured.

Deferred considerations

This arising from acquisition of TSH, being 50% deferred to 24 months and remaining 50% deferred to 36 months from the date of completion. The deferred consideration discounted to present value at discount rate of 2.9%.

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29. 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, New Zealand and South Korea. Plan funding is carried out in accordance with the requirements of trust deeds and the advice of actuaries.

The plan in Australia, New Zealand and South Korea typically exposes the Group to actuarial risks such as investment risk, interest rate risk, longevity 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 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.

	Period ended	Assumptions on Defined Benefit Obligation			Change of assumptions	Impact \$'000
		Assumptions used				
Discount rate	31/12/2023	Australia 5.55%	New Zealand 5.03%	South Korea 4.87%	+1.00%	(654)
	31/12/2022	5.55%	4.00%	6.00%	-1.00%	1,033
					+1.00%	(10,036)
Expected rate of salary	31/12/2023	3.00%	2.50%	4.86%	-1.00%	11,766
	31/12/2022	3.00%	2.50%	2.00%	+1.00%	(4,875)
					-1.00%	5,438
Mortality	31/12/2023	Aust Life Table 15-17 – 3 yrs	NZ Life Table 17/19 – 1 yr	N.A.*	+1 year older -1 year younger	748 (647)
	31/12/2022	Aust Life Table 15-17 – 3 yrs	NZ Life Table 17/19 – 1 yr	N.A.*	+1 year older -1 year younger	746 (646)

* Not applicable

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 in the statement of financial position in respect of the Group's defined benefit retirement benefit plans are determined as follows:

	GROUP	
	2023 \$'000	2022 \$'000
Present value of the funded defined benefit obligation	(62,004)	(64,027)
Present value of the unfunded defined benefit obligation	38	(162)
Present value of the defined benefit obligation	(61,966)	(64,189)
Fair value of defined benefit plan assets	60,577	59,026
Deficit	(1,389)	(5,163)
Net liability recognised in the statement of financial position	(1,389)	(5,163)

The amounts recognised in the profit or loss in respect of these defined benefit plans are as follows:

	GROUP	
	2023 \$'000	2022 \$'000
Current service cost	1,592	1,084
Net interest expense	223	535
Total included in staff costs	1,815	1,619

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	
	2023 \$'000	2022 \$'000
Actuarial (losses)/gains on defined benefit obligations:		
Due to changes in demographic assumptions	-	(2,603)
Due to changes in financial assumptions	548	22,058
Due to experience adjustments	(520)	2,048
Total	28	21,503
Return on plan assets greater than discount rate	1,245	(3,848)
Re-measurement effects recognised in Other Comprehensive Income	1,273	17,655
Income tax related to gains/(losses) recognised in Other Comprehensive Income	(407)	(5,193)

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For the financial year ended 31 December 2023

29. DEFINED BENEFIT OBLIGATION (continued)

Changes in the present value of the defined benefit obligation are as follows:

	GROUP	
	2023 \$'000	2022 \$'000
Balance at the beginning of the year	64,189	85,972
Acquisition of subsidiaries (Note 48)	–	4,830
Current service cost	1,592	1,084
Interest cost	3,222	2,219
Contribution by plan participant	206	234
Actuarial (gains)/losses	(28)	(21,503)
Benefits paid	(4,863)	(4,400)
Administration expenses paid (including premiums)	(100)	(104)
Currency translation differences	(2,252)	(4,143)
Balance at the end of the year	61,966	64,189

Changes in the fair value of plan assets are as follows:

	GROUP	
	2023 \$'000	2022 \$'000
Balance at the beginning of the year	59,026	63,599
Acquisition of subsidiaries (Note 48)	–	2,190
Interest income on plan assets	2,984	1,684
Return of plan assets (lesser)/greater than discount rate	1,141	(3,829)
Contribution by employer	3,213	2,964
Contribution by plan participants	242	274
Benefits paid	(3,634)	(4,185)
Administration expenses paid	(100)	(104)
Currency translation differences	(2,295)	(3,567)
Balance at the end of the year	60,577	59,026

The fair value of the plan assets at the end of the financial year is analysed as follows:

	GROUP	
	2023 \$'000	2022 \$'000
Quoted in active markets:		
Equities	26,908	25,783
Debt securities	15,136	14,572
Other quoted securities	4,485	3,923
Other:		
Cash and cash equivalents	6,200	8,022
Unquoted in active markets:		
Property	7,848	6,726
	60,577	59,026

For the quoted and unquoted plan assets in active markets, the fair value of equities, debt securities and properties at the end of the financial year can be categorised by geography. As at 31 December 2023, \$11,212,000 of equities, \$9,530,000 of debt securities and \$3,924,000 of properties are from Australia and New Zealand while \$15,696,000 of equities, \$5,606,000 of debt securities and \$3,924,000 of properties are from other foreign countries.

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 \$3.2 million (2022: \$2.9 million) to the defined benefit plans. The Group's external actuaries have forecast total employer contributions of \$1.4 million (2022: \$2.8 million) and benefit payments of \$6.8 million (2022: \$7.0 million) for the defined benefit plans for the forthcoming financial year. The average duration of the defined benefit plans as at 31 December 2023 is 8.9 years. The benefit payments can be analysed as follows: \$6.8 million of benefit payments to be paid in Year 1, \$4.0 million of benefit payments to be paid in Year 2, \$32.2 million of benefit payments to be paid from Year 3 onwards.

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 22 active Defined Benefit members and 23 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 27 February 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 year end.

South Korea

The EMK group operates a defined benefit plan for all employees of its subsidiaries in South Korea. Employees are eligible for the benefits when they leave the company or reach the retirement age of 60 years old. Under the defined benefit plan, employees are entitled to retirement pension benefits that vary according to the individuals' age, length of service period and salary levels and are paid via a lump-sum payment upon retirement. The benefits being paid are computed by multiplying the average monthly wage (over the final 3 months) before retirement by the years of service.

30. 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	
	2023 \$'000	2022 \$'000
Movement in deferred tax account is as follows:		
Beginning of the year	98,122	1,274
Acquisition of subsidiaries (Note 48)	–	96,200
Disposal of subsidiaries (Note 10)	–	243
(Credited)/Charged to:		
– Profit or loss (Note 44)	(15,558)	(11,511)
– Equity (Note 44)	(8,573)	13,732
Currency translation differences	(1,995)	(1,816)
End of the year	71,996	98,122

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30. DEFERRED TAX LIABILITIES (continued)

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	Total \$'000
At 1 January 2022	1,084	16,373	6,525	23,982
Currency translation differences	(143)	(1,992)	(2,082)	(4,217)
Acquisition of subsidiaries (Note 48)	(580)	83,603	14,138	97,161
Charged/(Credited) to:				
– Profit or loss	14,884	1,527	(13,674)	2,737
– Equity	–	–	5,350	5,350
At 31 December 2022	15,245	99,511	10,257	125,013
Currency translation differences	(48)	(558)	59	(547)
Charged/(Credited) to:				
– Profit or loss	(3,128)	(11,681)	(1,677)	(16,486)
At 31 December 2023	12,069	87,272	8,639	107,980

Deferred Tax Assets

	Allowance against assets \$'000	Derivative financial instruments \$'000	Recognised unutilised tax losses \$'000	Others \$'000	Total \$'000
At 1 January 2022	(20,889)	3,055	(16,684)	11,810	(22,708)
Currency translation differences	2,224	–	1,258	(1,081)	2,401
Acquisition of subsidiaries (Note 48)	–	–	–	(961)	(961)
Disposal of subsidiaries (Note 10)	–	–	–	243	243
Charged/(Credited) to:					
– Profit or loss	(12,538)	–	(2,211)	501	(14,248)
– Equity	–	8,382	–	–	8,382
At 31 December 2022	(31,203)	11,437	(17,637)	10,512	(26,891)
Currency translation differences	(568)	–	(191)	270	(489)
Charged/(Credited) to:					
– Profit or loss	4,564	18	(2,985)	(1,628)	(31)
– Equity	–	(4,671)	–	(3,902)	(8,573)
At 31 December 2023	(27,207)	6,784	(20,813)	5,252	(35,984)

Net deferred tax liabilities

31 December 2022	98,122
31 December 2023	71,996

Unrecognised Tax Losses

Subject to the agreement by the tax authorities, as at the reporting date, the Group has unused tax losses of \$249,238,000 (2022: \$160,538,000) available for offset against future profits. A deferred tax has been recognised in respect of \$121,953,000 (2022: \$103,747,000) of such losses. No deferred tax asset has been recognised in respect of the remaining \$56,791,000 due to uncertainty of its recoverability. Included in unrecognised tax losses are loss of \$110,445,000 (2022: \$56,791,000) that have expiry from 2025 to 2038. Other losses may be carried forward indefinitely subject to the conditions imposed by law including the retention of majority shareholders as defined.

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 2023 and 2022 (Note 36).

31. UNITS IN ISSUE

	GROUP AND TRUST			
	2023 Units	2022 Units	2023 \$'000	2022 \$'000
Beginning of year	4,991,789,782	4,991,263,352	2,629,502	2,629,211
Units issued to the Trustee-Manager ¹	735,410	526,430	387	291
Units issued for cash ²	633,260,694	–	293,974	–
End of year	5,625,785,886	4,991,789,782	2,923,863	2,629,502

¹ These units were issued to the Trustee-Manager as part of the payment for management base fees.

² On 18 May 2023, KIT completed its equity fund raising ("EFR") to raise gross proceeds of S\$299,569,000 for the partial repayment of the bridge loan facilities to fund the acquisitions of EMK, BKR2 and Wind Fund. The issuance cost was S\$5,595,000. The EFR comprised (a) a placement of approximately 383.6 million new units to institutional and other investors and (b) a preferential offering of approximately 249.6 million new units to entitled unitholders. The offering price for the placement and preferential offering were S\$0.477 and S\$0.467 respectively.

- 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.

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32. 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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Beginning of the year	50,012	3,837	6,629	875
Fair value gain/(loss):				
Fair value gain/(loss)	(26,669)	77,246	(6,264)	5,754
Tax on fair value gain/(loss)	4,534	(9,645)	–	–
	(22,135)	67,601	(6,264)	5,754
Transfer to profit or loss:				
Finance cost (Note 41)	(27,040)	(7,132)	–	–
Tax on transfers	4,597	1,241	–	–
	(22,443)	(5,891)	–	–
Non-controlling interests, net of tax	11,448	(15,535)	–	–
End of the year	16,882	50,012	365	6,629

33. CAPITAL RESERVE

On 1 October 2023, the Trust, through its City Energy sub-group, acquired 51% of the business Tan Soon Huat Gas Supply Pte. Ltd. (“TSH”). Following the acquisition of equity interest in TSH, the Group recorded a reduction in capital reserve of \$19.8 million arising from purchase commitments for non-controlling interests’ shares of \$17.2 million and fair value of put and call options of \$2.6 million (Note 48).

In prior years,

- i. the Trust acquired the remaining 30% stake in SingSpring Trust (“SST”) for a consideration of \$12.0 million from Hyflux Ltd. Subsequent to the acquisition of the equity interest in SST, the Group recorded a capital reserve of \$7.5 million.
- ii. the Group’s subsidiary, City Energy 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.

34. 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 relevant 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 the vesting price 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 30 September 2023.

The fair value of share options granted is estimated at the date of grant using a Monte-Carlo simulation model, considering 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 options expire on 30 September 2025. The Group has modified the anticipated settlement method of this plan to cash settled as at 30 September 2023. Accordingly, the Group has recognised a liability for LTI as a cash-settled plan.

There has been no alteration to the terms and conditions of the above share-based payment arrangements since grant date.

The REP and LTI are administered by the board of IX Infrastructure Pty Ltd (“IX Infra”) whose directors are:

Kevin Neo
 Marc Liu
 Jonathan Poon
 Nokan Konan

Fair value of share options grants during the year

	2023		2022	
	REP	LTI	REP	LTI
<u>Inputs into the model</u>				
Weighted average fair values at the measurement date	–	–	A\$0.016	A\$0.002
Exercise price	–	–	A\$1.67	A\$2.75
Expected volatility (%)	–	–	30.0%	30.0%
Expected life of options	–	–	2.5 years	3.6 years
Expected dividend yield (%)	–	–	Nil	9.30%
Risk-free interest rate (%)	–	–	1.56%	1.55%

Movements in share option grants during the year:

	REP		LTI	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Balance at 31 December 2021 and 1 January 2022	28,280,700	A\$0.92	28,222,800	A\$1.02
Granted during the year	7,592,450	A\$1.67	8,456,700	A\$2.75
Balance at 31 December 2022	35,873,150	A\$1.07	36,679,500	A\$1.42
Granted during the year	–	–	–	–
Exercised or encashed during the year	(28,873,150)	A\$0.64	(28,222,800)	A\$0.75
Forfeited during the year	(7,000,000)	A\$1.70	(8,000,000)	A\$2.80
Balance at 31 December 2023	–	–	456,700	A\$1.66
Exercisable at 31 December 2023	–	–	–	–
Exercisable at 31 December 2022	–	–	–	–

The options were granted on 18 March 2022, 14 February 2022, 30 September 2021 and 19 August 2020.

The options outstanding at the end of the financial year have a weighted average remaining contractual life of 1.63 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.

As at 31 December 2023, there are 10 (2022: 10) senior management of Ixom who received 5% or more of the total numbers of shares options under the REP and LTI. Out of the total outstanding share options of 0.5 million (2022: 72.6 million) as at 31 December 2023, the total number of shares options under the LTI received by these senior management are nil (2022: 63.8 million). No directors or employees of the Trustee-Manager, KIT and its subsidiaries (excluding Ixom), received options under the REP and LTI.

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35. PERPETUAL SECURITIES

On 12 June 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, which was subsequently upsized to \$2,000,000,000 on 4 May 2021 (“Programme”).

On 25 June 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 12 June 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 12 June 2029.

On 9 June 2021, the Trust issued subordinated perpetual securities (the “Series 002 Securities”) with principal amount of \$300,000,000 bearing distributions at a rate of 4.30% per annum under the Programme. A total of \$297,843,000, net of issuance costs of \$2,157,000, was recognised in equity. The rate of 4.30% per annum is subject to reset every ten years and a one-time step-up from and including the first reset date, being 9 June 2031.

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, which is cumulative, on the perpetual securities, and is not subject to any limits as to the number of times a distribution can be deferred. In the event of deferral or non-payment of distributions, and until the deferred distributions is paid, the Trust shall not declare or pay any distributions to its Unitholders or make other payment on instrument or security issued which rank lower in priority in payment than 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. 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:

	2023 \$'000	2022 \$'000
Profit for the year attributable to the perpetual securities holders	27,150	27,150
Distributions paid during the year	(27,150)	(27,150)
Amount unpaid as at 31 December	–	–

36. DISTRIBUTIONS PAID TO THE UNITHOLDERS OF THE TRUST

Tax exempt distributions paid during the financial year are as follows:

	GROUP AND TRUST	
	2023 \$'000	2022 \$'000
For the period from 1 July 2021 to 31 December 2021 – 1.92 cents per unit	–	95,832
For the period from 1 January 2022 to 30 June 2022 – 1.91 cents per unit	–	95,343
For the period from 1 July 2022 to 31 December 2022 – 1.92 cents per unit	95,343	–
For the period from 1 January 2023 to 26 April 2023 – 1.24 cents per unit	61,904	–
For the period from 27 April 2023 to 30 June 2023 – 0.69 cents per unit	38,818	–
For the period from 1 July 2023 to 30 September 2023 – 3.30 cents per unit	185,651	–
	381,716	191,175
The following distributions have been declared after the financial year end but not recognised as a liability		
Distribution of 1.91 cents per unit for the period from 1 July 2022 to 31 December 2022	–	95,343
Distribution of 0.96 cents per unit for the period from 1 October 2023 to 31 December 2023	54,008	–

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37. REVENUE

	GROUP			Total \$'000
	Distribution & Storage \$'000	Environmental Services \$'000	Energy Transition \$'000	
2023				
Segment Revenue and timing of revenue recognition				
At a point in time:				
Sale of goods	1,169,925	–	386,873	1,556,798
Distribution income	–	–	48,753	48,753
Over time:				
Service income	30,019	135,800	116,101	281,920
Finance income from service concession arrangements	–	6,814	–	6,814
Finance lease income	–	1,362	–	1,362
Operation and maintenance income	27,250	85,522	27,501	140,273
	1,227,194	229,498	579,228	2,035,920
2022				
Segment Revenue and timing of revenue recognition				
At a point in time:				
Sale of goods	1,265,394	–	377,752	1,643,146
Distribution income	–	–	26,543	26,543
Over time:				
Service income	30,222	31,263	118,099	179,584
Finance income from service concession arrangements	–	8,244	–	8,244
Finance lease income	–	1,853	–	1,853
Operation and maintenance income	38,017	82,655	25,904	146,576
	1,333,633	124,015	548,298	2,005,946

There are no performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period.

38. OTHER INCOME

	GROUP	
	2023 \$'000	2022 \$'000
Interest income	26,455	5,630
Other miscellaneous income	9,276	1,942
	35,731	7,572

39. OTHER GAINS/(LOSSES) – NET

	GROUP	
	2023 \$'000	2022 \$'000
Fair value gain on derivative financial instruments	2,340	52
Fair value gain on financial assets at FVTPL	9,261	20,823
Exchange differences	6,367	988
Gain on disposal of subsidiaries	–	459
Others	(560)	(3,562)
	17,408	18,760

40. STAFF COSTS

	GROUP	
	2023 \$'000	2022 \$'000
Salaries and wages	177,087	159,752
Employer's contribution to defined contribution plans, including Central Provident Fund	9,361	8,428
Defined benefit plans (Note 29)	1,815	1,619
Other short-term benefits	11,997	12,019
	200,260	181,818

41. FINANCE COSTS

	GROUP	
	2023 \$'000	2022 \$'000
Interest expense:		
– Bank borrowings	130,244	64,904
– Notes payable to non-controlling interests	42,875	42,875
Unwinding of discounts:		
– Provision for decommissioning costs and reinstatement cost (Note 25)	792	319
Cash flow hedges, transfer from hedging reserve (Note 32)	(27,040)	(7,132)
Debt amortisation (Note 23)	7,317	5,015
Others	7,812	5,712
	162,000	111,693

42. TRUSTEE-MANAGER'S FEES

	GROUP	
	2023 \$'000	2022 \$'000
Base fee	37,314	9,550
Performance fee	19,070	4,819
Acquisition fee	184	27,088
	56,568	41,457

Before 1 July 2022, the Trustee-Manager's fees ("previous fee" structure) 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 Acquisition Fee and Divestment Fee are charged at 1% (or 0.5% for an acquisition from its sponsor group) on the enterprise value of the investment acquired and 0.5% for investment divested respectively.

Notes to the Financial Statements

For the financial year ended 31 December 2023

42. TRUSTEE-MANAGER'S FEES (continued)

Effective from 1 July 2022 onwards, the Trustee-Manager's fees ("new fee" structure) comprise:

1. A Base fee at a rate equal to 10% per annum of KIT Group's distributable income, before accounting for the base fee and performance fee for the relevant period.
2. Performance fee is charged at a rate equal to 25% per annum of the increase (if any) in Distribution Per Unit ("DPU") as declared by the Trustee-Manager in respect of a financial year as compared with the DPU in respect of the preceding financial year, multiplied by the weighted average number of units in issue for such financial year.
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 Acquisition Fee and Divestment Fee are charged at 1% (or 0.5% for an acquisition from its sponsor group) on the enterprise value of the investment acquired and 0.5% for investment divested respectively.

In prior year, the new fee structure was progressively implemented during 2022 as follows:

1. The Base Fee from 1 July 2022 to 30 September 2022 comprises of 67% of the previous fee structure and 33% of the new fee structure. The Base Fee from 1 October 2022 to 31 December 2022 is comprised of 33% of the previous fee structure and 67% of the new fee structure.
2. The Performance Fee from 1 January 2022 to 30 June 2022 is based on the previous fee structure. The total Performance Fee for the year is calculated based on the new fee structure less the Performance Fee charged for the period from 1 January 2022 to 30 June 2022.

During the year, acquisition fees of \$59,000 (2022: \$7,351,000) were incurred and capitalised on the investment in joint venture pursuant to the Group's additional new commitments in its investment in joint venture (Note 11). Total Trustee-Manager fees paid (capitalised or recorded in the profit or loss) in 2023 and 2022 is \$29.5 million and \$48.8 million respectively.

43. PROFIT/(LOSS) BEFORE TAX

The following items have been included in arriving at profit/(loss) before tax:

	GROUP	
	2023 \$'000	2022 \$'000
Auditors' remuneration of the Group and its subsidiaries:		
– auditors of the Group	1,214	1,294
– other auditors	458	111
Non-audit fees to:		
– auditors of the Group	418	886
– other auditors	823	–
Cost of inventories recognised as an expense	722,066	813,889
Short-term leases and leases of low value assets	10,729	9,166
Impairment loss on financial assets	540	1,166
Legal and other related professional fee	9,352	13,956

Please refer to page 203 of the Corporate Governance section in the Group's Annual Report for a breakdown of the nature of 2023 non-audit fees paid or payable to the auditors of the Group and the appropriate safeguards established to address any potential independence threats arising from the provision of non-audit services to the Group.

44. INCOME TAX EXPENSE

Major Components of Income Tax Expense

The major components of income tax expense for the years ended 31 December 2023 and 2022 are:

	GROUP	
	2023 \$'000	2022 \$'000
Consolidated profit or loss:		
Current tax	37,383	37,824
Deferred tax (Note 30)	(15,558)	(11,511)
Income tax expense recognised in profit or loss	21,825	26,313
Consolidated statement of other comprehensive income:		
Deferred tax expense related to other comprehensive income:		
– Fair value (gain)/loss and reclassification adjustments on cash flow hedges (Note 30)	(8,573)	13,372

Relationship Between Tax Expense and Accounting Profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2023 and 2022 are as follows:

	GROUP	
	2023 \$'000	2022 \$'000
Profit before tax:	128,891	23,484
Tax calculated at a tax rate of 17%	21,911	3,992
Effects of:		
– Different tax rates in other countries	4,791	4,836
– Expenses not deductible for tax purposes	21,711	24,703
– Income not subject to tax	(25,743)	(8,224)
– Deferred tax assets not recognised	3,234	2,115
– (Reversal)/Recognition of future deductible amounts allowable under overseas tax regime	18	(452)
– Adjustment recognised in the current year in relation to the deferred tax for prior year	425	(739)
– Adjustment recognised in the current year in relation to the current tax for prior year	(1,737)	(169)
– Others	(2,785)	251
	21,825	26,313

45. EARNINGS PER UNIT

The calculation of basic and diluted earnings per unit is based on the weighted average number of units outstanding during the financial year and profit attributable to the unitholders of the Trust.

Diluted earnings per unit is the same as the basic earnings per unit as there are no dilutive instruments in issue during the financial year.

	GROUP	
	2023	2022
Profit for the financial year attributable to unitholders of the Trust (\$'000)	112,911	868
Weighted average number of units during the financial year	5,409,941,545	4,991,633,197
Basic and diluted earnings per unit (cents)	2.09	0.02

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46. OPERATING LEASE ARRANGEMENTS AND CAPITAL COMMITMENTS

Capital commitments

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	GROUP	
	2023 \$'000	2022 \$'000
Property, plant and equipment	18,387	11,149

47. 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:

- Energy Transition: production and retailing of town gas and retailing of natural gas in Singapore, tolling arrangement for the power plant in Singapore, leasing of gas pipelines, sale of electricity produced by wind turbines;
- Environmental Services: concessions in relation to the desalination plant, water treatment plant, recycling and waste-to-energy plants in Singapore and South Korea;
- Distribution & Storage: supply and distributing water treatment chemicals, industrial and specialty chemicals and storage of petroleum products; and
- Corporate: investment holding, asset management and business development.

These segments espouse KIT refreshed strategy to grow its portfolio through expanding into new sectors and markets, tapping on megatrends such as decarbonisation and digitalisation. The segments also reinforce the focus on sustainability, which is at the core of KIT's strategy.

Information regarding the Trust's reportable segments for the years ended 31 December 2023 and 31 December 2022 are set out below:

	Energy Transition \$'000	Environmental Services \$'000	Distribution & Storage \$'000	Corporate \$'000	Total \$'000
2023					
Revenue	579,228	229,498	1,227,194	–	2,035,920
Profit/(loss) before tax	125,483	(23,849)	70,441	(43,184)	128,891
Funds from operations ¹	214,100	83,442	77,092	(118,932)	255,702
Other segment items:					
Depreciation and amortisation	(85,176)	(66,666)	(53,285)	–	(205,127)
Fair value gain/(loss) on derivative financial instruments	2,340	–	–	–	2,340
Impairment loss on trade and other receivables (net)	(776)	169	67	–	(540)
Share of results/(loss) of joint venture	20,365	–	21,394	–	41,759
Finance costs ²	(66,752)	(28,657)	(36,707)	(29,884)	(162,000)

A reconciliation of Profit after tax to Funds from Operations is provided as follows:

	2023 \$'000
Profit after tax	107,066
Income tax expense	21,825
Profit before tax	128,891
Reduction in concession/lease receivables	63,824
Transaction costs in relation to acquisition	3,693
Tax paid	(48,381)
Maintenance capital expenditure	(47,588)
Non-cash finance cost	7,835
Depreciation and amortisation	205,127
Share of results of joint ventures	(41,759)
Distribution to perpetual securities holders	(27,150)
Funds from operations from joint venture	76,776
Payment of upfront fees and legal fees	(13,418)
Other adjustments ³	(23,803)
Funds from operations and finance cost attributable to NCI	(28,345)
Funds from Operations	255,702

	Energy Transition \$'000	Environmental Services \$'000	Distribution & Storage \$'000	Corporate \$'000	Total \$'000
2023					
Segment and consolidated total assets	2,918,607	1,159,361	1,374,560	164,650	5,617,178
Segment liabilities	1,633,056	393,526	944,627	771,630	3,742,839
Unallocated liabilities:					
Current tax liabilities					13,394
Deferred tax liabilities					71,996
Consolidated total liabilities					3,828,229
Other segment items					
Additions to non-current assets ⁴	16,363	16,397	33,754	–	66,514

	Energy Transition \$'000	Environmental Services \$'000	Distribution & Storage \$'000	Corporate \$'000	Total \$'000
2022					
Revenue	548,297	124,017	1,333,632	–	2,005,946
Profit/(loss) before tax	69,046	7,453	25,073	(78,088)	23,484
Funds from operations¹	115,667	78,765	103,991	(66,076)	232,347
Other segment items:					
Depreciation and amortisation	(82,285)	(13,251)	(61,148)	–	(156,684)
Fair value gain/(loss) on derivative financial instruments	52	–	–	–	52
Impairment loss on trade and other receivables (net)	(576)	(7)	(583)	–	(1,166)
Share of results/(loss) of joint venture	(2,273)	–	(61,446)	–	(63,719)
Finance costs ²	(59,038)	(8,875)	(26,254)	(17,526)	(111,693)

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47. SEGMENT INFORMATION (continued)

A reconciliation of Profit/(loss) after tax to Funds from Operations is provided as follows:

	2022 \$'000
Profit/(loss) after tax	(2,829)
Income tax expense	26,313
Profit before tax	23,484
Reduction in concession/lease receivables	61,902
Transaction costs in relation to acquisition	58,820
Tax paid	(39,903)
Maintenance capital expenditure	(40,731)
Non-cash finance cost	5,216
Depreciation and amortisation	156,684
Share of results of joint ventures	63,719
Distribution to perpetual securities holders	(27,150)
Funds from operations from joint venture	14,892
Payment of upfront fees and legal fees	(958)
Other adjustments ³	(38,373)
Funds from operations and finance cost attributable to NCI	(5,255)
Funds from Operations	232,347

	Energy Transition \$'000	Environmental Services \$'000	Distribution & Storage \$'000	Corporate \$'000	Total \$'000
2022					
Segment and consolidated total assets	3,002,947	1,262,892	1,496,043	200,874	5,962,756
Segment liabilities	1,565,710	386,438	879,001	1,104,736	3,935,885
Unallocated liabilities:					
Current tax liabilities					21,593
Deferred tax liabilities					98,122
Consolidated total liabilities					4,055,600
Other segment items					
Additions to non-current assets ⁴	23,811	2,934	29,382	–	56,127

¹ Funds from operations is defined as profit/(loss) 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.

⁴ Other adjustments include payment of lease expenses, reversal of fair value or unrealised exchange gains/(losses) and non-cash adjustments etc.

The Group has operations mainly in Singapore, Australia, New Zealand and South Korea. 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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Singapore	639,410	625,004	1,431,507	1,910,669
Australia	829,320	912,630	681,052	300,774
New Zealand	292,456	316,468	111,300	119,564
South Korea	125,744	20,766	819,647	876,030
Others	148,990	131,078	458,632	408,582
	2,035,920	2,005,946	3,502,138	3,615,619

¹ Non-current assets comprising property, plant and equipment, intangibles and investment in joint venture.

² Please refer to the bottom note on the Statement of Financial Position for details on the reclassification from Property, plant and equipment to Investment properties.

Revenue from Environmental Services segment of \$104,435,000 (2022: \$103,998,000) was solely derived from the only customer of the respective subtrusts. For the Energy Transition segment, revenue of \$115,612,000 (2022: \$116,895,000) was derived from its only customer. For Distribution & Storage segment, no revenue comes from one major customer.

48. ACQUISITION OF SUBSIDIARIES

For the financial year ended 31 December 2023

On 1 October 2023, the Trust, through its City Energy sub-group, acquired 51% of the business in TSH Soon Huat Gas Supply Pte. Ltd. ("TSH"). The principal activities of TSH is to distribute LPG cylinders to residential, commercial and industrial customers in Singapore.

As of 31 December 2023, the purchase commitments for minority interest's shares of \$17.2 million mainly included the call option granted by SKM Loyang Holdings Pte. Ltd ("Tan Holding Co") for its 49% share in TSH at the exercise date of the option. The option may be exercised during the period commencing from the expiry of 72 months after completion. Pursuant to the clauses in the signed business transfer agreement, there can be adjustments to the purchase price consideration, depending on whether the average annual EBITDA exceed or fall short of the projected EBITDA. The fair value of the contingent consideration was estimated to be zero at the date of valuation.

The acquisitions have been accounted for by the acquisition method of accounting. The fair values of identifiable net assets and the cash outflow of the businesses acquired were as follows:

	2023 \$'000
Property, plant and equipment	5,122
Identifiable intangible assets	3,450
Inventories	632
Financial assets	5,160
Financial liabilities	(2,226)
Total identifiable assets acquired and liabilities assumed	12,138
Consideration transferred	18,266
Add: Non-controlling interests	5,948
Less: Recognised amounts of net assets acquired	(12,138)
Goodwill arising on acquisition	12,076
Net cash outflow arising on acquisition:	
Cash consideration	18,266
Less: Deferred consideration	(6,704)
Less: Cash and cash equivalent balances acquired	-
Add: Fair value of call/put options, net	2,598
	14,160

The initial accounting for the acquisition of TSH have only been provisionally determined at the end of the financial year. At the date of finalisation of these consolidated financial statements, the necessary market valuations and other calculations had not been finalised and they have therefore only been provisionally determined based on the management's best estimate of the likely values. The following amounts have been measured on a provisional basis:

- The fair values of property, plant and equipment, intangible assets, inventories, financial assets and financial liabilities are pending finalisation of an independent valuation.

Goodwill arose on the acquisitions because the cost of the investment 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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

48. ACQUISITION OF SUBSIDIARIES (continued)

The goodwill arising on the acquisition of TSH 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 TSH are as follows:

	2023 \$'000
Revenue	5,153
Profit for the year	201

Had the business combination during the year been effected at 1 January 2023, the consolidated revenue and consolidated profit for the year ended 31 December 2023, without adjusting for the transaction cost and fair value adjustments, which are non-recurring in future periods, arising from the acquisition, would have been as follows:

	From 1 January 2023 to 31 December 2023 \$'000
Revenue	40,414
Profit for the year	201
Effect of business combination assumed to be completed on 1 January 2023	1,788
Adjusted profit for the year	1,989

The Trustee-Manager considers these 'pro-forma' numbers to represent an approximate measure of the performance of the combined Group on an annualised basis, after adjusting for the transaction cost and fair value adjustments, and to provide a reference point for comparison in future periods.

In determining the 'pro-forma' revenue and profit of the Group had TSH acquired at the beginning of the current reporting period, the Trustee-Manager has factored in the depreciation of upkeep in fair value of property, plant and equipment arising from the acquisition.

For the financial year ended 31 December 2022

On 31 March 2022 and 1 June 2022, the Trust, through its Ixom sub-group, completed the acquisition of the business in Bituminous Products Pty. Ltd. ("BP") and Aromatic Ingredients Pty. Ltd. ("AI") in Australia. The principal activities of BP include manufacturing and supplies of bitumen-based and associated products for road surfacing and general industrial use while the principal activities of AI are wholesale, blend and contract manufacture of essential oils.

On 20 October 2022, the Trust, together with co-investors Keppel Infrastructure Holdings Pte. Ltd. and Keppel Asia Infrastructure Fund LP, through its subsidiary One Eco Co., Ltd., has also completed the acquisition of Eco Management Korea Holdings Co., Ltd. ("EMK") in South Korea. The principal activities of EMK are waste treatment and recycling and waste-to-energy services.

On 31 October 2022, the Trust, through its Ixom sub-group, completed the acquisition of the business in Pure Ingredients Pty. Ltd. ("PI"). The principal activities of PI is to distribute ingredients into the health and personal care segment with a focus on natural and organic products.

The above acquisitions have been accounted for by the acquisition method of accounting and were provisionally determined at the end of the prior financial year. Following the receipt of final information and finalised calculations on acquired balances, including independent market and internal valuations where appropriate, management has determined final fair value of consideration provided, assets acquired and liabilities assumed for these acquisitions as at 31 December 2023.

The fair values of identifiable net assets and the cash outflow of the businesses acquired were as follows:

	2022 \$'000						Total
	EMK			BP	AI	PI	
	Provisional	Adjust	Final	Final	Final	Final	
Property, plant and equipment	250,057	(10,200)	239,857	22,440	-	353	262,650
Right-of-use assets	1,436	-	1,436	2,999	-	-	4,435
Investment properties	-	10,200	10,200	-	-	-	10,200
Identifiable intangible assets	338,610	-	338,610	21,032	996	60	360,698
Deferred tax assets	538	-	538	423	-	-	961
Inventories	1,780	-	1,780	3,858	524	4,630	10,792
Financial assets	48,641	-	48,641	14,684	3	1,561	64,889
Financial liabilities	(18,871)	-	(18,871)	(6,852)	-	(735)	(26,458)
Borrowings	(234,958)	-	(234,958)	-	-	-	(234,958)
Lease liabilities	(1,209)	-	(1,209)	(2,999)	-	-	(4,208)
Deferred tax liabilities	(87,922)	-	(87,922)	(9,109)	(130)	-	(97,161)
Provisions	(1,584)	-	(1,584)	(573)	-	(155)	(2,312)
Defined benefits obligation	(2,640)	-	(2,640)	-	-	-	(2,640)
Total identifiable assets acquired and liabilities assumed	293,878	-	293,878	45,903	1,393	5,714	346,888
Goodwill	314,227	-	314,227	30,492	860	8,700	354,279
Total consideration transferred in cash	608,105	-	608,105	76,395	2,253	14,414	701,167
Net cash outflow arising on acquisition:							
Cash consideration	608,105	-	608,105	76,395	2,253	14,414	701,167
Less: Deferred consideration	-	-	-	-	(296)	-	(296)
Less: Cash and cash equivalent balances acquired	(24,716)	-	(24,716)	(3,582)	-	-	(28,298)
	583,389	-	583,389	72,813	1,957	14,414	672,573

In prior year, transaction cost of \$25,733,000 was incurred in relation to acquisition of subsidiaries.

Goodwill arose on the acquisitions 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. Additionally, EMK's growth trajectory underscored by South Korea's increased emphasis to promote a circular economy where EMK would benefit from this vision of sustainable urbanisation and ride on the positive sectorial tailwinds for waste management in South Korea.

The goodwill arising on the acquisition of EMK, BP, AI and PI are not expected to be deductible for tax purposes.

The acquisition of AI involved a deferred consideration arrangement, in which the Group would pay the vendors in two tranches, amounting to A\$150,000 (\$148,000) in each tranche. The first tranche is due 12 months after completion and the second tranche is due 24 months after completion.

Notes to the Financial Statements

For the financial year ended 31 December 2023

48. ACQUISITION OF SUBSIDIARIES (continued)

The revenue and profit or loss for the year of the Group, attributable to the additional business generated by EMK, BP, AI and PI were as follows:

	2022 \$'000
Revenue	67,066
Profit for the year	411

Had the business combination during the year been effected at 1 January 2022, the consolidated revenue and consolidated profit for the year ended 31 December 2022, without adjusting for the transaction cost and fair value adjustments, which are non-recurring in future periods, arising from the acquisition, would have been as follows:

	From 1 January 2022 to 31 December 2022 \$'000
Revenue	212,823
Profit for the year	411
Effect of business combination assumed to be completed on 1 January 2022	(575)
Adjusted loss for the year	(164)

The Trustee-Manager considers these 'pro-forma' numbers to represent an approximate measure of the performance of the combined Group on an annualised basis, after 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 EMK, BP, AI and PI been acquired at the beginning of the prior 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 acquisitions.

49. EVENTS AFTER BALANCE SHEET DATE

On 2 January 2024, the Group completed its First Closing of the acquisition of Enpal B.V. (Enpal)'s solar portfolio through a special purpose vehicle (SPV). KIT holds a 50% stake in the SPV, which acquired a 90% stake in Enpal's solar portfolio with Enpal retaining the remaining 10% stake. The acquisition of Enpal's portfolio would span across four phases, and the Group expects to complete the remaining three phases of acquisitions by June 2024.

On 5 February 2024, the Group announced that it will be acquiring an approximately 98.6% stake in Ventura Motors Pty. Ltd. (Ventura), the largest bus service business in the State of Victoria, Australia for an enterprise value of A\$600 million¹ (or approximately S\$540 million) through a SPV. The transaction is expected to be completed in second quarter of 2024, subject to the conditions precedent, including approval from the Australian Foreign Investment Review Board and consent from the Head, Transport for Victoria.

¹ Subject to completion adjustments

50. STATEMENT OF PROFIT OR LOSS – TRUST

The Statement of Profit or Loss of the Trust, which is for information purpose only, is as follows:

	2023 \$'000	2022 \$'000
Revenue	177,280	162,076
Other income	4,126	3,772
Other losses – net	(146,689)	(156,892)
Expenses		
Finance costs	(35,034)	(17,852)
Trustee-Manager's fees ¹	(56,568)	(15,147)
Other operating expenses	(5,384)	(7,576)
Total expenses	(96,986)	(40,575)
Loss before tax	(62,269)	(31,619)
Income tax expense	(413)	(216)
Loss for the year	(62,682)	(31,835)
Interest cover ratio*	15x	14x

¹ In 2022, acquisition fee of \$33,661,000 was capitalised on the investment in subsidiaries.

* Computed based on adjusted EBITDA/net interest expense.

51. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

At the date of authorisation of these financial statements, the Group and the Trust have not applied the following SFRS(I) pronouncements that were issued but are not yet effective

Effective for annual periods beginning on or after 1 January 2024

- Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current
- Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants
- Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback

Effective for annual reporting periods beginning on or after 1 January 2025

- Amendments to SFRS(I) 1-21: Lack of Exchangeability

Effective date is deferred indefinitely

- Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between Investor and its Associate or Joint Venture

The Trustee-Manager anticipates that the adoption of the above SFRS(I)s and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and the Trust on the period of their initial adoption.

Notes to the Financial Statements

For the financial year ended 31 December 2023

52. CLIMATE RELATED RISKS

Considering the risks related to climate change, the Group has committed to accelerate efforts to transition towards a low-carbon future and mitigate the impact of climate change. In this regard, the Group provides explicit information regarding how climate change is reflected in the financial statements.

- i. **Impairment of non-financial assets**
The management has considered whether there is any indication of non-financial assets being impaired as the result of climate related issues, and had taken into account the higher of fair value less costs of disposal and value-in-use of the assets when determining the recoverable amounts for impairment testing. As operations of the Group across different countries are in compliance with climate related regulations of each jurisdiction as at the date of the financial statement, therefore no non-compliance costs or acceleration of useful lives of non-financial assets had been projected in the value-in-use calculations. The management will continue to monitor the changes of climate related regulations in each country where it operates, and include the non-compliance costs and/or shortened business operations periods due to inability to comply, for recoverable amount calculations in the future.
- ii. **Useful lives of tangible and intangible assets**
As at the date of the financial statements, the management is not aware of any decision of government and regulators that will accelerate the depreciation of emitting assets. As the role of the emitting assets of each country is uncertain and depends on the future policies and measures adopted by governments or regulators, and therefore, their useful lives have not been changed since the end of previous financial reporting year. However, the management will continue to monitor the decisions of governments and regulators to determine whether it will need to accelerate the depreciation of these assets in the future.
- iii. **Provision for decommissioning costs**
The management considers it is impractical to accelerate the timing of provision for decommissioning costs of emitting assets as the results of climate change depend on actions by government and regulators which are beyond the control of the Group. The management will continue to monitor the decisions of governments and regulators, and considers the necessary to change the discount rate used in determining fair value of the provisions should the acceleration of decommissioning be imposed as a results of climate change and accompanying regulations.
- iv. **Sustainable finance**
As at the end of the financial year, the Group's borrowings included a sustainability-linked loan of \$612,500,000 (2022: \$700,000,000) related to the energy plant of a subsidiary. The loan contract include margin step up or step down determined by the extent the below parameters is met:
 - better carbon emission intensity compared to the latest Grid Emission Factor ("GEF") report; and
 - improvement in terms of carbon intensity compared to the previous year.
- v. **Environmental certificate costs**
The Group has obtained environment-related sustainability certificates, include ISO 14001 Environmental Management System and ISO 50001 Energy Management, for the operation under the segment of Energy Transition and Environmental Services. The costs incurred in relation to the certificates amounted to \$135,243 (2022: \$117,371) and recorded in other operating expenses.

53. OECD PILLAR TWO MODEL RULES

The Group is within the scope of OECD Pillar Two model rules. In the Singapore 2023 Budget Statement, the Singapore government has announced that the country would implement the Global Anti-Base Erosion ("GloBE") rules including a domestic top-up tax ("DTT") from 1 January 2025. Since the Pillar Two legislation has not been enacted in Singapore, the jurisdiction in which the Trust is incorporated, and was not effective at the reporting date, the Group has no related current tax exposure. The Group has applied the temporary exception from accounting for deferred taxes arising from Pillar Two model rules, as provided in the amendments to SFRS(I) 1-12 issued in May 2023. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group is in the process of assessing the potential exposure to Pillar Two income taxes as at 31 December 2023. As certain information required for the assessment is still being gathered and, therefore, the assessment is not complete, the potential exposure, if any, to Pillar Two income taxes is currently not known or reasonably estimable pending completion of the assessment. The Group continues to progress on the assessment and expects to complete the assessment in 2024.

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). Good corporate governance is also critical to the performance and success of KIT.

The Business Trusts Act, 2004 (BTA) sets out the requirements and obligations in respect of corporate governance. The Business Trusts Regulations (BTR) set out the requirements for, among 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 (as amended from time to time)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 as well as complied in all material aspects in the provisions and practices in the 2018 Code. Where there are deviations from the provisions of the 2018 Code, appropriate explanations have been provided in this Annual 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.

The Board puts in place a code of conduct and ethics, sets appropriate tone from the top and desired organisational culture, and ensures proper accountability within the Trustee-Manager and KIT.

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 and clearly communicated to Management in writing. Appropriate delegations of authority and approval sub-limits are also provided at the Management level as well as at the Investment Committee level to facilitate operational efficiency.

The Board has reserved authority to approve certain matters including:

- material acquisitions, investments and divestments;
- issuance of new units in KIT (Units);
- distributions to Unitholders; and
- matters which involve a conflict of interest for a controlling unitholder or a Director.

Independent Judgment: All directors of the Trustee-Manager (the Directors) are fiduciaries who are expected to act objectively and exercise independent judgment in the best interests of KIT and hold Management accountable for performance. When reviewing Management's proposals or decisions, the Directors bring their objective independent judgement to bear on business activities and transactions involving conflicts of interest and other complexities. 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 Environmental, Social and Governance (ESG) Committee, and the Investment Committee have been constituted with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. All the Board committees are actively engaged and play important roles in ensuring good corporate governance. 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 212 to 216.

¹ The Code of Corporate Governance 2018 issued by the Monetary Authority of Singapore on 6 August 2018, as amended from time to time.

Corporate Governance

Meetings: The Board meets at least four (4) 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 divestments, the annual budgets, 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 internal and external 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 2023), as well as the attendance of each Board member at these meetings, are disclosed below.

Board And Board Committee Meetings For FY 2023

	Board Meetings	Audit and Risk Committee Meetings	Nominating & Remuneration Committee Meetings	ESG Committee Meetings	Investment Committee Meetings	Non-Executive Directors' Meeting (without presence of Management)
Daniel Cuthbert Ee Hock Huat	7	4	3	–	11	1
Kunnasagaran Chinniah ¹	2	2	–	2	4	1
Mark Andrew Yeo Kah Chong	7	4	3	–	–	1
Ng Kin Sze ¹	5	–	–	2	8	1
Chong Suk Shien ¹	7	–	–	4	–	1
Adrian Chan Pengee ¹	7	2	–	4	–	–
Christina Tan Hua Mui	7	–	3	–	11	1
Number of Meetings Held in FY 2023	7	4	3	4	11	1

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	Investment Committee	ESG Committee
Daniel Cuthbert Ee Hock Huat	Non-Executive Independent Chairman	Member	Chairman	Member	–
Mark Andrew Yeo Kah Chong	Non-Executive Independent	Chairman	Member	–	–
Ng Kin Sze ^{1,2}	Non-Executive Independent	–	–	Member	Member
Chong Suk Shien ¹	Non-Executive Independent	–	–	–	Chairman
Adrian Chan Pengee ¹	Non-Executive Independent	Member	–	–	Member
Christina Tan Hua Mui	Non-Executive Non-Independent	–	Member	Chairman	–

Notes:

¹ Mr Adrian Chan was appointed as a member of the Audit and Risk Committee with effect from 1 May 2023 in place of Mr Kunnasagaran Chinniah, who stepped down as Non-Executive Independent Director on 30 June 2023 and accordingly, ceased to be Chairman of the ESG Committee and a member of the Investment Committee with effect from 30 June 2023. Ms Chong Suk Shien was appointed as Chairman of the ESG Committee with effect from 30 June 2023. Mr Ng Kin Sze was appointed as Non-Executive Independent Director on 1 June 2023 and a member of the Investment Committee and ESG Committee with effect from 30 June 2023.

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 and as and when required 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.

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 complete, adequate, 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 to enable the Board to make informed decisions and discharge its duties and responsibilities. The information provided to the Board includes management accounts, 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 on a regular basis. The financial results are also compared against the respective 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 also have separate and independent access to management and the Company Secretaries, and 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. In addition, Directors also have separate and independent access to external advisers (where necessary).

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 or the Trustee-Manager, as appropriate.

The Board reviews the budgets 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 management presentations on KIT's businesses, strategic plans and objectives. Site visits are organised by Management periodically for Directors and other employees.

Training: Changes to laws, regulations, policies, accounting and financial reporting 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 the circulation of Board papers and updates. The Directors are also provided with opportunities to develop and maintain their skills and knowledge through continuing education in areas such as directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, changes in the Companies Act, 1967 (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.

Directors who are appointed to the Board from time to time either have prior experience as a director of an issuer listed on the SGX or will undergo the training required under Rule 210(5)(a) of the Listing Manual. Rule 720(7) of the Listing Manual requires all directors of an issuer to undergo training on sustainability matters as prescribed by the SGX. All Directors have undergone the required sustainability training prescribed by the SGX.

Corporate Governance

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 and divisions of responsibilities between 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 2023, the NRC comprises three Directors, the majority of whom, including the Chairman of the NRC, are independent.

The composition of the NRC is as follows:

Mr Daniel Cuthbert Ee	Chairman
Hock Huat (Non-Executive Independent Director)	
Mr Mark Andrew Yeo	Member
Kah Chong (Non-Executive Independent Director)	
Ms Christina Tan Hua Mui	Member
(Non-Executive Director)	

The NRC has its written terms of reference setting out its scope and authority in performing the functions of the NRC. The detailed responsibilities of the NRC are disclosed at pages 213 to 214 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:

- the NRC reviews annually the balance and diversity of skills, talents, experience, gender, age 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;
- 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;
- external help (for example, Singapore Institute of Directors, search consultants, open advertisement) may be used to source for potential candidates if need be. Directors and Management may also make suggestions;
- 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
- 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:

- integrity
- independent mindedness
- diversity – possess core competencies that meet the current needs of KIT and the Trustee-Manager and complement the skills, talents and competencies of the current Directors on the Board
- able to commit time and effort to carry out duties and responsibilities effectively
- 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) had 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 Mr Ng Kin Sze was first appointed to the Board on 1 June 2023, and the appointments of Mr Daniel Cuthbert Ee Hock Huat and Mr Adrian Chan Pengee as Directors were endorsed by Unitholders at the AGM held in 2023, accordingly, for the AGM to be held in 2024, the Trustee-Manager has included in the agenda, the resolutions to endorse the appointment of Mr Ng Kin Sze, Mr Mark Andrew Yeo Kah Chong and Ms Chong Suk Shien.

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 rules 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, talents, 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, foster constructive debate 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, talents, 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 2023, and the progress towards achieving such objectives, are set out below:

Objectives for 2024

Objectives

Maintain the gender diversity objective of ensuring that approximately 30% of the Board will comprise female directors.

Progress

With Ms Chong Suk Shien’s appointment on 5 March 2021 and Ms Christina Tan Hua Mui’s appointment on 15 September 2016, 33.3% of the Board comprise female directors.

Corporate Governance

At the recommendation of the NRC and in recognition of the merits of gender diversity, the Board has committed to ensuring that approximately 30% of the Board will comprise female directors. As at the date of this Annual Report, there were two female Directors out of a total of six Directors on the Board and accordingly, this commitment has been met.

Annual Review of Board Size and Composition

In FY 2023, the Board consists of six members, five of whom are Non-Executive Independent Directors and the Chairman of the Board is Mr Daniel Cuthbert Ee Hock Huat who is a Non-Executive Independent Director, which is in compliance with Provisions 2.2 and 2.3 of the 2018 Code. Following Mr Kunnasagaran Chinniah's cessation as a member of the Audit and Risk Committee and stepping down from the Board on 1 May 2023 and 30 June 2023 respectively, (a) Mr Adrian Chan Pengee was appointed as a member of the Audit and Risk Committee with effect from 1 May 2023, (b) Mr Ng Kin Sze was appointed as a Non-Executive Independent Director on 1 June 2023 and a member of the Investment Committee and ESG Committee with effect from 30 June 2023, and (c) Ms Chong Suk Shien was appointed as Chairman of the ESG Committee with effect from 30 June 2023.

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 192. The NRC has recently conducted its assessment in January 2024 and is satisfied that the Board and the Board committees comprise Directors who as a group provide an appropriate balance and mix of skills, talents 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 is independent in conduct, character and judgement and has no relationship with the Manager, its related corporations, its substantial shareholders 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 Ltd. (Keppel). Keppel Infrastructure Holdings Pte. Ltd. (KI), a wholly-owned subsidiary of Keppel remains a sponsor of KIT and is the largest unitholder of KIT. Keppel 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, 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 2023 in January 2024 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, the SGX 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 Daniel Cuthbert Ee Hock Huat is strictly not considered to be independent from Temasek and Keppel, 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 Capitaland Ascendas REIT Management Limited (Ascendas), a subsidiary of Temasek. In addition, Mr Ee is also an investment committee member of Keppel Asia Infra Fund (GP) Pte. Ltd. (KAIF) and Keppel Asia Infra Fund II (GP) Pte. Ltd., (KAIF II, and together with KAIF, the KAIF Entities), each of which is a wholly-owned indirect subsidiary of Keppel Capital. 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 and his investment committee member roles on the KAIF Entities are independent non-executive roles, (ii) Mr Ee serves on the Board in his personal capacity, not as Temasek's and/or Keppel Capital's representative, (iii) Mr Ee is not an employee of Temasek and/or Keppel Capital and he has declared that he does not act in accordance with the instructions of Temasek and/or Keppel Capital, and (iv) Mr Ee has declared that he does not derive any compensation from Ascendas, Temasek and/or Keppel Capital other than remuneration received for his service as a director of Ascendas and as an investment committee member of the KAIF Entities. 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, Keppel Capital and its subsidiaries.

- b. Mr Mark Andrew Yeo Kah Chong is independent from management and business relationships with the Trustee-Manager and independent from Keppel and Temasek.
- c. although Mr Ng Kin Sze is strictly not considered to be independent from Temasek and Keppel, a deemed substantial shareholder of the Trustee-Manager according to the BTR, nonetheless, the Board considers that Mr Ng is an independent Director. Mr Ng is a part-time private equity advisor to Fullerton Fund Management Company Ltd, a subsidiary of Temasek. In addition, Mr Ng is also an investment committee member of the KAIF Entities, each of which is a wholly-owned indirect subsidiary of Keppel Capital. After review, the Board is satisfied that the above relationships will not interfere with Mr Ng'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 Ng is a part-time equity advisor to a subsidiary of Temasek and his investment committee member roles on the KAIF Entities are independent non-executive roles, (ii) Mr Ng serves on the Board in his personal capacity, not as Temasek's

and/or Keppel Capital's representative, (iii) Mr Ng is not an employee of Temasek and/or Keppel Capital and he has declared that he does not act in accordance with the instructions of Temasek and/or Keppel Capital, and (iv) Mr Ng has declared that he does not derive any compensation from Temasek and/or Keppel Capital other than remuneration received for his service as an advisor to a subsidiary of Temasek and as an investment committee member of the KAIF Entities.

The Board is of the view that Mr Ng has consistently shown independent judgment in his deliberation of the interests of KIT. Mr Ng's participation in the Board will benefit KIT given his expertise. Mr Ng will however, abstain from the Board's decisions in relation to any matter which involves Temasek and its subsidiaries and/or Keppel Capital.

- d. Ms Chong Suk Shien is independent from management and business relationships with the Trustee-Manager and independent from Keppel and Temasek.
- e. although Mr Adrian Chan Pengee 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 Chan is an independent Director. Mr Chan is a director of certain subsidiaries of Temasek, including Azalea Asset Management Pte Ltd and Astrea V Pte Ltd. After review, the Board is satisfied that the above relationships will not interfere with Mr Chan'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 Chan is an independent non-executive director of certain subsidiaries of Temasek, (ii) Mr Chan serves on the Board in his personal capacity, not as Temasek's representative, (iii) Mr Chan has declared that he does not act in accordance with the instructions of Temasek, and (iv) Mr Chan has declared that he does not derive any compensation from Temasek other than remuneration received for his service as a director to certain subsidiaries of Temasek.

The Board is of the view that Mr Chan has consistently shown independent judgment in his deliberation of the interests of KIT. Mr Chan's participation in the Board will benefit KIT given his expertise. Mr Chan will however, abstain from the Board's decisions in relation to any matter which involves Temasek and its subsidiaries.

- f. Ms Christina Tan Hua Mui is not considered to be independent from Keppel. Ms Tan is the Chief Executive Officer, Fund Management and Chief Investment Officer, Keppel, a director of Keppel Capital and a director of several other companies within the Keppel Group, including Keppel REIT Management Limited and Keppel DC REIT Management Pte. Ltd.

As at the date of this Annual Report, none of the Directors have served on the Board for continuous period of nine years or longer.

For purposes of transparency:

- a. with respect to KIT's co-investment in a diversified portfolio of operational and pipeline onshore wind projects across Norway, Sweden and the United Kingdom sponsored by Fred. Olsen Renewables AS through Windy EU Holdings Pte. Ltd., a joint-venture company established with Keppel Renewable Investments Pte. Ltd. (wholly-owned subsidiary of Keppel), Mr Mark Andrew Yeo Kah Chong and Ms Chong Suk Shien were appointed as KIT's nominee directors on Windy Eu Holdings Pte. Ltd. In addition, Windy EU Holdings Pte. Ltd. had entered into a subscription agreement for the purposes of investing in approximately 33.33% of a joint investment vehicle, Wind Fund I AS, and in order to provide KIT with oversight on the portfolio of operational and pipeline onshore wind projects to be co-invested by Wind Fund I AS, Ms Chong Suk Shien had also been appointed as a director of Wind Fund I AS;
- b. with respect to KIT's joint acquisition of Eco Management Korea Holdings Co., Ltd. through One Eco Co., Ltd., a joint-venture investment holding company incorporated jointly by KIT, Keppel EnServices Investment Pte. Ltd. (a wholly-owned subsidiary of Keppel Infrastructure Holdings Pte Ltd) and

Corporate Governance

Keppel Asia Infrastructure Fund LP (together with a co-investor), Mr Daniel Cuthbert Ee Hock Huat was appointed as one of KIT's nominee directors on One Eco Co., Ltd to provide KIT with oversight on Eco Management Korea Holdings Co., Ltd.; and

- c. with respect to KIT's joint acquisition of 50.01% of the share capital of Borkum Riffgrund 2 Investor Holding GmbH from Gulf International Holding Pte. Ltd. through Neptune1 Infrastructure Holdings Pte. Ltd., a joint-venture company established with Keppel Renewable Investments Pte. Ltd. (wholly-owned subsidiary of Keppel), Mr Daniel Cuthbert Ee Hock Huat and Mr Adrian Chan Pengee were appointed as KIT's nominee directors on Neptune1 Infrastructure Holdings Pte. Ltd. The foregoing acquisition is for the purposes of investing in 50% of the partnership interest in Borkum Riffgrund 2 Offshore Wind Farm GmbH & Co. oHG, in which Ørsted Wind Power A/S owns the remaining 50% partnership interest. In order to provide KIT with oversight on the German offshore wind farm held by Borkum Riffgrund 2 Offshore Wind Farm GmbH & Co. oHG, Mr Adrian Chan Pengee had also been appointed as a director of Borkum Riffgrund 2 Investor Holding GmbH.

While the aforementioned Non-Executive Independent Directors will receive director's fees in connection with their respective appointments as described above, the Practice Guidance to the 2018 Code excludes compensation for board service received from KIT or any of its subsidiaries as one of the circumstances in which a director should be deemed to be non-independent. In addition, such appointments are either as nominee director of KIT (in which case, such Director will, in such capacity, act in the interests of Unitholders) or to provide KIT with oversight on KIT's acquisitions and/or investments.

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. As there are no executive Directors, all non-executive and independent Directors contribute to the Board process by monitoring and reviewing Management's performance against goals and objectives. The views

and opinions of the non-executive and independent Directors provide alternative perspective to KIT's business and enable the Board to make informed and balanced decisions. This also enables the Board to interact and work with Management to help shape the strategic process.

If the Chairman is conflicted, the Chairman of the Audit and Risk Committee will lead the Board. The ESG Committee also looks 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.

In addition, the current Board comprises individuals who are business leaders and professionals with legal, sustainability, finance, fund management and investment backgrounds. Together, the Board as a group provides an appropriate balance and diversity of skills with core competencies such as industry knowledge, business and management experience, age, gender (two female Directors), strategic planning and customer-based experience. Their varied backgrounds enable Management to benefit from their diverse expertise and experience to further the interests of KIT and its Unitholders.

Taking into account the strong independent character 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. Instead of fixing a maximum number of listed company board representation and/or other principal commitments that a Director may have, 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.

The listed company directorship and principal commitments of each Director are set out on pages 18 to 19.

Taking into account the abovementioned factors, the NRC is 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 16 to 17: Corporate governance at a glance, setting out key metrics of the Board such as the level of independence, age profile, tenure and gender diversity;

Pages 18 to 19: 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;

Pages 218 to 220: 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 annual general meeting; and

Page 224: unitholding in KIT as at 5 March 2024.

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 each of its Board committees separately, and the contribution by the Chairman and each individual Director to the effectiveness of the Board.

Independent Coordinator: To ensure that the assessments are done promptly and fairly, the Board has appointed an independent third party (the “Independent Co-ordinator”) to assist in collating and analysing the feedback of the Board members. Ernst & Young Advisory Pte. Ltd. (“EY”), was appointed for this role. EY does not have any other connection with KIT, the Trustee-Manager or any of the Directors.

Formal Process and Performance Criteria: The evaluation processes are disclosed on page 216.

Evaluation Results: For FY 2023, the outcomes of the evaluations of the Board and Board Committees, individual Directors and the Chairman were satisfactory and the Directors as a whole provided affirmative ratings across all the performance criteria.

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 at the section “Board Matters: Board Composition and Guidance” on page 194. The NRC’s responsibilities are set out at pages 213 to 214. 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 and 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 consultant where required. In FY 2023, the NRC sought views from external remuneration consultant Willis Towers Watson (WTW) on market practice and trends, and benchmarks against comparable

organisations. The NRC undertook a review of the independence and objectivity of the external remuneration consultant through discussions with the external remuneration consultant. The NRC has confirmed that the external remuneration consultant had no relationships with the Company 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

The remuneration of Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities. 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 directors’ fee structure is regularly benchmarked with comparable listed companies to ensure that their remuneration is fair and appropriate. The non-executive Directors participated in additional ad-hoc meetings with Management during the year and are not paid for attending such meetings.

In FY 2023, the NRC, in consultation with WTW, conducted a review of the non-executive Directors’ fee structure. 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. Recognising that Directors have ongoing oversight responsibilities towards the Trustee-Manager, the Directors’ fee structure 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.

Corporate Governance

The Directors' fee structure is as follows:

Main Board	Chairman	S\$100,000 per annum
	Director	S\$60,000 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
ESG Committee	Chairman	S\$17,000 per annum
	Member	S\$9,000 per annum
Investment Committee	Chairman	S\$17,000 per annum
	Member	S\$9,000 per annum

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.

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, to attract, retain and motivate key management personnel for the longer term.

The current total remuneration structure reflects four key objectives:

- Unitholder Interest Alignment:** To incorporate performance measures that are aligned to Unitholders' interest
- Long-term Orientation:** To motivate employees to drive sustainable long-term growth
- Simplicity:** To ensure that the remuneration structure is easy to understand and communicate to stakeholders
- Synergy:** To facilitate talent mobility and enhance collaboration across businesses

The total remuneration structure comprises three components; that is – annual fixed

cash, annual performance bonus, and long-term incentives. 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 long-term incentive is 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. Executives who have a greater ability to influence group outcomes have a greater proportion of their overall remuneration at risk. The Trustee-Manager performs regular benchmarking reviews on employees' total remuneration to ensure market competitiveness.

Taking advice from an external independent remuneration consultant, 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:

- by placing a significant portion of executive's remuneration at risk (at-risk component) and in some cases, subject to a vesting schedule;
- by incorporating appropriate key performance indicators (KPIs) for awarding annual cash incentives:
 - there are four scorecard areas that the Trustee-Manager has identified as key to measuring its performance:
 - Financial;
 - Process;
 - Customers & Stakeholders; and
 - 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, sustainability efforts, employee engagement, talent development and succession planning;

- 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 absolute total unitholder returns 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;
- d. potential forfeiture of variable incentives in any year due to misconduct;
- e. requiring the CEO to hold a minimum number of units under the unit ownership guideline; and
- f. exercising discretion to ensure that remuneration decisions are aligned to the Trustee-Manager's long-term strategy and performance and discourage excessive risk taking.

The NRC is of the view that the overall level of remuneration is not considered to be at a level which is likely to promote behaviours contrary to the Trustee-Manager's risk profile.

In determining the actual quantum of the variable component of remuneration, the NRC took into account the extent to which the performance conditions, set forth above, had been met. The NRC is of the view that remuneration is aligned to performance during FY 2023.

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. Under the unit ownership guideline, the CEO is required to hold at least 2 times of his annual fixed pay in the form of Units, while other key senior management who are eligible for PUP are required to hold at least 1.5 times of their annual fixed pay in the form of Units, delivered to them under PUP and RUP, so as to maintain a beneficial ownership stake in KIT, thus further aligning their interests with Unitholders.

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. While such non-disclosure is a deviation from Provision 8.1 of the 2018 Code, the Trustee-Manager is of the view that

such disclosure or non-disclosure (as the case may be) is consistent with the intent of Principle 8 of the Code and will not be prejudicial to the interests of the Unitholders as (i) the NRC, which comprises a majority of independent directors, conducted reviews of the Trustee-Manager's remuneration policies and packages; and (ii) 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 200 to 202.

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.

Corporate Governance

Level and mix of Remuneration of Directors, CEO and Key Management Personnel for FY 2023

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 (S\$)	Benefits- in-Kind (S\$)
Daniel Cuthbert Ee Hock Huat	–	–	143,000	–
Kunnasagaran Chinniah ²	–	–	48,000	–
Mark Andrew Yeo Kah Chong	–	–	105,000	–
Ng Kin Sze ³	–	–	44,302	–
Chong Suk Shien ⁴	–	–	73,054	–
Adrian Chan Pengee ⁵	–	–	80,411	–
Christina Tan Hua Mui ⁶	–	–	86,000	–

Notes:

- 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 unless otherwise stated.
- Mr Kunnasagaran Chinniah ceased to be a member of the Audit and Risk Committee on 1 May 2023. Mr Kunnasagaran Chinniah also stepped down as a Non-Executive Independent Director of the Board on 30 June 2023 and accordingly, ceased to be the Chairman of the ESG Committee and a member of the Investment Committee with effect from 30 June 2023. Fees are pro-rated accordingly and will be paid 100% in cash.
- Mr Ng Kin Sze was appointed as Non-Executive Independent Director on 1 June 2023 and a member of the Investment Committee and ESG Committee with effect from 30 June 2023. Fees are pro-rated accordingly.
- Ms Chong Suk Shien was appointed as Chairman of the ESG Committee on 30 June 2023. Fees are pro-rated accordingly.
- Mr Adrian Chan Pengee was appointed as a member of the Audit and Risk Committee with effect from 1 May 2023. Fees are pro-rated accordingly.
- Ms Christina Tan Hua Mui's director's fee will be paid 100% in cash to Keppel.

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
Above S\$750,000 to S\$1,000,000					
Neo Tzu Chao Kevin ⁴	36%	31%	2%	–	31%
Above S\$500,000 to S\$750,000					
Liu Lei, Marc	47%	36%	2%	3%	12%
Above S\$250,000 to S\$500,000					
Ng Tiang Poh, Eric	55%	29%	3%	4%	9%

Notes:

- The Trustee-Manager has less than five key management personnel other than the CEO.
- 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 2023 were met.
- Units awarded under the KIFM PUP are subject to pre-determined performance targets set over a three-year performance period. As at 28 April 2023 (being the grant date), the estimated value of each unit granted in respect of the contingent deferred units under the KIFM PUP was S\$0.31. As at 15 February 2024 (being the grant date for the contingent deferred units under the KIFM RUP), the volume-weighted average unit price granted in respect of the contingent awards under the KIFM RUP was S\$0.50. For the 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.
- Mr Neo Tzu Chao Kevin was appointed as the Deputy Chief Executive Officer with effect from 8 June 2023 and succeeded Mr Chiang Chang Jopy as the Chief Executive Officer with effect from 1 October 2023. The remuneration disclosed is on an annualised basis. For the period from 1 January 2023 to 30 September 2023, Mr Chiang Chang Jopy earned total remuneration in the band of S\$1,000,000 to S\$1,250,000.

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 2023. "Immediate family member" means the spouse, child, adopted child, step-child, brother, sister and parent.

ACCOUNTABILITY AND AUDIT: AUDIT COMMITTEE

Principle 10:

The Board has an Audit Committee which discharges its duties objectively.

Audit and Risk Committee

The Audit and Risk Committee (ARC) has been appointed by the Board from among its members and in FY 2023,

comprises the following non-executive Directors, all of whom are independent:

Mr Mark Andrew Yeo Kah Chong	Chairman
Mr Daniel Cuthbert Ee Hock Huat	Member
Mr Adrian Chan Pengee	Member

Mr Adrian Chan Pengee was appointed as a member of the Audit and Risk Committee on 1 May 2023 in place of Mr Kunnasagaran Chinniah, who stepped down from the Board on 30 June 2023. 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 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 212 to 213 of the Appendix hereto.

The ARC has 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 to enable it to discharge its functions properly. For FY 2023, the internal audit functions of KIT and the Trustee-Manager has been outsourced to Keppel Ltd's Internal Audit department, and PricewaterhouseCoopers Philippines and KPMG Australia for overseas assets. They, together with the external auditor, reported their findings and recommendations independently to the ARC. KIT had obtained Unitholders' approval on 17 April 2023 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 FY 2023. In addition, the ARC met with

the external auditor and internal auditor at least once during the year, in each case 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 significant audit findings and recommendations put up by the internal and external auditor were forwarded to the ARC. Significant issues were discussed at these meetings.

For FY 2023, aggregate fees of approximately S\$1,632,000 comprising audit fees of approximately S\$1,214,000 and non-audit fees of S\$418,000 were paid or payable to the external auditor.

The nature of the non-audit fees are as follows:

Nature	S\$
Due diligence service in respect of the potential acquisition of Ventura, a transportation business in Australia as announced on 5 February 2024	233,000
Tax advisory services for Ixom	96,000
Agreed upon procedures services in relation to (a) KIT's announcements and (b) for purpose of reporting to regulatory authority	89,000
Total	418,000

Appropriate safeguards were also established to address any potential independence threats arising from the provision of non-audit services to the KIT Group which include:

- i. adhering to the guidelines on prohibited non-audit services as set out in KIT's policy on non-audit services; and
- ii. obtaining ARC's approval before any engagement of non-audit services where the total non-audit fees exceed or expected to exceed 50% of the Group's total audit fees for the financial year.

Where KIT's subsidiaries have its own Audit and Risk Committee (SARC) which would comprise independent directors from such subsidiaries' board, the SARC will assess the independence of the auditor and approve the non-audit fees before tabling for the ARC's review and approval.

Prior to providing quotes for the non-audit services, the external auditor will also perform an internal assessment and ensure that it is in compliance with the independence requirements set out in the Code of Professional Conduct and Ethics applicable to Public Accounts and Accounting Entities contained in the Fourth Schedule of the Accountants (Prescribed Standards and Code of Professional Conduct and Ethics) Order 2023, to which the external auditor has confirmed to the ARC that they are in compliance with those independence requirements. In addition, the external auditor has also reported to the ARC that they have not identified any breaches of independence requirements of the ACRA Code of Ethics.

Finally, the ARC also periodically reviews the appointment, independence and objectivity of the external auditor based on three criteria namely:

- i. reasonableness of audit fees quoted through a competitive process;

- ii. quality of work provided by the external auditor; and
- iii. relationship with the external auditor which includes consideration of the tenure of external auditor and the level of non-audit services performed by the external auditor.

For FY 2023, to elevate the level of independence, the external auditor also included an independent internal quality control review of the audit engagement. The external auditor is also required to communicate in writing to the ARC all breaches of independence requirements of the ACRA Code of Ethics, and the external auditor had reported that they have not identified any breaches of independence.

In view of the above, the ARC has confirmed that the non-audit services performed by the external auditor would not affect their independence.

KIT has complied with Rule 712, and Rule 715 read with Rule 716 of the Listing

Corporate Governance

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 half yearly results, third quarter and nine months ended 30 September 2023 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 2023, the ARC reviewed the key areas of Management’s estimates and judgment applied for key financial issues, which include valuation and assessment of impairment of assets, 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 2023.

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 workshop on International Financial Reporting Standards hosted by Deloitte & Touche LLP, where relevant changes to the accounting standards that will impact KIT were shared by, and discussed with the firm’s representatives from the advisory departments.

In FY 2023, 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 216 to 217.

Management reported to the ARC the interested person transactions (IPTs) on a quarterly basis. The IPTs were reviewed by the internal auditor and all findings, if any, were reported during the ARC meetings on a half-yearly basis in accordance with KIT’s Unitholders’ Mandate (as defined below) for IPTs.

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 on pages 222 to 223 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, information technology controls, and risk management. The ARC reports to the Board on critical risk issues, material matters, findings and recommendations.

Recognising and managing risks in a timely and effective manner is essential to the business of KIT and to protect Unitholders’ interests and value. KIT operates within overall guidelines and specific parameters set by the Board. Responsibility for managing risks 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 conducts 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. Any material noncompliance or failure 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 Management on the recommendations made by the internal auditor and external auditor.

The Board met four times in FY 2023 to review the financial performance of KIT during the year. During FY 2023, the Board also discussed the key business risks for 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

Key Audit Matters

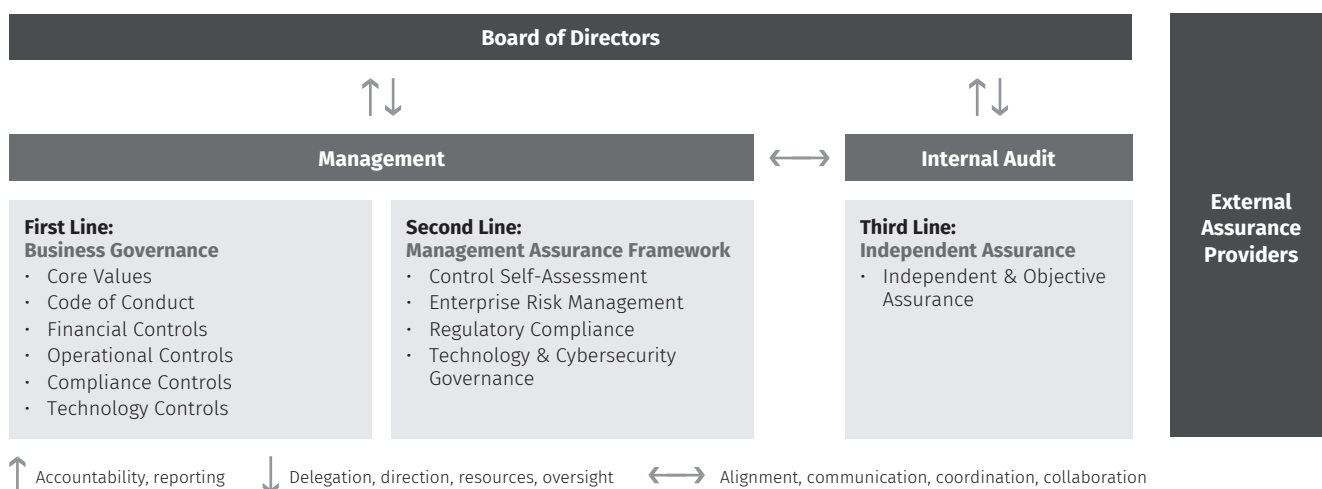
Impairment of Assets – property, plant and equipment, finite-life intangible assets and goodwill

Review by ARC

The ARC considered the methodology applied in determining the recoverable amounts of different asset classes, including the reasonableness of the estimates and key assumptions used.

The ARC concurs with the Management’s assessment.

KIT'S SYSTEM OF MANAGEMENT CONTROLS



actions. The Trustee-Manager's approach to risk management and internal controls and the management of key business risks are set out in the "Risk Management" section on pages 222 to 223 of this Annual Report.

The Trustee-Manager has in place a framework to facilitate the Board's assessment on the adequacy and effectiveness of the Trustee-Manager's and KIT's risk management system (the "Assessment Framework"). The Assessment Framework lays out the governing policies, processes and systems pertaining to each of the identified business risk areas, and assessments are made on the adequacy and effectiveness of such policies, processes and systems. The Board reviews both the assessments and the framework and opines on any gaps or areas of improvement.

The Risk Tolerance Guiding Principles and Assessment Framework are reviewed and updated annually.

In addition, the Trustee-Manager has adopted, among others, the Whistle-Blower Policy, Insider Trading Policy, Dealing in Securities Policy and Code of Practice for Safeguarding Information which reflect the management's commitment to conduct its business within a framework that fosters the highest ethical and legal standards.

The Trustee-Manager and KIT have in place the KIT's System of Management Controls ("KSMC") outlining its internal control and risk management processes and procedures. KSMC comprises the Three Lines Model to ensure the adequacy

and effectiveness of the Trustee-Manager's and KIT's system of internal controls and risk management.

Under the First Line of Business Governance, management, supported by their respective line functions and committees, are responsible for the identification and mitigation of risks (including financial, operational, compliance and technology risks) facing KIT and the Trustee-Manager in the course of running their business. Appropriate policies, procedures and controls are implemented and operationalised in line with KIT's and the Trustee-Manager's risk appetite to address such risks.

Employees are also guided by the KIT Group's Core Values and are expected to comply strictly with KIT Code of Conduct.

Under the Second Line, Management Assurance Frameworks are established to enable oversight and governance over operations and activities undertaken by management under the First Line.

- KIT and the Trustee-Manager are required to conduct a control self-assessment exercise (CSA) to assess the status of their respective internal controls on an annual basis. The annual CSA exercise is overseen by the Control Assurance team of Keppel. Remedial actions are implemented to address all control gaps identified during the CSA exercise.
- Under KIT's Enterprise Risk Management Framework, significant risk areas are also identified and assessed, with

systems, policies and processes put in place to manage and mitigate the identified risks.

- Regulatory Compliance works alongside business management to ensure that relevant policies, processes, and controls are effectively designed, implemented and managed to mitigate compliance risks that KIT and the Trustee-Manager face in the course of their business.
- KIT leverages on the Technology Governance Framework overseen by Keppel Information Technology. The Technology Governance Framework aims to align technology strategy to enterprise vision, whilst strengthening technology controls and security and manage technology risks for KIT and the Trustee-Manager. This framework was further strengthened with the formalisation of an enhanced Keppel Cyber Security Governance structure which includes the repurposing of Keppel's existing IT Security Operations Centre into a Cyber Security Centre with enhanced capabilities to ensure that the baseline security posture is maintained, and is overseen by a dedicated Keppel Cyber Security function which drives the enterprise vision, strategy and programme to ensure that KIT's and the Trustee-Manager's technology assets are adequately protected. The Technology Governance and Cyber Security Governance Frameworks balance strategic technology adoption, business resiliency and security outcomes towards effective business continuity and technology risk mitigations.

Corporate Governance

The Third Line comprises independent assurance from internal audit, as well as external audit performed by external assurance providers. Internal audit provides the Board and senior management with independent assurance over the adequacy and effectiveness of the system of internal controls, risk management and governance, while external audit considers the internal controls relevant to the Trustee-Manager's preparation of financial statements and performs tests on such internal controls where they are assessed to be necessary in support of the audit opinion issued on the financial statements of KIT and the Trustee-Manager.

The CEO and CFO are required to provide KIT and the Trustee-Manager with written attestation as to the adequacy and effectiveness of their system of internal controls and risk management.

The Board has received assurance from the CEO and CFO that, amongst others, as at 31 December 2023:

- a. the financial records 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 internal controls and enterprise-wide risk management framework established and maintained by the Trustee-Manager, work performed by internal and external auditors, and reviews performed by management and the ARC, as well as the assurances set out above, the Board is of the view that, as at 31 December 2023, the Group's internal controls (including financial, operational, compliance and IT controls)

and risk management system were adequate and effective to address the risks which the Group considers relevant and material to its operations.

The Board notes that the system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud and other irregularities.

The ARC concurs with the Board's view that, as at 31 December 2023, the Group's internal controls (including financial, operational, compliance and IT controls) and risk management systems were adequate and effective to address the risks which the Group considers relevant and material to its operations.

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. The ARC approves the evaluation of the internal auditor, or the accounting or auditing firm or corporation to which the internal audit function is outsourced. KIT and the Trustee-Manager's internal audit function is performed by Keppel Ltd's Internal Audit department ("Internal Audit"), and PricewaterhouseCoopers Philippines and KPMG Australia ("Third party Internal Audit service providers") for overseas assets.

Both the Internal Audit and Third party Internal Audit service providers are guided by the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors (IIA). External quality assessment reviews are carried out at least once every 5 years by qualified professionals,

with the last assessment conducted in 2021 for Keppel Internal Audit. The results re-affirmed that the internal audit activity generally 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 ensure that their technical knowledge and skill sets remain current and relevant.

The internal auditors are independent of Management and report directly to the Chairman of the ARC. The internal auditor has unfettered access to all of KIT and the Trustee-Manager's documents, records, properties and personnel, including access to the ARC.

Internal Audit, and the Third party Internal Audit service providers adopts a risk-based approach that focuses on key risks, including financial, operational, compliance and technology risks. An annual audit plan is developed based on a structured risk and control assessment framework. This plan is reviewed and approved by the ARC, who are also apprised on material changes to the plan regularly prior to the commencement of the internal audit work. Internal audit reports are submitted to the ARC for deliberation with copies of these reports extended to the relevant senior management personnel. In addition, significant audit 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 reported to the ARC.

The ARC also reviews the effectiveness of the actions taken by the management on the recommendations made by Internal Audit and the Third Party Internal Audit service providers. 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.

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.

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 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 KIT are served.

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.

In addition, the Trustee-Manager regularly communicates with Unitholders, and promptly addresses investors' queries and concerns.

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 actively engages with Unitholders with a view to solicit and understand their views. 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 Trustee-Manager's IR Policy allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with Unitholders. The IR Policy is published on KIT's website at www.kepinfratrust.com, and is reviewed regularly to ensure its relevance and effectiveness.

The Trustee-Manager employs various platforms to enhance its outreach to Unitholders, with an emphasis on timely, accurate, fair and transparent disclosure of information. The Trustee-Manager has arrangements in place to identify and engage with its stakeholder groups, including employees, clients, regulatory authorities, business partners, investors and local communities, to gather feedback on the sustainability matters which have significant impact to the business and operations of KIT and to manage its relationships with such groups in order to review and assess the material factors relevant to KIT's business activities. Please refer to Sustainability Report on pages 42 to 84 of this Annual Report, which sets out information on KIT's arrangements to identify and engage with its material stakeholder groups and to manage its relationships with such groups, and KIT's strategy and key areas of focus to the management of stakeholders relationship during FY 2023.

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.

Unitholders are kept abreast of the latest announcements and updates regarding 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 2023, the Trustee-Manager engaged more than 350 global investors and analysts through conferences and meetings, to share business updates, market outlook and growth plans. The Trustee-Manager also continued its engagement with the retail investment community through various dialogue sessions and webinars.

More details on the Trustee Manager's investor relations activities are found on pages 38 to 39 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 made available 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. Where a Unitholder is a relevant intermediary (including but not limited to, a nominee company, a custodian bank or a CPF agent bank), such Unitholder may appoint more than one proxy to vote on its behalf at the meeting through proxy forms sent in advance, provided

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that each proxy must be appointed to exercise the rights attached to a different Unit or Units held by it (which number of Units and class shall be specified). The Trustee-Manager tables separate resolutions at Unitholders' meetings on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Trustee-Manager explains the reasons and material implications in the notice of meeting.

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, KIT's AGM and extraordinary general meeting (EGM) were convened in a wholly physical format on 17 April 2023 to provide Unitholders with the ability to participate, vote and pose questions to the Board and senior management in a clear and effective manner. Unitholders were also invited to submit their questions to the Trustee-Manager prior to the AGM and/or EGM, for the Trustee-Manager to respond to substantial and relevant questions prior to the AGM and/or EGM. At the AGM, KIT's performance for FY 2022 was presented, and both Board and senior management addressed questions and comments from Unitholders. All AGM and EGM resolutions were polled with an independent scrutineer appointed to count and validate the AGM's and EGM's votes. Results of the AGM and EGM were announced during the respective meetings. Minutes of the AGM and EGM, as well as responses to relevant and substantial questions from Unitholders, were subsequently published on SGXNet and made available on KIT's website at www.kepinfratrust.com.

Where possible, all the Directors will attend the 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 2023, as well as the attendance of each Board member, are disclosed in the table further below:

The Trust Deed allows for absentia voting at general meetings by way of proxy. While the Trustee-Manager has implemented absentia voting by way of proxy through the proxy forms disseminated to Unitholders, the Trustee-Manager has not implemented other 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.

Investment Committee

On 23 July 2021, the Board constituted Investment Committee for the primary purpose of assisting the Board to guide KIT in exercising the spirit of enterprise as well as prudence to earn optimal risk-adjusted returns on invested capital in line with KIT's investment mandate. In FY 2023, the Investment Committee comprised of two independent Directors:

Ms Christina Tan Hua Mui	Chairman
Mr Daniel Cuthbert Ee Hock Huat	Member
Mr Ng Kin Sze	Member

The detailed responsibilities of the Investment Committee are disclosed at page 214.

Protection of Creditors' Rights

To protect creditors' rights, the Trustee-Manager monitors compliance with, amongst others, the credit terms of suppliers, financial covenants as well as applicable laws and regulations. The Trustee-Manager diversifies sources of funding to reduce concentration risks, seeks to achieve a well-spread debt maturity profile and also implements appropriate hedging strategies to achieve optimal risk-adjusted returns. In addition, the Trustee-Manager endeavours to secure ample credit facilities at favourable terms to fund operational needs as well as monitor risk exposure to ensure effectiveness of its prudent capital management strategy against evolving market conditions.

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, officers, and employees. In FY 2023, the Trustee-Manager issued circulars informing that the Trustee-Manager and its officers must not deal in listed securities of KIT if they are in possession of unpublished price-sensitive information, and during the period commencing one month before the release of the half year and full year results and ending on the date of the announcement of the relevant results, this being consistent with Rule 1207(19) of the Listing Manual.

Dealing in Securities Policy

In addition to the Insider Trading Policy, the Trustee-Manager has a formal Dealing in Securities Policy, which applies to all employees and the securities accounts that employees have a beneficial interest. Pursuant to this policy, the trading of rights

Director	Unitholders' Meetings Attended
Daniel Cuthbert Ee Hock Huat	2
Kunnasagaran Chinniah ¹	2
Mark Andrew Yeo Kah Chong	2
Ng Kin Sze ²	0
Chong Suk Shien	2
Adrian Chan Pengee	2
Christina Tan Hua Mui	2
No. of Meetings held in FY 2023	2

¹ Mr Kunnasagaran Chinniah stepped down as Non-Executive Independent Director on 30 June 2023.

² Mr Ng Kin Sze was appointed as a Non-Executive Independent Director on 1 June 2023 and accordingly, did not attend the annual and extraordinary general meetings held in FY2023.

and the subscription of excess rights of KIT's Units are subject to trade clearance/restrictions. In general, a list of securities which employees are not allowed to trade without pre-clearance from the Keppel Capital compliance team is maintained. All employees must, before trading, check if the intended securities are listed on this restricted list. The restricted list is broadcasted to all employees at the beginning of each week and as and when it is updated. In addition, the policy also states that all employees should not trade on short-term considerations or be engaged in same day turnaround trades or swing trading.

CONFLICTS OF INTERESTS

ESG Committee

On 26 January 2022, the Board constituted the ESG Committee for the primary purpose of, among others developing and articulating KIT's ESG strategy as well as overseeing matters on safety and conflicts resolution. As of the date of this Annual Report, the ESG Committee comprised three independent Directors:

Ms Chong Suk Shien (appointed as Chairman on 30 June 2023)	Chairman
Mr Adrian Chan Pengee Ms Ng Kin Sze (appointed to the ESG Committee on 30 June 2023)	Member Member

The detailed responsibilities of the ESG Committee are disclosed at pages 215 to 216.

In FY 2023, the ESG Committee's role includes a review of 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 ESG Committee had adopted the following framework to resolve such conflicts or potential conflicts of interest:

- first, to identify the conflict or potential conflict and then assess and evaluate its nature and extent; and
- then, to develop and implement one or more appropriate measures with the aim of controlling, avoiding or mitigating such conflict or potential conflict.

The ESG Committee applied 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 was 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:

- Each Director and officer of the Trustee-Manager would be obliged to disclose to the ESG Committee whether he or she, as far as he or she was aware, his or her affiliates (including family members, companies of which he or she was a significant shareholder, director or employee) have an interest in pursuing the same target (Potential Conflict of Interest);
- If any Director or officer of the Trustee-Manager disclosed to the ESG Committee that he or she or his or her affiliates have a Potential Conflict of Interest, the ESG Committee would 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);
- As part of such measures, the ESG Committee 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;
- The ESG Committee would monitor the implementation by the Trustee-Manager of the measures imposed by the ESG Committee in order to resolve or mitigate the Potential Conflict of Interest; and
- The obligation on the Director and officer of the Trustee-Manager to make disclosures to the ESG Committee, and on the ESG Committee 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 ESG Committee so that the ESG Committee may consider such matters and take the necessary actions.

The ESG Committee would periodically review the framework to ascertain how it has worked out in practice and, where appropriate, would 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 ESG Committee would 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 ESG Committee 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 ESG Committee to resolve or mitigate conflicts or potential conflicts are carried out in an appropriate and effective manner.

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 roles and responsibilities of the ESG Committee, including the framework and additional guidelines adopted by the ESG Committee, and are set out in detail on pages 215 to 216.

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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 (in the case of interested person transactions) the ARC or (in the case of a conflicts of interest) the ESG Committee has determined that there is no such interest or conflict of interest.

In respect of matters of KIT which Keppel, 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, Keppel Capital and/or their subsidiaries. In respect of matters of KIT which Keppel Capital have an interest, direct or indirect, Mr Daniel Cuthbert Ee Hock Huat and Mr Ng Kin Sze shall abstain from voting in view of their roles as an investment committee member of the KAIF Entities, each an indirect wholly-owned subsidiary of Keppel Capital. In respect of matters of KIT which Temasek and/or its subsidiaries have an interest, direct or indirect, (a) Mr Daniel Cuthbert Ee Hock Huat shall abstain from voting in view of his directorship on a subsidiary of Temasek, (b) Mr Adrian Chan Pengee shall abstain from voting in view of his directorships on certain subsidiaries of Temasek and (c) Mr Ng Kin Sze shall also abstain from voting in view of his role as a part-time private equity advisor to a

subsidiary 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 FY 2023, the ESG Committee 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.

KIT CODE OF CONDUCT

The Trustee-Manager adheres to the KIT Code of Conduct which establishes a culture of high integrity and reinforces ethical business practices.

This code sets out important principles to guide employees in executing their duties and responsibilities to the highest standards of business integrity, as well as issues of workplace harassment. The code encompasses topics ranging from conduct in the workplace to business conduct, including clear provisions on prohibitions against bribery and corruption, the offering and receiving of gifts, hospitality and promotional expenditures as well as conflicts of interests amongst others. The code also requires all staff to avoid any conflict between their own interests and the interests of the Trustee-Manager and KIT Group in dealing with its suppliers, customers and other third parties.

The code requires business to be conducted with integrity, fairly, impartially,

in an ethical and proper manner, and in compliance with all applicable laws and regulations. Relevant anti-corruption measures are also spelt out to protect the business, resources and reputation of KIT and the Trustee-Manager. Employees must not offer or authorise the giving, directly or through third parties, of any bribe, kickback, illicit payment, benefit-in-kind or any other advantage to any person or entity, as an inducement or reward for an improper performance or nonperformance of a function or activity. Similarly, employees must not solicit or accept illicit payment, directly or indirectly, from any person or entity that is intended to induce or reward an improper performance or non-performance of a function or activity.

New employees are briefed on the policy when they join the Trustee-Manager. Subsequently, all employees are required to acknowledge the policy annually to ensure awareness.

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 17 April 2023, 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 2023 (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 2023 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 2023 under unitholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
		FY 2023 SS\$'000	FY 2022 SS\$'000	FY 2023 SS\$'000	FY 2022 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				
Transaction					
a. Sales of Goods and Services		-	-	20,306	4,965
b. Purchases		-	-	292,206	358,587
c. Rental Expense		-	-	-	2,883
d. Reimbursement of expenses		-	-	45,362	381
e. Treasury Transactions		-	-	6,823	3,400
Total		-	-	364,697	370,216
2. Keppel Group ("KL")	KL is an indirect controlling unitholder of KIT and a controlling shareholder of the Trustee-Manager				
Transaction					
a. Sales of Goods and Services		22,692 ¹	-	8,224	836
b. Management Fee Expense		-	-	63,997	42,038
c. Purchases		413,120 ¹	-	168,611	77,599
d. Rental Expense		-	-	-	3,071
e. Reimbursement of expenses		-	-	1,054	105
f. Treasury Transactions		-	-	105,671	201,755
g. Acquisition or Investment		-	966,174	-	-
h. Placement of units		33,323	-	-	-
Total		469,135	966,174	347,557	325,404

¹ Due to changes in the presentation of certain passthrough arrangements with the Keppel Ltd in the calculation of the value of interested person transactions for FY2023. For illustrative purposes only, the aggregate value of interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under unitholders mandate pursuant to Rule 920) under the categories "Sales of goods and services" and "Purchases" for FY2023 would have been nil, if presented based on the treatment of these passthrough arrangements prior to the changes.

MATERIAL CONTRACTS

For FY 2023, 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:

- 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;

- 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;
- the Board has set up the ESG Committee on 26 January 2022, 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 215 to 216;
- 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 2023 are set out above;

- the Trustee-Manager has adopted, among others, a Whistle-Blower Policy, Dealing in Securities Policy, KIT's Code of Conduct, a Safeguarding Information Policy 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;

Corporate Governance

- 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 KIT's Trust Deed. The fees and expenses paid to the Trustee-Manager relate to Management Fees and Performance Fees disclosed at page 179;
 - 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.
- 5. Monitor the implementation of the foreign exchange and financial power purchase hedging policies 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. Provide timely input to the Board on critical risk and compliance 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 with Management the Trustee-Manager's 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 CFO 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

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 and KIT's internal controls, 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's 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 annually;
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 SGX Listing Manual (this review

- 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, 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, talents, 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:
- at least a majority of the Directors who shall be independent from management and business relationships with the Trustee-Manager and in any case at least two non-executive Directors who are independent and free of any material business or financial connection with the Trustee-Manager;
 - 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
 - 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 key management personnel;

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11. Review talent development plans;
 12. Review the training and professional development programs for Board members. The NRC has noted that all Directors must undergo training on sustainability matters as prescribed by the SGX, and that if the NRC is of the view that training is not required because the Director has expertise in sustainability matters, the basis of its assessment must be disclosed;
 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. Investment Committee**
1. Review and monitor the investment policy and procedures established to regulate projects of the Trustee-Manager and KIT.
 2. Review, approve or disapprove transaction budgets proposed by the Investment team or Asset Management team for any proposed investments, acquisitions and/or disposals.
 3. Review and approve or disapprove the submission of final binding bids for investment projects (including any proposed investments, acquisitions and/or disposals) of the Trustee-Manager and KIT Group submitted in accordance with the KIT's investment policy and investment mandate, taking into consideration factors including size, sector, geography and returns.
- In evaluating investment projects, reference will also be made to the prevailing Keppel Group's investment and major projects actions committee policy and procedure as applicable to the Trustee-Manager.
4. Review and endorse or reject any subsidiary bank offers of any amount, which include bank loans (but not limited to money market lines, term loan facilities, revolving credit facilities and/or mezzanine facilities), and other banking facilities such as standby letter of credit facility, bankers' guarantee or performance guarantee facility.
 5. Review and endorse or approve (as the case may be for subsidiaries and KIT respectively) or reject any interest rate management activities with notional amounts that exceed S\$100 million. This is applicable for: (i) hedging purposes that are in accordance with the KIT's/subsidiaries' hedging policies only; and/or (ii) financing package approved by the respective subsidiary boards.
 6. (A) Approve the appointment (including the associated fees) of external legal or other professional advisor if it considers this necessary to proceed with the investment projects of the Trustee-Manager or KIT contemplated under the non-binding bids that were submitted by management of the Trustee-Manager; or (B) disapprove the appointment (including the associated fees) of external legal or other professional advisor and/or further advancement of the investment projects of the Trustee-Manager or KIT contemplated under the non-binding bids if it considers this not to be in the interests of the Trustee-Manager or KIT.
 7. Approve or disapprove the submission of binding bids and/or entry into binding agreements (Binding Agreements) with respect to the investment projects of KIT's subsidiaries only (such Binding Agreements, the "Portfolio Binding Agreements"), save that the Portfolio Binding Agreements that will require prior approval from Unitholders shall also, if approved by the Investment Committee, require the Board's approval.

D. ESG Committee

ESG

1. Recommending to the KIT Board policies, strategies, workplans and targets pertaining to sustainability and ESG matters (collectively, ESG Framework) and reviewing and monitoring the effectiveness of the ESG Framework benchmarked against global and local ESG trends and best practices. KIT's sustainability and ESG standards, which would form an integral part of KIT's strategies and core competencies, will drive long-term value creation.
2. Promoting new initiatives to develop a strong culture and strengthen awareness of sustainability and ESG matters among KIT's businesses and assets.
3. Monitoring the implementation and integration of the ESG Framework.
4. Monitoring the adequacy of resources allocated to achieving compliance as well as strategies, workplans and targets pertaining to the ESG Framework.
5. Reporting to the Board on sustainability and ESG performance, incidents, rectifications, risk management and other material matters.

Health, Safety, Security and Environment (HSSE)

6. Reviewing the nature and scale of hazards and risks associated with the businesses and operations of the various operating assets.
7. Ensuring the operating assets have the resources, systems and processes to eliminate, minimise or manage HSSE risks, including personal safety, process safety, major hazard risks, and plant physical security.
8. Ensuring that the Keppel HSSE requirements such as policies, procedures, strategies and standards are communicated, implemented and reviewed.
9. Monitoring HSSE performance of the operating assets, analyse trends and incident root causes, and recommending or proposing initiatives for improvement where appropriate to ensure robust HSSE management systems are well maintained.

10. Reviewing all reportable and high-potential near miss incidents to understand underlying root causes and recommending initiatives or remedial measures where appropriate.
11. Monitoring 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.
12. Keeping abreast of global HSSE developments, and implementing best practices at KIT's businesses or operations, where relevant and feasible.
13. Reviewing the significant changes to KIT's HSSE risk profile as a result of any changes to existing businesses and assets, or the addition of new businesses, new markets, new products, etc. as well as taking the necessary steps to monitor, control and mitigate such risks.
14. Reporting to the KIT Board on HSSE performance, material matters, incident investigation findings and recommendations.
15. Carrying out such investigations into HSSE-related matters as the Committee deems fit.
16. Ensuring on the effectiveness of the HSSE management systems and how the risks are being managed/ mitigated on the ground.
17. Introducing actions to enhance safety awareness and culture within KIT.
18. Performing such other functions as the Committee may determine.

Conflicts

19. Reviewing 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);
20. Considering declarations made by a Director and/or officer of the Trustee-Manager when they declare

a potential conflict of interest, identifying conflict or potential conflict of interest issues and then assessing and evaluating its nature and extent;

21. Developing and implementing 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);
22. Monitoring the implementation by the Trustee-Manager of the measures imposed by the Committee in order to resolve or mitigate conflict or potential conflict of interest;
23. Periodically reviewing 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
24. Where appropriate, appointing an independent adviser to advise on and recommending procedures to resolve or mitigate such conflict or potential conflict of interests, so as to enable the Committee to discharge its duties to the Unitholders.

Save that the terms of reference of the Committee would exclude review of interested person transactions which fall within the purview of the Audit and Risk Committee.

Additional Guidelines to the framework

25. A conflict of interest situation that arises should be brought to the attention of the Committee immediately, which will consider the situation against the guidelines and if the Committee is of the view that the compliance with the guidelines are not adequate to control, avoid or mitigate the conflict of interest, a Committee meeting will be convened to discuss the conflict.

Corporate Governance

26. 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.
27. 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.
28. 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 Committee in this respect.

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 feedback received from 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, talents, knowledge, experience and competencies.

WHISTLE-BLOWER POLICY

Whistle-Blower Policy

The Whistle-Blower Policy was established and has been put in place 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, their identities and participation in the investigations will be protected.

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 Whistle-Blower Policy and may be subject to administrative and/or disciplinary action including termination of employment or other contract, as the case may be.

Similarly, a person may be subject to administrative and/or disciplinary measures, including but not limited to termination of employment or contract if he or she subjects (i) a person who has made or intends to make a Protected 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 Policy and is responsible for the administration, implementation, and oversight of ongoing compliance with the Policy. The Head of Internal Audit reports directly to the ARC Chairman on all matters arising under the Whistle-Blower Policy.

Reporting Mechanism

The Whistle-Blower's role is as a reporting party. Whistle-Blowers are not investigators or finders of fact, nor do they determine the appropriate corrective or remedial actions that may be warranted.

Employees of the Trustee-Manager are encouraged to make a Protected Report in relation to a 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 Protected Report, take any independent action or start any investigation in connection with the Protected Report unless otherwise directed by the ARC Chairman or the Receiving Officer. If any of the persons in the reporting line prefers not to disclose the matter to the supervisor and/or Receiving Officer (as the case may be), he or she may make the report directly to the ARC Chairman via the established reporting channel.

Other Whistle-Blowers (other than employees) may make a Protected Report in relation to 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 Protected 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 and the Investigation Advisory Committee will use their respective best endeavours to ensure that there is no conflict of interests on the part of any party involved in any way in the investigations. The Investigation Advisory Committee assists the ARC Chairman with overseeing the investigation in relation to the Protected Report and any other matters arising therefrom or in connection therewith. The ARC Chairman will also require the matter to be reported to the authorities if a crime is involved, and/or to the relevant insurance company in accordance with the terms of the applicable insurance policies.

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 (whether in the exercise of his or her own discretion or in consultation with the ARC), that such a leave 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 persons who are interviewed, asked to provide information or otherwise participate in an investigation must refrain from discussing or disclosing the investigation or their testimony with anyone not connected to the investigation. In no circumstance

should such persons discuss with the Investigation Subject(s) the nature of the evidence requested or provided or testimony given to the investigators unless agreed by the investigators.

Confidentiality of the identities of Whistle-Blowers, Investigation Subject(s) and persons who participate or who intend to participate in investigations initiated under this policy will, to the extent possible, be maintained.

PROTECTION FROM REPRISAL

No person shall be subject to any reprisal for having made a Protected Report in accordance with the Whistle-Blower Policy. The protection from Reprisal also extends to persons who may have been called as witnesses or otherwise participated in the investigation arising from a Protected Report. 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.

A Whistle-Blower or any person who participated or intends to participate in an investigation arising from a Protected Report, who believes that he or she is subject to Reprisal and that the Protected Report is a contributing factor to the Reprisal may complain to the Receiving Officer (who shall refer the matter to the ARC Chairman) or 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 contained in the Protected Report. 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.

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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 2024 is set out below.

Name of Director	Mr Ng Kin Sze	Mark Andrew Yeo Kah Chong	Ms Chong Suk Shien
Date of Appointment	1 June 2023	1 August 2015	5 March 2021
Date of last re-appointment (if applicable)	N.A	N.A	N.A
Age	67	61	54
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 194 to 195 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.)	Independent Director, Member of Environmental, Social and Governance Committee and Member of Investment Committee	Independent Director, Chairman of Audit & Risk Committee and Member of Nominating and Remuneration Committee	Independent Director and Chairman of Environmental, Social and Governance Committee
Professional qualifications	Bachelor of Engineering (Civil) 1st Class Honours, University of Auckland, New Zealand; Master of Science (Civil Engineering), National University of Singapore, Singapore; Master of Business Administration, INSEAD, France; Chartered Financial Analyst, Institute of Chartered Financial Analysts, United States	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	2018 – present Private Equity Advisor to the Fullerton Fund Management Company Ltd 2013 – 2016 Consultant to GIC	2023 – present Deputy Chairman/Lead Independent Director of Niks Professional Ltd. 2022 – present Director of IREIT Global Group Pte. Ltd. (Manager of IREIT Global) 2021 – present Director of Changi Airport Group (Singapore) Pte. Ltd.	2002 till present Founder & President, Greenpac (S) Pte Ltd
Shareholding interest in the listed issuer and its subsidiaries	189,000 units in Keppel Infrastructure Trust	338,100 units in Keppel Infrastructure Trust	78,800 units in Keppel Infrastructure Trust
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)	Nil	Nil	Singapore Gardens by the Bay

Name of Director	Mr Ng Kin Sze	Mark Andrew Yeo Kah Chong	Ms Chong Suk Shien
Other Principal Commitments including Directorships – Present	Investment Committee Member, Keppel Asia Infra Fund (GP) Pte. Ltd. and Keppel Asia Infra Fund II (GP) Pte. Ltd.	IREIT Global Group Pte. Ltd. (Manager of IREIT Global); Changi Airport Group (Singapore) Pte. Ltd.; Niks Professional Ltd.	Chief Executive Officer, Greenphyto Pte Ltd; Governing Council, UOB-SMU Asian Enterprise Institute; SkillsFuture Singapore Agency (SSG); Ministry of the Environment & Water Resources, National Environment Agency (NEA); Singapore Institute of Management (SIM) Group Limited; Singapore Business Federation Foundation; Greenpac (S) Pte Ltd; Greenphyto Pte Ltd; Arber Pte Ltd; Learning Gateway Ltd
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
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

Corporate Governance

Name of Director	Mr Ng Kin Sze	Mark Andrew Yeo Kah Chong	Ms Chong Suk Shien
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
j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:			
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,	No	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?			
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?	No	Yes	Yes
If yes, please provide details of prior experience.	N.A.	Non-Executive Independent Director of Keppel Infrastructure Fund Management Pte. Ltd. (Trustee-Manager of Keppel Infrastructure Trust)	Non-Executive Independent Director of Keppel Infrastructure Fund Management Pte. Ltd. (Trustee-Manager of Keppel Infrastructure Trust)
		Non-Executive Independent Director of IREIT Global Group Pte. Ltd. (Manager of IREIT Global)	
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.	Yes	N.A.	N.A.
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).			

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	Page Reference in this Report	Principles	Page Reference in this Report
BOARD MATTERS		ACCOUNTABILITY AND AUDIT	
The Board's Conduct of Affairs		Risk Management and Internal Controls	
Principle 1		Principle 9	
Provision 1.1	Pages 191, 209 to 210 and 215 to 216	Provision 9.1	Pages 202 to 206
Provision 1.2	Page 193	Provision 9.2	Pages 202 to 206
Provision 1.3	Page 191	Audit Committee	
Provision 1.4	Pages 191 to 210	Principle 10	
Provision 1.5	Pages 192 and 198	Provision 10.1	Pages 202 to 206, 212 to 213 and 216 to 217
Provision 1.6	Pages 193 to 194	Provision 10.2	Page 202
Provision 1.7	Pages 193 to 194	Provision 10.3	Page 202
Board Composition and Guidance		Provision 10.4	Pages 202 to 206
Principle 2		Provision 10.5	Page 202
Provision 2.1	Pages 196 to 198	SHAREHOLDER RIGHTS AND ENGAGEMENT	
Provision 2.2	Pages 192 to 198	Shareholder Rights and Conduct of General Meetings	
Provision 2.3	Pages 192 to 198	Principle 11	
Provision 2.4	Pages 195 to 196	Provision 11.1	Pages 207 to 208
Provision 2.5	Pages 192 to 193	Provision 11.2	Pages 207 to 208
Chairman and Chief Executive Officer		Provision 11.3	Pages 207 to 208
Principle 3		Provision 11.4	Pages 207 to 208
Provision 3.1	Page 194	Provision 11.5	Pages 207 to 208
Provision 3.2	Page 194	Provision 11.6	Pages 207 to 208
Provision 3.3	Page 198	Engagement with Shareholders	
Board Membership		Principle 12	
Principle 4		Provision 12.1	Pages 207 to 208
Provision 4.1	Pages 192 to 198	Provision 12.2	Pages 207 to 208
Provision 4.2	Pages 192 to 198	Provision 12.3	Pages 207 to 208
Provision 4.3	Pages 192 to 198	MANAGING STAKEHOLDERS RELATIONSHIP	
Provision 4.4	Pages 192 to 198	Engagement with Stakeholders	
Provision 4.5	Pages 18 to 19 and 198	Principle 13	
Board Performance		Provision 13.1	Pages 207 to 208
Principle 5		Provision 13.2	Pages 207 to 208
Provision 5.1	Pages 199 and 216 to 217	Provision 13.3	Pages 207 to 208
Provision 5.2	Pages 199 and 216 to 217		
REMUNERATION MATTERS			
Procedures for Developing Remuneration Policies			
Principle 6			
Provision 6.1	Pages 199 to 202		
Provision 6.2	Page 194		
Provision 6.3	Pages 199 to 202		
Provision 6.4	Page 199		
Level and Mix of Remuneration			
Principle 7			
Provision 7.1	Pages 199 to 202		
Provision 7.2	Pages 199 to 202		
Provision 7.3	Pages 199 to 202		
Disclosure on Remuneration			
Principle 8			
Provision 8.1	Pages 199 to 202		
Provision 8.2	Page 202		
Provision 8.3	Pages 199 to 202		

Risk Management

STRENGTHENING ENTERPRISE RISK MANAGEMENT

Keppel Infrastructure Trust's (KIT) Enterprise Risk Management (ERM) framework provides a holistic and structured approach to risk management. As a component of KIT's System of Management Controls, the KIT ERM framework outlines the reporting structure, monitoring mechanisms, specific risk management processes and tools, as well as KIT's policies and limits in addressing and managing the identified key risks. The ERM framework allows KIT to respond promptly and effectively in the constantly evolving business landscape.

ROBUST ERM FRAMEWORK

The Trustee-Manager adopts a five-step risk management process comprising (i) risk identification, (ii) risk assessment, (iii) formulation of risk mitigation measures, (iv) communication and implementation, and (v) 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 of the risk event and likelihood of occurrence, and covers the strategic, investment, financial, operational, reputational and other major aspects of KIT's business. Tools deployed include risk matrices, key risk indicators and risk registers to assist the Trustee-Manager in its risk management process.

The Board of Directors (Board), supported by the Audit and Risk Committee (ARC), is responsible for the governance of risks 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 the ARC provide valuable advice to the Trustee-Manager in the formulation of various risk policies and procedures. Terms of reference of the ARC are disclosed on pages 212 to 213 of this Report. The Trustee-Manager's risk governance process is set out in pages 204 to 206 under Principle 9 (Risk Management and Internal Controls).

The Board, supported by the ARC, has in place three Risk Tolerance Guiding Principles for the Trustee-Manager and KIT. These Principles, which determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives, are:

1. Risks 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 significant 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.

The risk management assessment framework also guides the Trustee-Manager and the Board in assessing the adequacy and effectiveness of the risk management system within KIT. In 2023, the Board, with the concurrence of the ARC, 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. The 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, ESG considerations and the predictability of cash flows.

With a global mandate, the Trustee-Manager aims to mitigate country concentration risks by diversifying its portfolio across geographical regions and asset classes.

KIT's portfolio supports the sustainable urbanisation theme, and includes businesses that provide essential services, and 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, balancing between a mix of 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 utilise 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, Europe, the Philippines, the Kingdom of Saudi Arabia and South Korea is managed predominantly by having a significant amount of borrowings denominated in the functional currency.

KIT pays distributions to its Unitholders in Singapore dollars while its investments' distribution to KIT is in Australian dollars, Euros, Korean won and US dollars.

To manage the currency exposure, KIT utilises appropriate financial instruments to forward-hedge distribution income from its investments in compliance with its foreign exchange risk management policy.

Credit risk

The Trustee-Manager actively monitors credit risk exposure to ensure adequate measures are in place, and prudently manage the trade working capital to mitigate risk.

KIT's customers in the Energy Transition sector include large multinational energy companies, a related Keppel entity, an overseas electric grid market, as well as a large and diversified retail customer base. The majority of KIT's customers for the Environmental Services assets comprise of Singapore government agencies, foreign government municipalities and large industrial conglomerates. KIT's customers in the Distribution and Storage sector include municipals and blue-chip customers. The Trustee-Manager monitors credit risk by ensuring timely payments according to the contracted terms.

Liquidity and refinancing risk

The Trustee-Manager monitors and maintains adequate cash and cash equivalents and credit facilities to finance KIT's operations and mitigate the effects of cash flow fluctuations.

The Trustee-Manager manages liquidity and refinancing risk by maintaining adequate reserves, monitoring cash flows and matching the maturity profiles of financial assets and liabilities. The Trustee-Manager also manages its refinancing risk by spreading out the maturity date of its long-term debt and bank loans, to avoid refinancing a significant part of its debt within a single year.

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, ISO14001 and Hazard Analysis Critical Control Point (HACCP) that cover the daily operations and regular maintenance of the assets, ensuring 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 evaluates any further need to insure against additional risks where commercial coverage plans are available. Business continuity plans (BCPs) are tested, reviewed and refined regularly to ensure the assets are ready to respond to these threats. In 2023, various drills were conducted to address likely BCP scenarios such as chemical spillage, fire, IT disaster recovery, cybersecurity, terrorist attack, flu pandemic and power outage.

Supply chain risks and higher energy costs are continuously monitored. The Trustee-Manager has secured energy supply contracts and increased its working capital and inventory levels to ensure that supply to customers will not be impacted. KIT has tested its BCPs across its operations and continued to operate during the year with no major operational disruptions.

The Trustee-Manager will continue to enhance the robustness of KIT's assets' BCPs to ensure operational resilience.

Health, safety, security, and environment (HSSE) risk

HSSE is one of the core values for KIT and its O&M contractors. The Trustee-Manager does not condone any 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. Lessons learnt from safety incidents are shared and HSSE training fosters safety awareness and skills.

The O&M contractors have developed robust HSSE policies and practices, including the implementation of various occupational health and safety management systems compliant with ISO45001 to ensure safe working practices and environments are integrated into all operations of KIT's assets.

Compliance risk

KIT's 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 potential significant reputational and financial impact, significant 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, particularly relating to environmental protection, cybersecurity and workplace safety and health, such as air emission levels, hazardous substances, fire safety and employment legislation, which have the potential to impact the operations and profitability of the Trust. The Trustee-Manager maintains close working relationships with 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.

The Trustee-Manager also adopts a strong anti-corruption and anti-bribery stance and regularly communicates key policy requirements to all employees, ensuring relevant policies, processes and controls are effectively designed, managed and implemented, so that compliance risks and controls are effectively managed.

Climate change risk

KIT's climate change risk forms part of the material environmental, social and governance issues addressed by its Board and the Trustee-Manager. The Trustee-Manager and KIT support the Task Force on Climate-related Financial Disclosures and incorporates its recommendations in its reporting framework.

Sustainability is at the core of KIT's strategy with climate change risk reviewed and assessed within its ERM framework. The ERM framework guides the Trustee-Manager and KIT on the processes and methods applied in identifying, assessing and managing sustainability-related risks.

As part of climate change risk management, the Trustee-Manager has embarked on assessing both physical and transition risks for KIT and strengthening our organisational capabilities in response. In 2022, KIT commenced a climate change physical risk financial impact assessment as well as a qualitative assessment of climate-related transition risks. More details are provided in our Sustainability Report 2023.

Cyber security risks

Technology, cyber security and data-related risks, including outsourced services, are a part of KIT Group's and the Manager's operational risks. The Trustee-Manager recognises the criticality of global cyber threats and have established technology and cyber governance structures and frameworks to address both general technology and cyber security controls, covering key areas such as business disruption, theft/loss of confidential data and data integrity. KIT Group and the Manager continually monitors its technology and cyber security related risks.

Emerging risks

Evolving or emerging risks are closely monitored by KIT and the Trustee-Manager, and where such risks have been identified, they are assessed accordingly, and actions are taken to mitigate the risk as necessary.

OTHER INFORMATION

Statistics of Unitholdings

As at 5 March 2024

ISSUED AND FULLY PAID UNITS

5,625,785,886 Units (Voting rights: 1 vote per Unit)

There is only one class of units in Keppel Infrastructure Trust

Market capitalisation of \$2,756,635,084 based on market closing price of \$0.490 per Unit on March 5, 2024.

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 – 99	974	2.22	37,596	0.00
100 – 1,000	7,606	17.32	4,952,242	0.09
1,001 – 10,000	15,693	35.74	70,585,371	1.25
10,001 – 1,000,000	19,401	44.19	1,408,749,201	25.04
1,000,001 and above	232	0.53	4,141,461,476	73.62
Total	43,906	100.00	5,625,785,886	100.00

TWENTY LARGEST UNITHOLDERS

Size of Unitholdings	No. of Units	%
1. Keppel Infrastructure Holdings Pte Ltd	1,024,360,090	18.21
2. Citibank Nominees Singapore Pte Ltd	550,040,928	9.78
3. DBS Nominees (Private) Limited	498,405,266	8.86
4. Bartley Investments Pte. Ltd.	449,749,957	7.99
5. HSBC (Singapore) Nominees Pte Ltd	175,848,034	3.13
6. Raffles Nominees (Pte.) Limited	166,828,851	2.97
7. Nassim Investments Pte Ltd	156,625,608	2.78
8. DBSN Services Pte. Ltd.	141,009,061	2.51
9. Napier Investments Pte. Ltd.	111,985,995	1.99
10. BPSS Nominees Singapore (Pte.) Ltd.	88,079,719	1.57
11. United Overseas Bank Nominees (Private) Limited	65,125,940	1.16
12. Phillip Securities Pte Ltd	35,109,391	0.62
13. IFAST Financial Pte. Ltd.	33,355,925	0.59
14. OCBC Nominees Singapore Private Limited	31,059,809	0.55
15. UOB Kay Hian Private Limited	30,213,940	0.54
16. KGI Securities (Singapore) Pte. Ltd	28,754,302	0.51
17. OCBC Securities Private Limited	18,998,801	0.34
18. Morgan Stanley Asia (S) Sec Pte Ltd	17,079,073	0.30
19. ABN AMRO Clearing Bank N.V.	15,461,900	0.27
20. Maybank Securities Pte. Ltd.	12,845,724	0.23
Total	3,650,938,314	64.90

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Trustee-Manager as at March 5, 2024, the Substantial Unitholders of Keppel Infrastructure Trust and their interests in the Units of Keppel Infrastructure Trust are as follows:

	Direct Interest		Deemed Interest	
	No. of Units	%	No. of Units	%
Keppel Infrastructure Holdings Pte. Ltd.	1,024,360,090	18.21	–	–
Keppel Ltd. ¹	–	–	1,024,360,090	18.21
Bartley Investments Pte Ltd	449,749,957	7.99	–	–
Tembusu Capital Pte Ltd ²	–	–	718,361,560	12.76
Temasek Holdings (Private) Limited ³	–	–	1,749,651,021	31.10

Notes:

¹ Keppel Ltd. 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. ("Tembusu") is deemed to have an interest in the Units in which Bartley Investments Pte. Ltd. ("Bartley") and its other subsidiaries have interests.

³ Temasek Holdings (Private) Limited ("Temasek") is deemed to have an interest in the Units in which Tembusu, Bartley, Keppel Ltd. ("Keppel") and other subsidiaries and/or associated companies of Temasek hold or have deemed interests.

PUBLIC UNITHOLDERS

Based on the information available to the Trustee-Manager as at March 5, 2024, approximately 68.87% 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 5, 2024, there are no treasury units held.

Financial Calendar

FY 2023

Financial year-end	31 December 2023
Announcement of 1Q 2023 Key Business and Operational Updates	14 April 2023
Announcement of 1H 2023 Results	26 July 2023
Announcement of 9M 2023 Results	2 November 2023
Announcement of 2H and FY 2023 Results	31 January 2024
Despatch of Annual Report to Shareholders	1 April 2024
Annual General Meeting	23 April 2024
Distribution payout to Unitholders for the period 1 January 2023 to 26 April 2023 (Stub Distribution)	
– Record date	26 April 2023
– Payment date	11 May 2023
Distribution payout to Unitholders for the period 27 April 2023 to 30 June 2023	
– Record date	3 August 2023
– Payment date	11 August 2023
Distribution payout to Unitholders for the period 1 July 2023 to 30 September 2023	
– Record date	10 November 2023
– Payment date	20 November 2023
Special Distribution	
– Record date	10 November 2023
– Payment date	20 November 2023
Distribution payout to Unitholders for the period 1 October 2023 to 31 December 2023	
– Record date	7 February 2024
– Payment date	15 February 2024

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 6251 4710
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 1857
Email: investor.relations@kepinfratrust.com

DIRECTORS OF THE TRUSTEE-MANAGER

Mr Daniel Cuthbert Ee Hock Huat

Chairman of the Board
Independent Director

Mr Mark Andrew Yeo Kah Chong

Independent Director

Mr Adrian Chan Pengee

Independent Director

Ms Chong Suk Shien

Independent Director

Mr Ng Kin Sze

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 Adrian Chan Pengee

NOMINATING AND REMUNERATION COMMITTEE

Mr Daniel Cuthbert Ee Hock Huat

Chairman

Mr Mark Andrew Yeo Kah Chong

Ms Christina Tan Hua Mui

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Ms Chong Suk Shien

Chairman

Mr Adrian Chan Pengee

Mr Ng Kin Sze

INVESTMENT COMMITTEE

Ms Christina Tan Hua Mui

Chairman

Mr Daniel Cuthbert Ee Hock Huat

Mr Ng Kin Sze

COMPANY SECRETARIES

Mr Tan Wei Ming, Darren

Mr Chiam Yee Sheng

UNIT REGISTRAR AND UNIT TRANSFER OFFICE

Boardroom Corporate & Advisory Services Pte Ltd

1 HarbourFront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
Phone: +65 6536 5355
Fax: +65 6438 8710

EXTERNAL AUDITOR

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

INTERNAL AUDITOR

Mr Irving Low/Ms Tea Wei Li

Interim Head of Internal Audit

Notice of Annual General Meeting



(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 held at Suntec Singapore Convention and Exhibition Centre, Summit 2, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 (see Explanatory Notes 1 to 18) on 23 April 2024 at 10.30 a.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 2023 and the Independent Auditor’s Report thereon. **Ordinary Resolution 1**
2. To appoint KPMG LLP as the Auditor of KIT to hold office until the conclusion of the next AGM of KIT in place of the retiring Auditor, Deloitte & Touche LLP, 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**

(Please see Explanatory Note 14)
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 Ng Kin Sze; **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 15)

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, and as supplemented by a First Supplemental Deed dated 17 April 2018, a Second Supplemental Deed dated 28 April 2022 and a Third Supplemental Deed dated 18 April 2023 (the “Trust Deed”), Section 36 of the Business Trusts Act 2004 (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,

Notice of Annual General Meeting

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 law or 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 or Chief Financial Officer 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 or Chief Financial Officer 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 16)

5. That:

- 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 1 April 2024 (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 “**IPT Mandate**”);

**Ordinary
Resolution 7**

- b. the IPT 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 or Chief Financial Officer 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 or Chief Financial Officer may consider expedient or necessary or in the interest of KIT to give effect to the IPT Mandate and/or this Resolution.

(Please see Explanatory Note 17)

6. That:

- 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), are 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;

Ordinary Resolution 8

Notice of Annual General Meeting

“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 or Chief Financial Officer 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 or Chief Financial Officer 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 18)

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 10.30 a.m. on 9 April 2024. Please see Explanatory Note 11 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



Darren Tan/Chiam Yee Sheng

Company Secretaries

Singapore

1 April 2024

Explanatory notes:

1. The AGM will be held, in a wholly physical format, at Suntec Singapore Convention and Exhibition Centre, Summit 2, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 23 April 2024 at 10.30 a.m. **There will be no option for Unitholders to participate virtually.** In addition to printed copies of this Notice of AGM and the accompanying Proxy Form that will be sent to Unitholders, Unitholders can also access this Notice of AGM and the accompanying Proxy Form on Keppel Infrastructure Trust's website at <https://www.kepinfratrust.com/investor-information/aggm-and-egm/> and SGXNet.
2. A Depositor (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore) shall not be regarded as a Unitholder of KIT entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the AGM. Depositors who are individuals and who wish to attend the AGM in person can attend and vote at the AGM without the lodgement of any instrument for appointment of proxy ("**Proxy Form**").
3. Arrangements relating to:
 - a. attendance at the AGM by Unitholders, including Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**") investors;
 - b. submission of questions to the Trustee-Manager in advance of, or at, the AGM, and addressing of substantial and relevant questions in advance of, or at, the AGM; and
 - c. voting at the AGM by Unitholders, including CPF and SRS investors, or (where applicable) their duly appointed proxy,

are set out in the accompanying announcement dated 1 April 2024. This announcement may be accessed at Keppel Infrastructure Trust's website at <https://www.kepinfratrust.com/investor-information/aggm-and-egm/> and SGXNet.

4. A Unitholder who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A Unitholder which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a Unitholder.

Where such Unitholder appoints two (2) proxies, the proportion of his Unitholding to be represented by each proxy shall be specified. If no proportion is specified, the Trustee-Manager shall be entitled to treat the first named proxy as representing the entire number of Units entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

5. A Unitholder who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than two (2) proxies, the number of Units in relation to which each proxy has been appointed shall be specified in the Proxy Form.

In this Notice of AGM, a "**Relevant Intermediary**" means:

- i. a banking corporation licensed under the Banking Act 1970, 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 2001, and who holds Units in that capacity; or
 - iii. the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953, 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.
6. A proxy need not be a Unitholder. A Unitholder can appoint the Chairman of the AGM as his/her/its proxy but this is not mandatory.

The Proxy Form will be sent to Unitholders and may be accessed at Keppel Infrastructure Trust's website at <https://www.kepinfratrust.com/investor-information/aggm-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.

7. **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 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
- b. if submitted electronically, be submitted via email to keppel@boardroomlimited.com,

in either case, by 10.30 a.m. on 21 April 2024, being **48 hours before the time appointed for holding the 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. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.

8. CPF and/or SRS investors who hold Units through CPF Agent Banks/SRS Operators:
 - a. may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies; or
 - b. may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should contact their CPF Agent Banks/SRS Operators to submit their votes not less than seven (7) working days before the AGM (i.e. by 10.30 a.m. on 12 April 2024).
9. Investors holding Units through Relevant Intermediaries ("**Investors**") (other than CPF/SRS investors) and who wish to participate in the AGM by (a) attending the AGM in person; (b) submitting questions to the Trustee-Manager in advance of, or at, the AGM; and/or (c) voting at the AGM (i) themselves; or (ii) by appointing the Chairman as proxy in respect of the Units held by such Relevant Intermediary on their behalf, should contact the Relevant Intermediary through which they hold such Units as soon as possible, and no later than 10.30 a.m. on 12 April 2024 in order for the necessary arrangements to be made for their participation in the AGM.
10. The Proxy Form is not valid for use by Investors holding Units through Relevant Intermediaries (including CPF/SRS Investors) and shall be ineffective for all intents and purposes if used or purported to be used by them.
11. All Unitholders and CPF/SRS investors may also submit questions relating to the business of the AGM no later than 10.30 a.m. on 9 April 2024:
 - a. by email to investor.relations@kepinfratrust.com; or
 - b. by post to the Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

The Trustee-Manager will answer all substantial and relevant questions received prior to 10.30 a.m. on 9 April 2024 through the publication of its responses on Keppel Infrastructure Trust's website and on SGXNet by 10.30 a.m. on 19 April 2024.

Notice of Annual General Meeting

12. All documents (including Keppel Infrastructure Trust's Annual Report 2023, the Proxy Form, this Notice of AGM and the Appendix to this Notice of AGM dated 1 April 2024 (in relation to the proposed change of Auditor, the IPT Mandate and the Unit Buy-Back Mandate)) and information relating to the business of the AGM have been, or will be, published on SGXNet and/or Keppel Infrastructure Trust's website at <https://www.keppelinfrastructure.com/investor-information/aggm-and-egm/>. Unitholders and Investors are advised to check SGXNet and/or Keppel Infrastructure Trust's website regularly for updates.
13. Any reference to a time of day is made by reference to Singapore time.
14. **Ordinary Resolution 2**
Ordinary Resolution 2 above, if passed, will approve the appointment of KPMG LLP as Auditor of KIT in place of the retiring Auditor, Deloitte & Touche LLP, and authorise the Trustee-Manager to fix their remuneration. Please refer to the Appendix for further details.

15. **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 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 2023. Mr Ng Kin Sze will, upon endorsement, continue to serve as a member of the Board Environmental, Social and Governance (ESG) Committee and the Investment 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 the Chairman of the Board ESG Committee. Mr Ng Kin Sze, 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 18 to 19 of KIT's Annual Report 2023.

16. **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 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.

17. **Ordinary Resolution 7**

Ordinary Resolution 7 relates to the renewal of a mandate given by the Unitholders on 17 April 2023, 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.

18. **Ordinary Resolution 8**

Ordinary Resolution 8 is to renew the Unit Buy-Back Mandate which was approved at the AGM of KIT on 17 April 2023 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 (a) submitting any question prior to or at the AGM; and/or (b) submitting a proxy form appointing a proxy(ies) and/or a representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder (i) 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 proxies and representatives appointed 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, takeover rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Trustee-Manager (or its agents or service providers), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Trustee-Manager (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees to provide the Trustee-Manager with written evidence of such prior consent upon reasonable request.

Proxy Form



(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

- The AGM will be held, in a wholly physical format, at Suntec Singapore Convention and Exhibition Centre, Summit 2, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 23 April 2024 at 10.30 a.m. **There will be no option for Unitholders to participate virtually.** 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.keppelinfrastructure.com/investor-information/agn-and-egm/> and SGXNet.
- Arrangements relating to attendance at the AGM by Unitholders (including investors holding Units through Central Provident Fund ("CPF") or Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors")), submission of questions to the Trustee-Manager in advance of, or at, the AGM, addressing of substantial and relevant questions in advance of, or at the AGM, and voting at the AGM by Unitholders (including CPF/SRS investors) or, where applicable, their duly appointed proxy, are set out in the Notice of AGM and the accompanying announcement dated 1 April 2024. This announcement may be accessed at Keppel Infrastructure Trust's website at <https://www.keppelinfrastructure.com/investor-information/agn-and-egm/> and SGXNet.
- This Proxy Form is not valid for use by investors holding units in Keppel Infrastructure Trust ("Units") through relevant intermediaries ("Investors") (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. Such Investors (including CPF/SRS investors) should refer instead to the instructions set out in the Notice of AGM and the accompanying announcement dated 1 April 2024. An Investor (other than a CPF/SRS investor) who wishes to vote should instead approach his/her/its relevant intermediary as soon as possible, and no later than 10.30 a.m. on 12 April 2024 to make the necessary arrangements. CPF/SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.30 a.m. on 12 April 2024, being seven (7) working days prior to the date of the AGM.
- 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 1 April 2024.
- Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of proxies to vote on his/her/its behalf at the AGM.**

ANNUAL GENERAL MEETING

I/We _____ (Name(s))
 _____ (NRIC/Passport/Company Registration Number(s))
 of _____ (Address)
 being a Unitholder/Unitholders of Keppel Infrastructure Trust ("KIT"), hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Unitholdings	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of Unitholdings	
			No. of Units	%

or failing him/her, or if no persons are named above, the Chairman of the Annual General Meeting (the "Chairman"), as my/our proxy/proxies to attend, speak and vote on my/our behalf at the Annual General Meeting of KIT ("AGM") to be held at Suntec Singapore Convention and Exhibition Centre, Summit 2, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 23 April 2024 at 10.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies (other than the Chairman) will vote or abstain from voting at his/her/their discretion, as he/she/they may determine on any other matter arising at the AGM. In the absence of specific directions in respect of a resolution, any appointment of the Chairman as your proxy for that resolution will be treated as invalid.

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 2023, and the Independent Auditor's Report thereon. (Ordinary Resolution 1)			
2.	To appoint KPMG LLP as the new Auditor of KIT, and to authorise the Trustee-Manager to fix its remuneration. (Ordinary Resolution 2)			
3.	To endorse the appointment of Mr Ng Kin Sze 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 IPT 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.

Dated this _____ day of _____ 2024

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

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 2001 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. A proxy need not be a Unitholder. A Unitholder can appoint the Chairman as his/her/its proxy. 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. CPF/SRS investors may appoint the Chairman as proxy to vote on his/her behalf at the AGM, in which case he/she should approach his/her respective CPF bank or SRS operator to specify his/her voting instructions by 10.30 a.m. on 12 April 2024, being 7 working days before the date of the AGM. An Investor (other than CPF/SRS investors) who wishes to vote should instead approach his/her/its relevant intermediary as soon as possible, and by no later than 10.30 a.m. on 12 April 2024 to specify his/her/its voting instructions, including but not limited to, whether he/she/it wishes to vote at the AGM.
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 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - b. if submitted electronically, be submitted via email to keppel@boardroomlimited.com,

in either case, by 10.30 a.m. on 21 April 2024, being **48 hours before the time appointed for holding the 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.

Fold along this line (1)



Affix
Postage
Stamp

Keppel Infrastructure Fund Management Pte. Ltd.
(as Trustee-Manager of Keppel Infrastructure Trust)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
1 HarbourFront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

Fold along this line (2)

5. Completion and return of the Proxy Form shall not preclude a Unitholder from attending and voting at the AGM. Any appointment of a proxy shall be deemed to be revoked if a Unitholder attends the AGM.
6. 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.
7. 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.
8. 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.
9. 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.

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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