

MEDIA RELEASE

K-GREEN TRUST UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2014

14 April 2014

The Directors of Keppel Infrastructure Fund Management Pte Ltd, as Trustee-Manager of K-Green Trust, advise the following results of K-Green Trust for the first quarter ended 31 March 2014.

These figures have not been audited.

1Q2014 RESULTS HIGHLIGHTS

1. Group revenue for 1Q 2014 was \$16.8 million. Operation and maintenance income was \$12.7 million, 0.2% higher compared to 1Q 2013.
2. Profit after tax for 1Q 2014 was \$3.5 million, an increase of \$0.3 million or 9.4%, compared to 1Q 2013. This translates to earnings per unit for the quarter of 0.56 cents.
3. Net asset value per unit as at 31 March 2014 was \$0.96 compared to \$1.00 as at 31 December 2013, mainly due to the distribution payment of 4.69 cents per unit on 21 February 2014.
4. Cash generated from operations was \$14.4 million for the quarter.

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

**K-GREEN TRUST
FIRST QUARTER 2014 FINANCIAL STATEMENTS****TABLE OF CONTENTS**

<u>Paragraph</u>	<u>Description</u>	<u>Page</u>
	INTRODUCTION	
1(a)	STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	1
1(b)(i)	STATEMENTS OF FINANCIAL POSITION	2
1(b)(ii)	AGGREGATE AMOUNT OF BORROWINGS AND DEBT SECURITIES	2
1(c)	CONSOLIDATED STATEMENT OF CASH FLOWS	3
1(d)(i)	STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS	4
1(d)(ii)	DETAILS OF ANY CHANGE IN THE UNITS	4
2	AUDIT	5
3	AUDITORS' REPORT	5
4	ACCOUNTING POLICIES	5
5	CHANGES IN THE ACCOUNTING POLICIES	5
6	EARNINGS PER UNIT	5
7	NET ASSET VALUE PER UNIT	5
8	REVIEW OF PERFORMANCE	6
9	VARIANCE FROM FORECAST STATEMENT	6
10	PROSPECTS	7
11	DISTRIBUTIONS	7
12	INTERESTED PERSON TRANSACTIONS	8
13	CONFIRMATION BY THE BOARD	9

INTRODUCTION

K-Green Trust (“KGT” or “Trust”) is a business trust constituted on 23 July 2009 under the laws of Singapore and managed by Keppel Infrastructure Fund Management Pte. Ltd. as Trustee-Manager of KGT.

On 31 August 2009, KGT acquired Senoko Plant when KGT was a private trust.

KGT was registered under the Business Trusts Act with the Monetary Authority of Singapore on 27 May 2010 and listed on the Singapore Exchange Securities Trading Limited on 29 June 2010 (the Listing Date). On the Listing Date, KGT acquired Tuas DBOO Plant and Ulu Pandan Plant.

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

The investment objective of KGT is to invest in “green” infrastructure assets in Singapore and globally with a focus on Asia, Europe and the Middle East.

In connection with the reorganisation of Keppel Integrated Engineering Limited (being the sponsor of KGT at the time of its listing) and Keppel Energy Pte. Ltd. under Keppel Infrastructure Holdings Pte. Ltd. (KI), the Trustee-manager is proposing to expand the investment mandate of KGT to cover a wider range of infrastructure assets, so as to align with the wider business activities of KI.

KGT will also change its name to Keppel Infrastructure Trust, to better represent the nature and scope of assets that the Trust may acquire with the expanded investment mandate.

1 UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2014

The Directors of **Keppel Infrastructure Fund Management Pte. Ltd., as Trustee-Manager of K-Green Trust**, advise the following unaudited results of the Group for the first quarter ended 31 March 2014.

1 (a) STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the first quarter ended 31 March

	1Q 2014	1Q 2013	+/-
	\$'000	\$'000	%
Finance income	4,050	4,286	-5.5
Operation and maintenance income	12,734	12,714	+0.2
Revenue	16,784	17,000	-1.3
Operation and maintenance costs	(9,259)	(8,898)	+4.1
Electricity costs	(1,621)	(1,938)	-16.4
Depreciation	(92)	(59)	+55.9
Trustee-Manager's fees	(1,045)	(1,029)	+1.6
Trust expenses	(345)	(949)	-63.6
Other operating expenses	(1,024)	(1,001)	+2.3
Other income	231	239	-3.3
Operating profit	3,629	3,365	+7.8
Interest income	23	18	+27.8
Profit before income tax	3,652	3,383	+8.0
Income tax expense	(150)	(181)	-17.1
Profit for the period, representing total comprehensive income for the period	3,502	3,202	+9.4

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

	GROUP		TRUST	
	31 Mar 14 \$'000	31 Dec 13 \$'000	31 Mar 14 \$'000	31 Dec 13 \$'000
Non-Current Assets				
Plant and equipment	1,784	1,876	-	-
Subsidiaries	-	-	289,836	289,836
Service concession receivables	500,136	509,805	-	-
Notes receivable	-	-	290,142	290,142
	<u>501,920</u>	<u>511,681</u>	<u>579,978</u>	<u>579,978</u>
Current Assets				
Inventories	13,491	13,491	-	-
Service concession receivables	54,956	54,956	-	-
Trade and other receivables	19,593	19,258	4,519	92
Cash, bank and deposit balances	27,932	43,143	5,167	37,130
	<u>115,972</u>	<u>130,848</u>	<u>9,686</u>	<u>37,222</u>
Current Liabilities				
Trade and other payables	15,598	14,217	1,518	2,435
Income tax payable	683	666	3	1
	<u>16,281</u>	<u>14,883</u>	<u>1,521</u>	<u>2,436</u>
Net Current Assets	<u>99,691</u>	<u>115,965</u>	<u>8,165</u>	<u>34,786</u>
Non-Current Liability				
Deferred tax liability	10	10	-	-
	<u>10</u>	<u>10</u>	<u>-</u>	<u>-</u>
Net Assets	<u>601,601</u>	<u>627,636</u>	<u>588,143</u>	<u>614,764</u>
Represented by:				
Unitholders' Funds				
Units in issue	719,307	719,307	719,307	719,307
Revenue reserves	(117,706)	(91,671)	(131,164)	(104,543)
	<u>601,601</u>	<u>627,636</u>	<u>588,143</u>	<u>614,764</u>

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

As at 31 March 2014, the Group did not have any borrowing (31 December 2013: Nil).

1 (c) **CONSOLIDATED STATEMENT OF CASH FLOWS**
for the first quarter ended 31 March

	1Q 2014 \$'000	1Q 2013 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	3,652	3,383
<u>Adjustments for :</u>		
Depreciation	92	59
Interest income	(23)	(18)
Operating cash flows before movements in working capital	<u>3,721</u>	<u>3,424</u>
Decrease in inventories	-	270
Decrease in service concession receivables	9,669	9,432
Increase in trade and other receivables	(335)	(164)
Increase/(decrease) in trade and other payables	<u>1,381</u>	<u>(2,997)</u>
Cash generated from operations	14,436	9,965
Income tax paid	(133)	(169)
Interest received	23	18
Net cash from operating activities	<u>14,326</u>	<u>9,814</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Construction of assets	-	(1,202)
Net cash used in investing activity	<u>-</u>	<u>(1,202)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Distribution paid	(29,537)	(29,537)
Net cash used in financing activity	<u>(29,537)</u>	<u>(29,537)</u>
Net decrease in cash and cash equivalents	(15,211)	(20,925)
Cash and cash equivalents at beginning of period	43,143	42,795
Cash and cash equivalents at end of period	<u>27,932</u>	<u>21,870</u>

**1 (d)(i) STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS
for the first quarter ended 31 March**

GROUP	Attributable to equity holders of the Trust		
	Units in issue \$'000	Revenue reserves \$'000	Total unitholders' funds \$'000
As at 1 January 2014	719,307	(91,671)	627,636
Total comprehensive income for the period	-	3,502	3,502
Distribution paid	-	(29,537)	(29,537)
As at 31 March 2014	719,307	(117,706)	601,601
As at 1 January 2013	719,307	(56,605)	662,702
Total comprehensive income for the period	-	3,202	3,202
Distribution paid	-	(29,537)	(29,537)
As at 31 March 2013	719,307	(82,940)	636,367
TRUST			
	Units in issue \$'000	Revenue reserves \$'000	Total unitholders' funds \$'000
As at 1 January 2014	719,307	(104,543)	614,764
Total comprehensive income for the period	-	2,916	2,916
Distribution paid	-	(29,537)	(29,537)
As at 31 March 2014	719,307	(131,164)	588,143
As at 1 January 2013	719,307	(66,619)	652,688
Total comprehensive income for the period	-	2,325	2,325
Distribution paid	-	(29,537)	(29,537)
As at 31 March 2013	719,307	(93,831)	625,476

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

	GROUP and TRUST Units
Issued units as at 1 January and 31 March 2014	<u>629,781,279</u>

2 AUDIT

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

3 AUDITORS' REPORT

Not applicable

4 ACCOUNTING POLICIES

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

5 CHANGES IN THE ACCOUNTING POLICIES

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

6 EARNINGS PER UNIT ("EPU")

	1Q 2014	1Q 2013	+/- %
Earnings per unit ⁽¹⁾ (based on the weighted average number of units as at the end of the period)	0.56 cents	0.51 cents	+9.8
Weighted average number of units as at the end of the period	629,781,279	629,781,279	-

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

7 NET ASSET VALUE ("NAV") PER UNIT

	GROUP			TRUST		
	31 Mar 14	31 Dec 13	+/- %	31 Mar 14	31 Dec 13	+/- %
NAV per unit based on issued units at the end of the period / year (\$)	0.96	1.00	-4.0	0.93	0.98	-5.1
Adjusted NAV per unit (\$) - based on total issued units of 629,781,279 (after distribution payable to unitholders)	0.96	0.95	+1.1	0.93	0.93	-

8 REVIEW OF PERFORMANCE

Profit and Loss Analysis

Group revenue for 1Q 2014 was \$16.8 million. Finance income was \$4.1 million for 1Q 2014, representing the accretion on the service concession receivables in respect of the fixed capital cost and recovery components. Revenue from operation and maintenance (O&M) was \$12.7 million for the quarter, representing a 0.2% increase over the corresponding period in 2013. This was mainly attributable to higher output from all the plants.

The O&M cost of \$9.3 million for 1Q 2014 was 4.1% higher than last year mainly due to higher output from all the plants. Electricity cost was \$1.6 million for 1Q 2014 which was 16.4% lower than 1Q 2013, due to lower electricity price from measures taken to mitigate the volatility of electricity cost by fixing the price, and the savings from the solar photovoltaic (PV) system which generates electricity for plant consumption.

Trustee-Manager's fee for the quarter was \$1.0 million comprising a fixed management fee and performance fee of 4.5% per annum of all cash inflow received by KGT from Senoko Trust, Tuas DBOO Trust and Ulu Pandan Trust ("Sub-Trusts"). Trust expense was lower compared to the corresponding quarter in prior year, mainly due to lower project evaluation and due diligence expenses incurred by the Trust. Profit before and after income tax was \$3.7 million and \$3.5 million respectively for the three months ended 31 March 2014.

Balance Sheet Analysis

Group unitholders' funds decreased from \$627.6 million at 31 December 2013 to \$601.6 million at 31 March 2014. The decrease was mainly attributable to the distribution of \$29.5 million paid to unitholders during the quarter, partially offset by increase in comprehensive income of \$3.5 million for the quarter.

Correspondingly, total assets of the Group decreased by \$24.6 million to \$617.9 million as at 31 March 2014. Group total liabilities increased by \$1.4 million to \$16.3 million as compared to \$14.9 million in the previous year end, mainly due to O&M fees payable to O&M operators.

At the trust level, notes receivable of \$290.1 million represents qualifying project debt securities ("QPDS") issued to KGT by the Sub-Trusts to fund the acquisition of the businesses in FY2010. Trade and other receivables as at 31 March 2014 were higher by \$4.4 million, mainly due to interest receivable on the QPDS. These QPDS are eliminated on consolidation.

As at 31 March 2014, the Group had no external borrowing.

Cash Flow Analysis

Cash generated from operations of \$14.4 million for the quarter was derived from the Group's pre-tax profit of \$3.7 million, after adjusting for non-cash items and changes in working capital of \$10.7 million. Taking into account income taxes paid, net cash flow from operating activities was \$14.3 million for 1Q 2014 as compared to \$9.8 million in 1Q 2013.

The net decrease in cash and cash equivalents was \$15.2 million for the quarter, after making the distribution payment of \$29.5 million in February this year.

9 VARIANCE FROM FORECAST STATEMENT

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

10 PROSPECTS

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

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

In connection with the reorganisation of Keppel Integrated Engineering Limited (being the sponsor of KGT at the time of its listing) and Keppel Energy Pte. Ltd. under Keppel Infrastructure Holdings Pte. Ltd. (KI), the Trustee-manager is proposing to expand the investment mandate of KGT to cover a wider range of infrastructure assets, so as to align with the wider business activities of KI.

KGT will also change its name to Keppel Infrastructure Trust, to better represent the nature and scope of assets that the Trust may acquire with the expanded investment mandate.

The Trustee-Manager will continue to evaluate asset enhancement opportunities and capacity expansion in all three assets and will continue to work with the Sponsor to identify and evaluate suitable acquisitions under the expanded investment mandate which covers a wider range of infrastructure assets. Key geographies for potential acquisitions remain Europe and Asia Pacific.

11 DISTRIBUTIONS

11a. Current Financial Period Reported On

Any distribution recommended for the current financial period reported on? No

11b. Corresponding Period of the Immediately Preceding Financial Year

Any distribution declared for the corresponding period of the immediately preceding financial year? No

11c. Date Payable

Not applicable

11d. Books Closure Date

Not applicable

11e. If no dividend has been declared/recommended, a statement to that effect.

No distribution has been declared / recommended for the quarter ended 31 March 2014

12 INTERESTED PERSON TRANSACTIONS

The Group has obtained a general mandate from unitholders for interested person transactions in the Annual General Meeting held on 16 April 2013. During the financial period, the following interested person transactions were entered into by the Group:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under unitholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under a unitholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)	
	1 Jan 14 to 31 Mar 14 \$'000	1 Jan 13 to 31 Mar 13 \$'000	1 Jan 14 to 31 Mar 14 \$'000	1 Jan 13 to 31 Mar 13 \$'000
Keppel Corporation Group				
- Treasury Transactions	-	-	27,111	20,773
Total	-	-	27,111	20,773

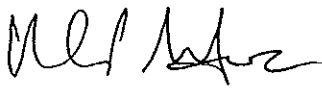
BY ORDER OF THE BOARD
Keppel Infrastructure Fund Management Pte. Ltd.
(Company Registration Number: 200803959H)
As Trustee-Manager of K-Green Trust

NG WAI HONG / WINNIE MAK
 Company Secretaries
 14 April 2014

CONFIRMATION BY THE BOARD

We, KHOR POH HWA and TAN BOON LENG being two Directors of Keppel Infrastructure Fund Management Pte. Ltd. (in its capacity as trustee-manager of K-Green Trust), do hereby confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the first quarter 2014 financial statements of K-Green Trust to be false or misleading in any material aspect.

On behalf of the Board of Directors



KHOR POH HWA
Chairman



TAN BOON LENG
Director

Singapore
14 April 2014