



Keppel Infrastructure Fund Management Pte Ltd

(In its capacity as Trustee-Manager of K-Green Trust)

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PRESS RELEASE

K-GREEN TRUST UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

14 April 2011

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 2011.

These figures have not been audited.

1Q FY2011 RESULTS HIGHLIGHTS

1. The profit after tax achieved for the first quarter of 2011 was \$3.5 million, 5.4% higher than projection.
2. Earnings per unit (EPU) for the first quarter of 2011 was 0.56 cents.
3. Net asset value per unit as at 31 March 2011 was \$1.12.
4. Free cash flow for the quarter was \$9.5 million.

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

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The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, was the Issue Manager for the listing of K-Green Trust on the Main Board of SGX-ST. The Issue Manager assumes no responsibility for the contents of this announcement.

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.

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).

The investment objective of KGT is to invest in “green” infrastructure assets (including, but not limited to, waste management, water and wastewater treatment, renewable energy, energy efficiency and other “green” initiatives) in Singapore and globally with a focus on Asia, Europe and the Middle East.

On 31 August 2009, KGT completed the acquisition of Senoko Plant, during which KGT was held as a private trust. On the Listing Date, KGT acquired Tuas DBOO Plant and Ulu Pandan Plant. All of the Plants have commenced commercial operations.

KGT, being a business trust, is allowed to pay distributions to unitholders out of its residual cash flows, in accordance with the distribution policy as set out on Page 34 of the Introductory Document dated 31 May 2010 (“Introductory Document”). This is unlike companies, which are governed by the Companies Act. Companies can only make dividend payments out of accounting profits.

Infrastructure assets, such as those held by KGT, are suitable for injection into a business trust as they are able to offer long-term, regular and predictable cash flows.

COMPARATIVE STATEMENTS

We have not presented a comparative statement for the corresponding period of the immediately preceding financial year for the following reasons:

- (a) even though KGT would have been in existence since 23 July 2009, Senoko Plant was only acquired by KGT on 31 August 2009 when it was held as a private trust up to the Listing Date. Both Tuas DBOO Plant and Ulu Pandan Plant were acquired by KGT, through the Tuas DBOO Trustee and the Ulu Pandan Trustee, respectively on the Listing Date;
- (b) while the audited accounts of KGT is available for the financial year ended 31 December 2010, it will not be meaningful to compare the current period results against the results for first six months of FY2010 as the accounts will contain financial information for only one out of three Plants.

However, where appropriate, comparisons are made against the pro-rated projected figures for the period from 1 January 2011 to 31 March 2011 (the “Projection”) as disclosed in the Introductory Document.

1 UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

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 2011.

1 (a) GROUP PROFIT AND LOSS ACCOUNT for the first quarter ended 31 March 2011

	1Q 2011 1 Jan 11 to 31 Mar 11 ⁽¹⁾ \$'000
Construction revenue	2,494
Finance income	4,560
Operation and maintenance income	11,147
Revenue	18,201
Construction expense	(2,380)
Operation and maintenance cost	(8,003)
Electricity cost	(1,599)
Depreciation	(60)
Trustee-Manager's fees	(1,022)
Trust expense	(187)
Other operating expenses	(1,461)
Other income	127
Operating profit	3,616
Net interest income	35
Profit before tax	3,651
Taxation	(107)
Profit for the period	3,544

Note:

(1) The results of 1Q 2011 will be compared against the pro-rated projected figures for the period from 1 January 2011 to 31 March 2011 (the "Projection") as disclosed in the Introductory Document. Please refer to Section 9.

1 (b)(i) **BALANCE SHEETS as at 31 March 2011**

	GROUP		TRUST	
	31 Mar 11	31 Dec 10	31 Mar 11	31 Dec 10
	\$'000	\$'000	\$'000	\$'000
Non-Current Assets				
Plant and equipment	816	876	-	-
Subsidiaries	-	-	403,536	403,536
Service concession receivables	580,686	587,348	-	-
Notes receivable	-	-	290,142	290,142
	<u>581,502</u>	<u>588,224</u>	<u>693,678</u>	<u>693,678</u>
Current Assets				
Inventories	15,324	15,159	-	-
Service concession receivables	54,956	54,956	-	-
Trade and other receivables	26,357	18,603	4,670	266
Cash, bank and deposit balances	67,399	85,030	4,570	31,847
	<u>164,036</u>	<u>173,748</u>	<u>9,240</u>	<u>32,113</u>
Current Liabilities				
Trade and other payables	27,881	22,496	1,836	2,447
Provision for taxation	13,244	13,249	-	-
	<u>41,125</u>	<u>35,745</u>	<u>1,836</u>	<u>2,447</u>
Net Current Assets	<u>122,911</u>	<u>138,003</u>	<u>7,404</u>	<u>29,666</u>
Non-Current Liability				
Deferred taxation	147	147	-	-
	<u>147</u>	<u>147</u>	<u>-</u>	<u>-</u>
Net Assets	<u>704,266</u>	<u>726,080</u>	<u>701,082</u>	<u>723,344</u>
Represented by:				
Unitholders' Funds				
Units in issue	719,140	717,354	719,140	717,354
Accumulated (loss) /profit	(14,874)	8,726	(18,058)	5,990
	<u>704,266</u>	<u>726,080</u>	<u>701,082</u>	<u>723,344</u>

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

As at 31 March 2011, the Group did not have any borrowing (31 December 2010: Nil).

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS

1Q'11
1 Jan 11 to
31 Mar 11
\$'000

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before income tax	3,651
<u>Adjustments for :</u>	
Depreciation	60
Interest income	(35)
Operating profit before working capital changes	<u>3,676</u>
Increase in inventories	(165)
Decrease in service concession receivables	9,042
Increase in trade debtors and other receivables	(7,754)
Increase in trade creditors & other creditors	<u>10,027</u>
Cash generated from operations	14,826
Tax paid	(112)
Interest received	35
Net cash from operating activities	<u>14,749</u>

CASH FLOWS FROM INVESTING ACTIVITY

Construction of assets	<u>(5,236)</u>
Net cash used in investing activity	<u>(5,236)</u>

CASH FLOWS FROM FINANCING ACTIVITY

Distribution paid	<u>(27,144)</u>
Net cash used in financing activity	<u>(27,144)</u>

Net change in cash and cash equivalents	(17,631)
Cash and cash equivalents at beginning of period	85,030
Cash and cash equivalents at end of period	<u>67,399</u>

1 (d)(i) STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

GROUP	Attributable to equity holders of the Trust		
	Units in issue \$'000	Accumulated (loss)/profit \$'000	Total unitholders' funds \$'000
2011			
As at 1 January 2011	717,354	8,726	726,080
Total comprehensive income for the period	-	3,544	3,544
Distribution paid	-	(27,144)	(27,144)
Creation of new units - payment of Trustee-Manager's fees in units ¹	1,786	-	1,786
As at 31 March 2011	719,140	(14,874)	704,266
TRUST	Attributable to equity holders of the Trust		
	Units in issue \$'000	Accumulated (loss)/profit \$'000	Total unitholders' Funds \$'000
2011			
As at 1 January 2011	717,354	5,990	723,344
Total comprehensive income for the period	-	3,096	3,096
Distribution paid	-	(27,144)	(27,144)
Creation of new units - payment of Trustee-Manager's fees in units ¹	1,786	-	1,786
As at 31 March 2011	719,140	(18,058)	701,082

¹ This represents 1,668,711 units issued in satisfaction of Trustee-Manager's fees paid in units.

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

	GROUP and TRUST Units
Issued units as at 1 January 2011	628,112,568
Payment of Trustee-Manager's fees in units	1,668,711
Issued units as at 31 March 2011	629,781,279

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 stated in the Introductory Document.

5 CHANGES IN THE ACCOUNTING POLICIES

The Group adopted the new/revised FRS that is effective for annual periods beginning on or after 1 January 2011. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS.

The following amended FRS is relevant to the Group:

Improvements to Financial Reporting Standards (issued in October 2010)
FRS 24 (Revised) - Related Party Disclosures

Consequential amendments were also made to various standards as a result of these new/revised standards.

The adoption of the above FRS did not have any significant impact on the financial statements of the Group.

6 EARNINGS PER UNIT ("EPU")

	1Q 2011
Earnings per unit ⁽¹⁾	
(based on the weighted average number of units as at the end of the period)	0.56 cts
- Weighted average number of units as at the end of period	629,561,832

Note:

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

7 NET ASSET VALUE ("NAV") PER UNIT

	GROUP		TRUST	
	31 Mar 11	31 Dec 10	31 Mar 11	31 Dec 10
NAV per unit based on issued units at the end of the period / year (\$)	1.12	1.16	1.11	1.15

8 REVIEW OF PERFORMANCE

Profit and Loss Analysis for the first quarter ended 31 March 2011

The revenue of KGT was derived mainly from three components: 1) recognition of construction revenue of \$2.5 million arising from the flue gas treatment upgrade based on percentage of completion method during the construction phase, 2) finance income of \$4.6 million which represents the accretion on the service concession receivables in respect of the fixed capital cost and recovery components, and 3) revenue from operating and maintaining (O&M) the plants amounting to \$11.1 million. The service concession agreements allow for annual adjustments to the O&M tariffs to account for changes in consumer price index.

The construction expense of \$2.4 million relates to the amount of capital expenditure spent on the flue gas treatment upgrade during the quarter ended 31 March 2011. The main operating expenses are: electricity cost, operation and maintenance cost, property tax, insurance, Trustee-Manager's fees and other administrative costs. Profit before tax and after tax was \$3.7 million and \$3.5 million, respectively.

For a review of the actual performance against the projection period 1 January 2011 to 31 March 2011 as disclosed in the Introductory Document, please refer to Section 9 below.

Balance Sheet and Cash Flow Analysis

Group unitholders' funds decreased from \$726.1 million at 31 December 2010 to \$704.3 million at 31 March 2011. The decrease was mainly attributable to the distribution of \$27.1 million paid to unitholders during the period, partially offset by increase in comprehensive income for the period of \$3.5 million and the creation of new units for payment of Trustee-Manager's fees of \$1.8 million.

Total assets of the Group amounting to \$745.5 million at 31 March 2011 was \$16.4 million lower than the previous year end. Service concession receivables, representing the right of KGT to receive fixed and determinable amounts of payment during the concession period, decreased by \$6.7 million for the quarter, offset by higher debtors of \$7.8 million due to receivables from a government agency in relation to reimbursement of property taxes. Group total liabilities increased by \$5.4 million to \$41.3 million compared to \$35.9 million in the previous year end on higher accrued expenses.

At the trust level, notes receivable of \$290.1 million represents qualifying project debt securities ("QPDS") issued to KGT by Senoko Trust, Tuas DBOO Trust and Ulu Pandan Trust to fund the acquisition of the businesses in FY2010. These QPDS are eliminated on consolidation.

As at 31 March 2011, the Group has no external borrowing.

In the first quarter of 2011, cash flow from operating activities of \$14.7 million arose mainly from operating profits generated and changes in working capital. Net cash used in investing activity for the quarter was \$5.2 million. This was mainly due to payments made for the flue gas treatment upgrading contract. After distribution payment of \$27.1 million, net decrease in cash and cash equivalents was \$17.6 million.

9 VARIANCE FROM FORECAST STATEMENT

9(i) GROUP PROFIT AND LOSS ACCOUNT for the first quarter ended 31 March 2011

	Actual 1Q'11 1 Jan 11 to 31 Mar 11 \$'000	Pro-rated projection ¹ 1 Jan 11 to 31 Mar 11 \$'000	+/(-)%
Construction revenue	2,494	3,905	-36.1
Finance income	4,560	4,557	+0.1
Operation and maintenance income	11,147	10,485	+6.3
Revenue	18,201	18,947	-3.9
Construction expense	(2,380)	(3,719)	-36.0
Operation and maintenance cost	(8,003)	(7,682)	+4.2
Electricity cost	(1,599)	(1,347)	+18.7
Depreciation	(60)	(74)	-18.9
Trustee-Manager's fees	(1,022)	(1,115)	-8.3
Trust expense	(187)	(250)	-25.2
Other operating expenses	(1,461)	(1,306)	+11.9
Other income	127	82	+54.9
Operating profit	3,616	3,536	+2.3
Net interest income / (expense)	35	(5)	N.M.
Profit before tax	3,651	3,531	+3.4
Taxation	(107)	(168)	-36.3
Profit for the period	3,544	3,363	+5.4

¹ The projection figures are derived by pro-rating equally the projection year from 1 January 2011 to 31 December 2011 ("Projection Year 2011"). The Projection Year 2011 is extracted from the Introductory Document and is based on the assumptions set out in the document.

Review of Performance for the first quarter ended 31 March 2011 (actual vs projection)

Revenue of \$18.2 million was 3.9% lower than the projection of \$18.9 million. This was mainly due to lower recognition of construction revenue by \$1.4 million following a shift in schedule of the flue gas upgrading works for Senoko Plant. The flue gas upgrade project is in progress and the Engineering, Procurement and Construction (EPC) contractor is expected to accelerate the construction progress in FY2011. The upgrade is scheduled to be completed by June 2012. As a result of plant maintenance activities of Ulu Pandan Plant in the first quarter of 2011, the warranted capacity was reduced. There was however little impact on the plant's profitability as the costs associated with the maintenance and reduced capacity were borne by the operation and maintenance (O&M) contractor, in accordance with the terms of the contract. Overall, the decrease in revenue was offset by higher O&M income of \$0.7 million or 6.3% from all three plants.

For the same reason above, construction expense incurred on the EPC contract was below projection by \$1.3 million. The O&M cost was slightly higher than projection by 4.2% on account of higher output from the three plants. Electricity cost was 18.7% higher due to increase in electricity consumption on the higher volume of NEWater delivered as well as higher electricity prices than projected.

Trust expense was 25.2% lower as actual expenses were less than projected. Other operating expenses was 11.9% more than expected due to higher accrual of property taxes on both Senoko Plant and Tuas DBOO Plant. The higher operating expenses were offset by lower overhead costs due to certain cost savings arising from group purchases negotiated on the three plants.

Overall, profit for the period of \$3.5 million exceeded projection by 5.4%.

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. NEWater demand in the next quarter is expected to remain comparable to the demand seen in the current quarter. Cleaning and maintenance activities during the year may reduce revenue and costs but are not expected to have a material impact on the profitability of the plants.

Ulu Pandan Trust's cash earnings could fluctuate depending on changes in power revenue received from PUB in response to changes in electricity price. In view of this, the Trustee-Manager has taken measures to fix the price of electricity up to the end of FY2011 after monitoring the fluctuations in electricity price for the past year.

The flue gas treatment upgrade project for Senoko Plant is in progress and the EPC contractor is expected to accelerate the construction progress in FY2011. The upgrade is scheduled to be completed by June 2012.

The DPU for the first half of 2011 is expected to be on track with the Forecast DPU of 3.13 cents disclosed in the Introductory Document.

In line with KGT's growth strategy, the Trustee-Manager will continue to review acquisition opportunities during the year, including assets which were identified under the Rights of First Refusal (ROFR).

11 DISTRIBUTIONS

11a. Current Financial Period Reported On

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

11b. Corresponding Period of the Immediately Preceding Financial Year

Any dividend 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 2011.

12 INTERESTED PERSON TRANSACTIONS

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 January 2011 to 31 March 2011 \$'000	1 January 2011 to 31 March 2011 \$'000
Keppel Corporation Group		
- General Transactions	-	869
- Treasury Transactions	-	64,918
Total	-	65,787

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

JOSEPH NG / NG WAI HONG
 Company Secretaries
 14 April 2011

CONFIRMATION BY THE BOARD

We, KHOR POH HWA and MICHAEL CHIA HOCK CHYE 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 2011 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



MICHAEL CHIA HOCK CHYE
Director

Singapore
14 April 2011