



Keppel Infrastructure Fund Management Pte Ltd

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

Co Reg No. 200803959H

108 Pasir Panjang Road
#03-01 Golden Agri Plaza
Singapore 118535
Tel: (65) 6499 0599
Fax: (65) 6265 1953
www.kgreentrust.com

MEDIA RELEASE

K-GREEN TRUST UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2013

14 OCTOBER 2013

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 third quarter and nine months ended 30 September 2013.

These figures have not been audited.

9M FY2013 RESULTS HIGHLIGHTS

1. Excluding construction revenue arising from the flue gas treatment upgrade following its completion last year, Group revenue for 9M 2013 remained stable at \$50.8 million compared to 9M 2012.
2. Profit after tax for 9M 2013 was \$10.9 million, contributing to earnings per unit (EPU) of 1.72 cents for the period. Excluding the contribution from the construction of the flue gas treatment upgrade last year, profit after tax was \$0.2 million or 2.0% lower compared to 9M 2012.
3. Net asset value per unit as at 30 September 2013 was \$0.99 compared to \$1.02 as at 30 June 2013, due to the distribution payment of 3.13 cents on 15 August 2013.
4. Cash generated from operations was \$36.7 million for 9M 2013.

For more information, please contact:

Media

Mr Lee Chin Siang
Senior Executive
Group Corporate Communications
Keppel Corporation Limited
Tel: (65) 6413-6428
Email: chinsiang.lee@kepcorp.com

Investor Relations

Ms Ivana Chua
Senior Manager
Group Corporate Communications
Keppel Corporation Limited
Tel: (65) 6413-6436
Email: ivana.chua@kepcorp.com

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

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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.

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.

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.

1 UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2013

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 third quarter and nine months ended 30 September 2013.

**1 (a) GROUP PROFIT AND LOSS ACCOUNT
for the third quarter and nine months ended 30 September**

	3Q 2013	3Q 2012	+/-	9M 2013	9M 2012	+/-
	\$'000	\$'000	%	\$'000	\$'000	%
Construction revenue	-	-	-	-	8,114	-100.0
Finance income	4,286	4,473	-4.2	12,857	13,419	-4.2
Operation and maintenance income	12,796	12,560	+1.9	37,992	37,459	+1.4
Revenue	17,082	17,033	+0.3	50,849	58,992	-13.8
Construction expense	-	-	-	-	(7,725)	-100.0
Operation and maintenance costs	(8,975)	(8,762)	+2.4	(26,737)	(26,276)	+1.8
Electricity cost	(1,872)	(2,184)	-14.3	(5,451)	(6,503)	-16.2
Depreciation	(97)	(62)	+56.5	(271)	(182)	+48.9
Trustee-Manager's fees	(1,246)	(1,255)	-0.7	(3,401)	(3,343)	+1.7
Trust expense	(118)	(175)	-32.6	(1,281)	(471)	+>100.0
Other operating expenses	(1,026)	(1,058)	-3.0	(3,046)	(3,063)	-0.6
Other income	190	151	+25.8	658	516	+27.5
Operating profit	3,938	3,688	+6.8	11,320	11,945	-5.2
Interest income	17	23	-26.1	51	71	-28.2
Profit before tax	3,955	3,711	+6.6	11,371	12,016	-5.4
Taxation	(159)	(177)	-10.2	(516)	(615)	-16.1
Profit for the period representing total comprehensive income for the period	3,796	3,534	+7.4	10,855	11,401	-4.8

1 (b)(i) BALANCE SHEETS as at 30 September

	GROUP		TRUST	
	30 Sep 13	31 Dec 12	30 Sep 13	31 Dec 12
	\$'000	\$'000	\$'000	\$'000
Non-Current Assets				
Plant and equipment	2,273	1,658	-	-
Subsidiaries	-	-	312,936	327,936
Service concession receivables	519,269	547,616	-	-
Notes receivable	-	-	290,142	290,142
	<u>521,542</u>	<u>549,274</u>	<u>603,078</u>	<u>618,078</u>
Current Assets				
Inventories	15,084	15,359	-	-
Service concession receivables	54,956	54,956	-	-
Trade and other receivables	19,834	19,048	4,605	161
Cash, bank and deposit balances	28,453	42,795	5,859	37,481
	<u>118,327</u>	<u>132,158</u>	<u>10,464</u>	<u>37,642</u>
Current Liabilities				
Trade and other payables	14,795	17,799	1,740	3,031
Provision for taxation	699	864	4	1
	<u>15,494</u>	<u>18,663</u>	<u>1,744</u>	<u>3,032</u>
Net Current Assets	<u>102,833</u>	<u>113,495</u>	<u>8,720</u>	<u>34,610</u>
Non-Current Liability				
Deferred taxation	67	67	-	-
	<u>67</u>	<u>67</u>	<u>-</u>	<u>-</u>
Net Assets	<u>624,308</u>	<u>662,702</u>	<u>611,798</u>	<u>652,688</u>
Represented by:				
Unitholders' Funds				
Units in issue	719,307	719,307	719,307	719,307
Revenue reserves	(94,999)	(56,605)	(107,509)	(66,619)
	<u>624,308</u>	<u>662,702</u>	<u>611,798</u>	<u>652,688</u>

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

As at 30 September 2013, the Group did not have any borrowing (31 December 2012: Nil).

1 (c) **CONSOLIDATED STATEMENT OF CASH FLOWS**
for the third quarter and nine months ended 30 September

	3Q 2013 \$'000	3Q 2012 \$'000	9M 2013 \$'000	9M 2012 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	3,955	3,711	11,371	12,016
<u>Adjustments for :</u>				
Depreciation	97	62	271	182
Interest income	(17)	(23)	(51)	(71)
Operating profit before working capital changes	4,035	3,750	11,591	12,127
Decrease in inventories	-	22	275	42
Decrease in service concession receivables	9,466	9,277	28,347	27,411
Decrease/(increase) in trade and other receivables	165	431	(786)	2,823
Increase/(decrease) in trade and other creditors	78	(306)	(2,685)	(3,712)
Cash generated from operations	13,744	13,174	36,742	38,691
Tax paid	(256)	(294)	(681)	(1,017)
Interest received	17	23	51	71
Net cash from operating activities	13,505	12,903	36,112	37,745
CASH FLOWS FROM INVESTING ACTIVITY				
Construction of assets	(3)	(4,760)	(1,205)	(7,140)
Net cash used in investing activity	(3)	(4,760)	(1,205)	(7,140)
CASH FLOWS FROM FINANCING ACTIVITY				
Distribution paid	(19,712)	(19,712)	(49,249)	(49,249)
Net cash used in financing activity	(19,712)	(19,712)	(49,249)	(49,249)
Net change in cash and cash equivalents	(6,210)	(11,569)	(14,342)	(18,644)
Cash and cash equivalents at beginning of period	34,663	40,551	42,795	47,626
Cash and cash equivalents at end of period	28,453	28,982	28,453	28,982

1 (d)(i) STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS
for the third quarter and nine months ended 30 September

GROUP	Attributable to equity holders of the Trust		
	Units in issue \$'000	Revenue reserves \$'000	Total unitholders' funds \$'000
As at 1 January 2013	719,307	(56,605)	662,702
Total comprehensive income for the period	-	7,059	7,059
Distribution paid	-	(29,537)	(29,537)
As at 30 June 2013	719,307	(79,083)	640,224
Total comprehensive income for the period	-	3,796	3,796
Distribution paid	-	(19,712)	(19,712)
As at 30 September 2013	719,307	(94,999)	624,308
As at 1 January 2012	719,307	(22,133)	697,174
Total comprehensive income for the period	-	7,867	7,867
Distribution paid	-	(29,537)	(29,537)
As at 30 June 2012	719,307	(43,803)	675,504
Total comprehensive income for the period	-	3,534	3,534
Distribution paid	-	(19,712)	(19,712)
As at 30 September 2012	719,307	(59,981)	659,326

TRUST	Units in issue \$'000	Revenue reserves \$'000	Total unitholders' funds \$'000
As at 1 January 2013	719,307	(66,619)	652,688
Total comprehensive income for the period	-	5,328	5,328
Distribution paid	-	(29,537)	(29,537)
As at 30 June 2013	719,307	(90,828)	628,479
Total comprehensive income for the period	-	3,031	3,031
Distribution paid	-	(19,712)	(19,712)
As at 30 September 2013	719,307	(107,509)	611,798
As at 1 January 2012	719,307	(28,912)	690,395
Total comprehensive income for the period	-	6,287	6,287
Distribution paid	-	(29,537)	(29,537)
As at 30 June 2012	719,307	(52,162)	667,145
Total comprehensive income for the period	-	2,954	2,954
Distribution paid	-	(19,712)	(19,712)
As at 30 September 2012	719,307	(68,920)	650,387

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

	GROUP and TRUST Units
Issued units as at 1 January, 30 June and 30 September 2013	<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 2012.

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 2013. 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")

	3Q 2013	3Q 2012	+/- %	9M 2013	9M 2012	+/- %
Earnings per unit ⁽¹⁾						
(based on the weighted average number of units as at the end of the period)	0.60 cents	0.56 cents	+7.1	1.72 cents	1.81 cents	-5.0
Weighted average number of units as at the end of the period	629,781,279	629,781,279	-	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		
	30 Sep 13	31 Dec 12	+/- %	30 Sep 13	31 Dec 12	+/- %
NAV per unit based on issued units at the end of the period / year (\$)	0.99	1.05	-5.7	0.97	1.04	-6.7
Adjusted NAV per unit (\$)	0.99	1.01	-2.0	0.97	0.99	-2.0
- based on total issued units of 629,781,279 (after distribution payable to unitholders)						

8 REVIEW OF PERFORMANCE

Profit and Loss Analysis

Group revenue for 3Q 2013 was \$17.1 million, bringing the total revenue recognised to-date to \$50.8 million. Finance income was \$4.3 million for 3Q 2013 and \$12.9 million for 9M 2013, 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 \$12.8 million for 3Q 2013 and \$38.0 million for 9M 2013, representing an increase of 1.9% and 1.4% respectively over the corresponding periods in 2012. This was mainly attributable to the higher output from Tuas plant, as well as annual adjustments of O&M and power tariffs to account for changes in consumer price index (CPI) and fuel price.

For the same reasons stated for the O&M revenue above, the O&M costs of \$9.0 million for 3Q 2013 was 2.4% higher than the corresponding period last year. O&M costs for 9M 2013 was \$26.7 million which represents a 1.8% increase as compared to 9M 2012. Electricity cost of \$1.9 million and \$5.5 million for 3Q 2013 and 9M 2013 respectively was lower as compared to the corresponding periods in 2012, due to lower output of NEWater and, lower electricity price from measures taken to mitigate the

volatility of electricity cost by fixing the price, and savings from the solar photovoltaic (PV) system which generates electricity for plant consumption.

Trustee-Manager's fee was \$1.2 million for 3Q 2013 and \$3.4 million for 9M 2013 comprising a fixed management fee and performance fee of 4.5% per annum of all cash inflow received by KGT from the sub trusts. Trust expense was higher compared to the corresponding period in 9M 2012, mainly due to project evaluation and due diligence expenses incurred by the Trust. Profit before and after tax was \$11.4 million and \$10.9 million respectively for the nine months ended 30 September 2013.

Balance Sheet Analysis

Group unitholders' funds decreased from \$662.7 million at 31 December 2012 to \$624.3 million at 30 September 2013. The decrease was mainly attributable to the distribution of \$49.2 million paid to unitholders for 9M 2013, partially offset by increase in comprehensive income of \$10.9 million during the period.

Correspondingly, total assets of the Group decreased by \$41.6 million to \$639.9 million as at 30 September 2013. Group total liabilities decreased by \$3.1 million to \$15.6 million as compared to \$18.7 million in the previous year end, mainly due to payments made to O&M operators.

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 ("Sub-Trusts") to fund the acquisition of the businesses in FY2010. These QPDS are eliminated on consolidation.

As at 30 September 2013, the Group had no external borrowing.

Cash Flow Analysis

Cash generated from operations of \$13.7 million for 3Q 2013 was derived from the Group's pre-tax profit of \$4.0 million, after adjusting for non-cash items and changes in working capital of \$9.8 million. Taking into account income taxes paid, cash flow from operating activities was \$13.5 million for the quarter as compared to \$12.9 million in the same quarter last year.

Cash generated from operations for the nine months period was \$36.7 million after adjusting for non-cash items and changes in working capital of \$25.4 million. Cash flow from operating activities was \$36.1 million after taking into account the income taxes paid during the period. Net cash used in investing activity of \$1.2 million was for the payment of the installation of Solar PV system at Ulu Pandan Plant, compared to \$7.1 million made for the FGT upgrading contract during the corresponding period. The net decrease in cash and cash equivalents was \$14.3 million for 9M 2013, after making 2 semi-annual distribution payments totaling \$49.2 million during the period.

9 VARIANCE FROM FORECAST STATEMENT

No forecast statement for financial year 2013 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 total electricity cost is pegged to current fuel price whilst the variable power revenue received is based on the monthly average of the previous 12 months fuel price adjustable at end of each contract year. The Trustee-Manager has taken measures 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.

The Trustee-Manager will continue to evaluate asset enhancement opportunities in all three assets and will continue to work with the Sponsor to identify and evaluate suitable acquisitions. 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

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 year, 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 13 to 30 Sep 13 \$'000	1 Jan 12 to 30 Sep 12 \$'000	1 Jan 13 to 30 Sep 13 \$'000	1 Jan 12 to 30 Sep 12 \$'000
Keppel Corporation Group				
- Treasury Transactions	-	-	27,647	28,345
Total	-	-	27,647	28,345

BY ORDER OF THE BOARD

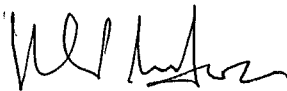
Keppel Infrastructure Fund Management Pte. Ltd.
(Company Registration Number: 200803959H)
As Trustee-Manager of K-Green Trust

NG WAI HONG / WINNIE MAK
 Company Secretaries
 14 October 2013

CONFIRMATION BY THE BOARD

We, KHOR POH HWA and TEO SOON HOE 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 third quarter 2013 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

Singapore
14 October 2013



TEO SOON HOE
Director