



**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 FULL YEAR ENDED 31 DECEMBER 2010**

**18 January 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 full year ended 31 December 2010.

These figures have not been audited.

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## **K-GREEN TRUST FY 2010 RESULTS HIGHLIGHTS**

1. Profit after tax for the period from date of listing on 29 June to 31 December 2010 was \$8.7 million, 22.1% higher than forecast.
2. Earnings per unit (EPU) for the period from date of listing to 31 December 2010 were 1.39 cents.
3. Net asset value per unit as at 31 December 2010 was \$1.16.
4. Distribution per unit (DPU) of 4.31 cents was higher than forecast by 10.2%.
5. Annualised distribution yield was 7.9% based on unit closing price of \$1.07 on 31 December 2010.
6. Mr Thomas Pang, CEO of Keppel Infrastructure Fund Management Pte Ltd, the Trustee-Manager of K-Green Trust, said, “K-Green Trust has achieved better performance than forecasted. We will work closely with our Sponsor to ensure that our existing portfolio continues to provide stable, predictable and reliable distributions for our unitholders.

“The growing sustainable development sector now and in the foreseeable future will drive demand for waste management, water and wastewater treatment, renewable energy, energy efficiency and other green initiatives. K-Green Trust will be well-positioned to evaluate these opportunities to grow our asset base.”

**K-GREEN TRUST  
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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 Singapore Stock Exchange. 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 Trust 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.

## COMPARATIVE STATEMENTS

There are no comparatives for the corresponding period of the immediately preceding financial year.

As disclosed in the Introductory Document dated 31 May 2010 (“Introductory Document”), SGX-ST has granted K-Green Trust a waiver from the requirement to:

- (i) Prepare pro forma income statements, statements of cash flows and balance sheet;
- (ii) Include historical audited financial statements for KGT for FY 2009

Accordingly, we have not presented a comparative statement for the announcement for the following reasons:

- (a) KGT would have been in existence for slightly over five months as at the end of its first financial period from 23 July 2009 to 31 December 2009;
- (b) while the audited accounts of KGT is available for its first financial period, the accounts would only reflect KGT’s ownership of Senoko Plant which was only acquired on 31 August 2009, as Tuas DBOO Plant and Ulu Pandan Plant were only acquired by the Tuas DBOO Trustee and the Ulu Pandan Trustee, respectively, on the Listing Date;
- (c) as the Trustee-Manager does not have any historical financial statements on Senoko Plant save for the last four months of FY 2009, the audited accounts of KGT will only reflect financial information on Senoko Plant for the last four months of FY 2009;
- (d) it will not be meaningful to show the audited accounts of KGT for the financial period from 23 July 2009 to 31 December 2009 when such accounts will contain financial information for only one out of three Plants and only the last four months of FY 2009 for that one Plant.

However, where appropriate, comparisons are made against the forecast figures for the period from 29 June 2010 to 31 December 2010 (the “Forecast”) as disclosed in the Introductory Document.

# 1 UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010

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 year ended 31 December 2010.

## 1 (a) GROUP PROFIT AND LOSS ACCOUNT for the year ended 31 December 2010

	<i>Private trust</i> 1 Jan 10 to 28 Jun 10 <sup>(1)</sup> \$'000	<i>Public trust</i> 29 Jun 10 to 31 Dec 10 <sup>(2)</sup> \$'000	<b>Full Year</b> 1 Jan 10 to 31 Dec 10 \$'000
Construction revenue	-	16,463	<b>16,463</b>
Finance income	4,444	9,586	<b>14,030</b>
Operation and maintenance income	12,078	23,238	<b>35,316</b>
<b>Revenue</b>	<b>16,522</b>	<b>49,287</b>	<b>65,809</b>
Construction expenses	-	(15,709)	<b>(15,709)</b>
Operation and maintenance costs	(9,924)	(16,405)	<b>(26,329)</b>
Electricity costs	-	(3,095)	<b>(3,095)</b>
Depreciation	(119)	(125)	<b>(244)</b>
Trustee-Manager's fees	-	(2,305)	<b>(2,305)</b>
Trust expenses	-	(581)	<b>(581)</b>
Other operating expenses	(1,424)	(2,086)	<b>(3,510)</b>
Other income	181	228	<b>409</b>
<b>Operating profit</b>	<b>5,236</b>	<b>9,209</b>	<b>14,445</b>
Net interest (expense) /income	(4,210)	78	<b>(4,132)</b>
<b>Profit before tax</b>	<b>1,026</b>	<b>9,287</b>	<b>10,313</b>
Taxation	(179)	(561)	<b>(740)</b>
<b>Profit for the year</b>	<b>847</b>	<b>8,726</b>	<b>9,573</b>

Note:

- (1) *Period from 1 January 2010 to 28 June 2010 when KGT was held as a private trust before listing. Only the results of Senoko Trust have been included in this period. The cumulative earnings up to 28 June 2010 have been settled in full by way of a distribution paid to its previous unitholder.*
- (2) *Period from Listing Date to 31 December 2010. This is the first period when KGT was held as a public trust, with the financial results of all three Plants (Senoko Plant, Tuas DBOO Plant and Ulu Pandan Plant) included.*

**1 (b)(i) BALANCE SHEETS as at 31 December 2010**

	<b>GROUP</b>	<b>TRUST</b>
	<b>31 Dec 10</b>	<b>31 Dec 10</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Non-current Assets</b>		
Plant and equipment	876	-
Subsidiaries	-	403,536
Service concession receivables	587,348	-
Notes receivable	-	290,142
	<u>588,224</u>	<u>693,678</u>
<b>Current Assets</b>		
Inventories	15,159	-
Service concession receivables	54,956	-
Trade and other receivables	18,603	266
Bank balances, deposits and cash	85,030	31,847
	<u>173,748</u>	<u>32,113</u>
<b>Current Liabilities</b>		
Trade and other payables	22,496	2,447
Provision for taxation	13,249	-
	<u>35,745</u>	<u>2,447</u>
<b>Net Current Assets</b>	<u>138,003</u>	<u>29,666</u>
<b>Non-current Liability</b>		
Deferred taxation	147	-
	<u>147</u>	<u>-</u>
<b>Net Assets</b>	<u><b>726,080</b></u>	<u><b>723,344</b></u>
<b><i>Represented by:</i></b>		
<b>Unitholders' Funds</b>		
Units in issue	717,354	717,354
Revenue reserves	8,726	5,990
	<u><b>726,080</b></u>	<u><b>723,344</b></u>

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

As at 31 December 2010, the Group does not have any borrowing.

## 1(c) CONSOLIDATED STATEMENT OF CASH FLOWS

Full Year  
1 Jan 10 to  
31 Dec 10<sup>1</sup>  
\$'000

### CASH FLOWS FROM OPERATING ACTIVITIES

Net profit before taxation	10,313
<u>Adjustments for :</u>	
Depreciation	244
Interest income	(86)
Interest expense	4,218
Trustee-Manager's fees	2,305
Operating profit before working capital changes	<u>16,994</u>
Increase in inventories	(857)
Decrease in service concession receivables	42,031
Decrease in trade and other receivables	814
Increase in trade & other payables	4,766
Cash generated from operations	<u>63,748</u>
Tax paid	(866)
Interest received	83
Interest paid	(4,218)
<b>Net cash from operating activities</b>	<b><u>58,747</u></b>

### CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of subsidiaries, net of cash acquired	(i)	(215,321)
Construction of assets		(11,901)
<b>Net cash used in investing activities</b>		<b><u>(227,222)</u></b>

### CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds raised from issue of units	719,377
Payment of issue costs	(2,542)
Distribution paid to previous unitholder of Trust	(866)
Repayment of borrowings	(463,019)
<b>Net cash from financing activities</b>	<b><u>252,950</u></b>
<b>Net change in cash and cash equivalents</b>	<b>84,475</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>555</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>85,030</u></b>

<sup>1</sup> Includes both the private trust and public trust periods.

**Note:**

- (i) Pursuant to the restructuring exercise on 29 June 2010, KGT acquired the assets and business undertakings relating to Tuas DBOO Plant and Ulu Pandan Plant. The purchase price was determined by the net book value (being the net asset value) of the assets and business undertakings relating to Tuas DBOO SPC and Ulu Pandan SPC that were held in their personal capacities.

The fair values of net assets of subsidiaries acquired were as follows:

	<b>\$'000</b>
Plant and equipment	11
Service concession receivables	224,937
Inventories	2,848
Trade and other receivables	8,016
Bank balances, deposits and cash	14,255
Trade and other payables	(6,238)
Provision for taxation	(1,603)
Deferred taxation	(12,650)
Purchase consideration	229,576
Less: Bank balances and cash acquired	(14,255)
Cash flow on acquisition, net of cash acquired	<u>215,321</u>



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

GROUP	Attributable to equity holders of the Trust		
	Units in issue \$'000	Revenue reserves \$'000	Total unitholders' funds \$'000
<b>2010</b>			
As at 1 January 2010	-	19	19
Total comprehensive income for the year	-	9,573	9,573
Distribution paid	-	(866)	(866)
Creation of new units			
- introduction of Trust	719,377	-	719,377
- payment of Trustee-Manager's fees in units <sup>1</sup>	519	-	519
Issue costs	(2,542)	-	(2,542)
As at 31 December 2010	<b>717,354</b>	<b>8,726</b>	<b>726,080</b>
<b>TRUST</b>			
<b>2010</b>			
As at 1 January 2010	-	-	-
Total comprehensive income for the year	-	6,856	6,856
Distribution paid	-	(866)	(866)
Creation of new units			
- introduction of Trust	719,377	-	719,377
- payment of Trustee-Manager's fees in units <sup>1</sup>	519	-	519
Issue costs	(2,542)	-	(2,542)
As at 31 December 2010	<b>717,354</b>	<b>5,990</b>	<b>723,344</b>

<sup>1</sup> This represents 467,893 units issued as satisfaction of Trustee-Manager's fees paid in units.

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

	<b>GROUP and TRUST Units</b>
<b>Issued units as at 1 January 2010</b>	1
Units issued on introduction of Trust	627,644,674
Payment for Trustee-Manager's fees in units	467,893
<b>Issued units as at 31 December 2010</b>	<b>628,112,568</b>

## 2 AUDIT

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

## 3 AUDITORS' REPORT

Not applicable

## 4 ACCOUNTING POLICIES

The accounting policies and methods of computation in the financial statements for the current financial year are consistent with those stated in the Introductory Document.

## 5 CHANGES IN THE ACCOUNTING POLICIES

There are no significant changes in the accounting policies and methods of computation.

## 6 EARNINGS PER UNIT ("EPU")

	<b>29 Jun 10 to 31 Dec 10 <sup>(1)</sup></b>
<b>Earnings per unit <sup>(2)</sup></b> (based on the weighted average number of units as at the end of the year)	1.39 cts
- Weighted average number of units as at the end of year	627,745,297

Notes:

(1) *Period from Listing Date to 31 December 2010. This is the first period where KGT was held as a public trust.*

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

## 7 DISTRIBUTION PER UNIT (“DPU”)

	29 Jun 10 to 31 Dec 10 <sup>(1)</sup>
<b>Distribution per unit (payable)</b>	4.31 cts
- based on total issued units (including new units issued for Trustee-Manager's fees payable in units)	629,781,279
<u>Distribution payable to unitholders is derived from<sup>(1)</sup> :</u>	\$'000
Interest received from subsidiaries <sup>(2)</sup>	8,871
Distribution received from subsidiaries	19,700
Cash paid or provided for trust expenses	(581)
Residual cashflow of Trust	27,990
Cash set aside for working capital requirements	(847)
<b>Total distribution payable to unitholders</b>	<b>27,143</b>

*Notes:*

- (1) *Distributions by KGT will be paid from its residual cash flows in accordance with “Distributions” set out in page 34 of the Introductory Document.*
- (2) *Pertains to interest income received by KGT pursuant to the notes receivables issued by the subsidiaries, which will be onward declared to unitholders within six months from the end of the financial year to qualify for the tax exemption*

## 8 NET ASSET VALUE (“NAV”) PER UNIT

	<b>GROUP</b>	<b>TRUST</b>
	<b>As at 31 Dec 10</b>	<b>As at 31 Dec 10</b>
NAV per unit (\$) - based on issued units at the end of the year	1.16	1.15
Adjusted NAV per unit (\$) - based on total issued units (including new units issued for Trustee-Manager's fees payable in units) and excluding distribution payable to unitholders	1.11	1.11

## 9 REVIEW OF PERFORMANCE

### Profit and Loss Analysis for the year ended 31 December 2010

The revenue of KGT was derived mainly from three components: 1) recognition of construction revenue of \$16.5 million arising from the flue gas upgrade based on percentage of completion method during the construction phase, 2) finance income of \$14.0 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 \$35.3 million. The service concession agreements allow for annual adjustments to the O&M tariffs to account for changes in consumer price index.

The construction expenses of \$15.7 million relate to the amount of capital expenditure spent on the flue gas treatment upgrade during the year ended 31 December 2010. The main operating expenses are: electricity costs, operation and maintenance costs, property tax, insurance, management fees and other administrative costs. After deducting net interest expense of \$4.1 million, profit before tax and after tax was \$10.3 million and \$9.6 million, respectively.

For a review of the actual performance against the forecast period from 29 June to 31 December 2010 as disclosed in the Introductory Document, please refer to Section 10 below.

### Balance Sheet and Cash Flow Analysis

Pursuant to the restructuring exercise on 29 June 2010, KGT received proceeds of \$719.4 million including issue costs which were recorded as unitholders' funds. These proceeds were used for the acquisition of the assets and business undertakings of the Tuas DBOO Plant and Ulu Pandan Plant, and approximately \$48.2 million of the proceeds will be used for future progressive payment for the flue gas treatment upgrade of the Senoko Plant.

The Group entered into various service concession arrangements with governing agencies of the Government of the Republic of Singapore to operate the three plants. Such concession arrangements fall within the scope of INT FRS 112 and are accounted for as service concession receivables. The receivables represent the right of KGT to receive fixed and determinable amounts of payment during the concession period. Bank balances, deposits and cash as at 31 December 2010 was \$85.0 million. Total assets of the Group amounted to \$762.0 million.

In addition, all borrowings have been repaid as part of the restructuring exercise. At the trust level, note receivables of \$290.1 million represent qualifying project debt securities ("QPDS") issued to KGT by Senoko Trust, Tuas DBOO Trust and Ulu Pandan Trust to fund the acquisition of the business. These QPDS are eliminated on consolidation. As at 31 December 2010, the Group has no external borrowings. Total liabilities of the Group amounted to \$35.9 million.

As at 31 December 2010, net assets of the Group were \$726.1 million.

In the full year 2010, cash flow from operating activities of \$58.7 million arose mainly from changes in working capital. Net cash used in investing activities for the year was \$227.2 million. This was mainly due to the acquisition of the asset and business undertakings relating to the Tuas DBOO Plant and Ulu Pandan Plant of \$215.3 million as well as payments made for the flue gas treatment upgrading contract of \$11.9 million.

## 10 VARIANCE FROM FORECAST STATEMENT

### 10(i) Group Profit and Loss Statement for the period from 29 June 2010 to 31 December 2010

	Public trust 29 Jun 10 to 31 Dec 10 \$'000	Forecast <sup>1</sup> 29 Jun 10 to 31 Dec 10 \$'000	+ / (-) %
Construction revenue	16,463	32,155	-48.8
Finance income	9,586	9,483	+1.1
Operation and maintenance income	23,238	21,629	+7.4
<b>Revenue</b>	<b>49,287</b>	<b>63,267</b>	<b>-22.1</b>
Construction expenses	(15,709)	(30,624)	-48.7
Operation and maintenance costs	(16,405)	(15,432)	+6.3
Electricity costs	(3,095)	(2,731)	+13.3
Depreciation	(125)	(155)	-19.4
Trustee-Manager's fees	(2,305)	(2,305)	0.0
Trust expenses	(581)	(1,000)	-41.9
Other operating expenses	(2,086)	(3,698)	-43.6
Other income	228	160	+42.5
<b>Operating profit</b>	<b>9,209</b>	<b>7,482</b>	<b>+23.1</b>
Net interest income / (expense)	78	(10)	N.M.
<b>Profit before tax</b>	<b>9,287</b>	<b>7,472</b>	<b>+24.3</b>
Taxation	(561)	(324)	+73.1
<b>Profit for the period</b>	<b>8,726</b>	<b>7,148</b>	<b>+22.1</b>

<sup>1</sup> The forecast figures are derived from the forecast for the period from 29 June 2010 to 31 December 2010 extracted from the Introductory Document and is based on the assumptions set out in the document.

#### Review of Performance for the period from 29 June to 31 December 2010 (actual vs forecast)

Revenue of \$49.3 million was 22.1% lower than the forecast of \$63.3 million. This was mainly due to a shift in schedule of the flue gas upgrading works for Senoko Plant, leading to lower recognition of EPC revenue by \$15.7 million. The flue gas upgrade project is in progress and the EPC contractor is expected to accelerate the construction progress over the next four quarters. The upgrade is on schedule to be completed by June 2012. The decrease in revenue was offset by higher operation and maintenance (O&M) income of \$1.6 million of 7.4% from all three plants.

For the same reason above, construction expenses incurred on the EPC contract were lower than forecast by \$14.9 million. The O&M costs and electricity costs were slightly higher than forecast by 6.3% and 13.3%, respectively, on account of higher output from the three plants.

Both trust expenses and other operating expenses were lower than forecast. The other operating expenses, mainly overhead costs, were lower than expected due to certain cost savings arising from group purchases negotiated on the three plants.

Profit for the period of \$8.7 million was higher than forecast by 22.1%. With the Trustee-Manager's fee to be paid by KGT elected in units in lieu of cash, distribution payable per unit for FY 2010 is 4.31 cents. This is 10.2% higher than forecast of 3.91 cents as disclosed in the Introductory Document.

## 11 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.

Ulu Pandan Trust's cash earnings could fluctuate depending on changes in power revenue received from PUB in response to changes in electricity costs. The Trustee-Manager will monitor the fluctuations in electricity costs and take appropriate measures to manage the costs, including fixing the electricity price if necessary.

The flue gas upgrade project for Senoko Plant is in progress and the EPC contractor is expected to accelerate the construction progress over the next four quarters. The upgrade is on schedule to be completed by June 2012.

The DPU for FY 2011 is expected to be in line with the Forecast DPU disclosed in the Introductory Document.

In line with KGT's growth strategy, the Trustee-Manager will continue to review acquisition opportunities in FY 2011, including assets which were identified under the Rights of First Refusal (ROFR).

## 12 DISTRIBUTIONS

### 12a. Current Financial Period Reported On

Any distribution recommended for the current financial period reported on? Yes

Amount :	S\$27.1 million
Distribution Period :	29 June 2010 to 31 December 2010
Distribution Type :	Cash, Tax-exempt Distribution
Distribution Rate :	4.31 cents per unit
Tax Rate :	Distribution received by either Singapore tax resident Unitholders or non-Singapore tax resident Unitholders are exempt from Singapore income tax and also not subject to Singapore withholding tax. The Unitholders are not entitled to tax credit for any taxes paid by the Trustee-Manager.

### 12b. Corresponding Period of the Immediately Preceding Financial Year

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

### 12c. Date Payable

10 March 2011

12d. Books Closure Date

Notice is hereby given that, the Unit Transfer Books and Register of Members of KGT will be closed on 25 February 2011 for purposes of determining each Unitholder's entitlement to the Distribution. Duly completed transfers in respect of units in the capital of KGT received by the Registrar, Boardroom Corporate & Advisory Services Pte. Ltd, 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623, up to 5.00 p.m. on 24 February 2011 will be registered to determine unitholders' entitlement to the distribution. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with Units at 5.00 pm on 24 February 2011 will be entitled to the distribution.

12e. Total Annual Distribution

	<b>2010</b>
	<b>\$'000</b>
29 June to 31 December 2010 (to be paid)*	27,143
	<u>27,143</u>

\* Distribution payable is estimated based on total unit capital of 629,781,279 units which is the total of the 628,112,568 units in issue at end of the financial year and 1,668,711 units to be issued to the Trustee-Manager as payment of the management fee for the financial year. The amount excludes the distribution paid to previous unitholder of Trust when it was held as a private trust before listing.

13 **SEGMENT ANALYSIS**

<b>FY 2010</b>	<b>Waste Management \$'000</b>	<b>Water and Wastewater Treatment \$'000</b>	<b>Total \$'000</b>
<b>Revenue</b>	58,042	7,767	<b>65,809</b>
<b>Results</b>			
Operating profit	15,286	2,045	<b>17,331</b>
Interest income	63	18	<b>81</b>
Interest expense	(4,218)	-	<b>(4,218)</b>
Profit before tax	11,131	2,063	<b>13,194</b>
Taxation	(630)	(110)	<b>(740)</b>
Segment profit	10,501	1,953	<b>12,454</b>
Trustee-Manager's fees			(2,305)
Interest income			5
Trust expenses			(581)
			<b>9,573</b>
<b>Other information</b>			
Additions to non-current assets	16,463	-	<b>16,463</b>
Depreciation	241	3	<b>244</b>

Note:

- (a) The Group has two reportable operating segments: Waste Management and Water and Wastewater Treatment. Waste Management represents the businesses relating to Senoko Plant and Tuas DBOO Plant. Water and Wastewater Treatment represents the business relating to Ulu Pandan Plant. No geographical segment information has been prepared as all the assets are located within Singapore.
- (b) Revenue reported above represents revenue generated from a single external customer. There were no inter-segment sales in the year. Segment profit represents the profit earned by each segment without allocation of Trustee-Manager's fees and trust expenses.
- (c) Interest expense excludes interest on notes receivables (QPDS) issued to KGT by the sub-trusts.
- (d) Additions to non-current assets relate to construction revenue recognised as service concession receivables on the balance sheet under INT FRS 112 – Service Concession Arrangements.

#### Review of Segment results

Revenue from the Waste Management segment, which accounted for 88% of Group revenue, was the major contributor compared to the Water and Wastewater Treatment segment. During the financial year, both segments generated almost the same level of operating profit margins.

Interest expense incurred under the Waste Management segment pertains to interest on the borrowing when KGT was held as a private trust. Interest expenses arising from QPDS for each of the segments were eliminated at group level. Overall, the effective tax rate for both segments is lower than the statutory tax rate of 17% due to tax deductibility of interest expenses on the borrowing as well as the QPDS issued to KGT.

#### 14 **BREAKDOWN OF REVENUE**

	<b>GROUP \$'000 FY 2010</b>
<b><u>First half</u></b>	
Revenue reported for first half year	16,918
Operating profit after tax reported for first half year	1,043
<b><u>Second half</u></b>	
Revenue reported for second half year	48,891
Operating profit after tax reported for second half year	8,530



## 15 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 shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)
	29 June 2010 to 31 December 2010 \$'000	29 June 2010 to 31 December 2010 \$'000
<b>Keppel Corporation Limited Group</b>		
- General Transactions	-	9,606
- Treasury Transactions	-	83,392
<b>Total</b>	-	<b>92,998</b>

Note:

*In addition to the above, there are certain exempted agreements as mentioned in the Introductory Document whose fees and charges payable by KGT constitute an interested person transaction. These exempted agreements are: i) Payments to the Trustee-Manager under the Trust Deed (approx. \$4.6 million per annum) ii) Payments to the Keppel EPC Contractor under the Senoko EPC Contract (\$48.2 million) and iii) Payments to the Keppel O&M Operator under the O&M Agreements (approx. \$32.8 million per annum).*

*They have been specifically approved by the Unitholders when the Distribution was approved by Keppel Corporation Limited's Shareholders at the EGM and will therefore not be subject to Rules 905 and 906 of the Listing Manual to the extent that there are no subsequent changes to the rates or bases of the fees and charges which will adversely affect KGT. Any amendments to the Agreement, including changes in the rates or bases or fees, will be subject to Rules 905 and 906 of the Listing Manual.*

**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  
 Joint Company Secretaries  
 18 January 2011