



**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](http://www.kgreentrust.com)

## **PRESS RELEASE**

### **K-GREEN TRUST UNAUDITED RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2011**

**17 January 2012**

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 2011.

These figures have not been audited.

**For more information, please contact:**

#### **Media**

Mr Ang Lai Lee  
Senior Manager  
Group Corporate Communications  
Keppel Corporation Limited  
Tel: (65) 6413-6427  
Email: [lailee.ang@kepcorp.com](mailto:lailee.ang@kepcorp.com)

This press release is also available at [www.kepcorp.com](http://www.kepcorp.com) and [www.kgreentrust.com](http://www.kgreentrust.com).

# **K-GREEN TRUST**

## **FY 2011 REPORT CARD**

1. The profit after tax achieved for the financial year ended 31 December 2011 was \$16.0 million, 17.3% higher than projected.
2. Earnings per unit (EPU) for the year 2011 was 2.54 cents.
3. Net asset value per unit as at 31 December 2011 was \$1.11.
4. Distribution per unit (DPU) for 2H 2011 will be 4.69 cents, 8.8% higher than the DPU paid in respect of the period from 29 June to 31 December 2010.
5. Together with the distribution of 3.13 cents per unit for the period from 1 January to 30 June 2011, total cash distribution in respect of the financial year 2011 will be 7.82 cents to achieve a distribution yield of 8.6% based on unit closing price of \$0.905 on 31 December 2011.
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 good performance in the year 2011. In 2012, we will focus on acquisitions in areas of waste management, water treatment, renewable energy and energy efficiency, including assets which were identified under the Rights of First Refusal (ROFR), as well as asset enhancement opportunities in our existing portfolio. We are committed to drive growth and to deliver stable, predictable and reliable distributions for our unitholders."

**K-GREEN TRUST  
FULL YEAR 2011 FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT****TABLE OF CONTENTS**

<b><u>Paragraph</u></b>	<b><u>Description</u></b>	<b><u>Page</u></b>
	INTRODUCTION	
1(a)	GROUP PROFIT AND LOSS ACCOUNT	1
1(b)(i)	BALANCE SHEETS	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 MOVEMENTS IN UNITHOLDERS' FUNDS	5
1(d)(ii)	DETAILS OF ANY CHANGE IN THE UNITS	6
2	AUDIT	6
3	AUDITORS' REPORT	6
4	ACCOUNTING POLICIES	6
5	CHANGES IN THE ACCOUNTING POLICIES	6
6	EARNINGS PER UNIT	6
7	DISTRIBUTION PER UNIT	7
8	NET ASSET VALUE PER UNIT	7
9	REVIEW OF PERFORMANCE	7
10	VARIANCE FROM FORECAST STATEMENT	9
11	PROSPECTS	10
12	DISTRIBUTIONS	10
13	SEGMENT ANALYSIS	11
14	BREAKDOWN OF REVENUE	13
15	INTERESTED PERSON TRANSACTIONS	13
16	REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CEO OR SUBSTANTIAL SHAREHOLDER	14

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.

## **COMPARATIVE STATEMENTS**

We have presented the comparative statements for the corresponding period of the immediately preceding financial year.

However, it is not meaningful to compare the results of FY 2011 against the full year results of the immediately preceding financial year due to the following reason:

- (a) Even though KGT had 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) From Listing Date to 31 December 2010 – This is the first period where KGT was held as a public trust with the financial information of all three plants (Senoko Plant, Tuas DBOO Plant and Ulu Pandan Plant) included. Thus it will not be meaningful to compare the FY 2011 results against the full year results of 2010 as the accounts up to the Listing Date will contain financial information for only one out of three Plants.

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

## 1 UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 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 year ended 31 December 2011.

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

	2011 <sup>(1)</sup>	2010	+/-
	\$'000	\$'000	%
Construction revenue	<b>25,942</b>	16,463	<i>N.M.</i>
Finance income	<b>18,249</b>	14,030	<i>N.M.</i>
Operation and maintenance income	<b>46,373</b>	35,316	<i>N.M.</i>
<b>Revenue</b>	<b>90,564</b>	65,809	<i>N.M.</i>
Construction expense	<b>(24,753)</b>	(15,709)	<i>N.M.</i>
Operation and maintenance cost	<b>(33,021)</b>	(26,329)	<i>N.M.</i>
Electricity cost	<b>(6,544)</b>	(3,095)	<i>N.M.</i>
Depreciation	<b>(241)</b>	(244)	<i>N.M.</i>
Trustee-Manager's fees	<b>(4,484)</b>	(2,305)	<i>N.M.</i>
Trust expense	<b>(999)</b>	(581)	<i>N.M.</i>
Other operating expenses	<b>(4,248)</b>	(3,510)	<i>N.M.</i>
Other income	<b>436</b>	409	<i>N.M.</i>
<b>Operating profit</b>	<b>16,710</b>	14,445	<i>N.M.</i>
Net interest income / (expense)	<b>127</b>	(4,132)	<i>N.M.</i>
<b>Profit before tax</b>	<b>16,837</b>	10,313	<i>N.M.</i>
Taxation	<b>(840)</b>	(740)	<i>N.M.</i>
<b>Profit for the year</b>	<b>15,997</b>	9,573	<i>N.M.</i>

*N.M. – Not meaningful*

Note:

(1) The results of FY 2011 will be compared against the projected figures for the Projection Year 2011 (the "Projection") as disclosed in the Introductory Document. Please refer to Paragraph 10.

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

	GROUP		TRUST	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Non-Current Assets</b>				
Plant and equipment	635	876	-	-
Subsidiaries	-	-	365,736	403,536
Service concession receivables	576,582	587,348	-	-
Notes receivable	-	-	290,142	290,142
	<b>577,217</b>	<b>588,224</b>	<b>655,878</b>	<b>693,678</b>
<b>Current Assets</b>				
Inventories	15,411	15,159	-	-
Service concession receivables	54,956	54,956	-	-
Trade and other receivables	21,988	18,603	110	266
Cash, bank and deposit balances	47,626	85,030	36,965	31,847
	<b>139,981</b>	<b>173,748</b>	<b>37,075</b>	<b>32,113</b>
<b>Current Liabilities</b>				
Trade and other payables	18,751	22,496	2,557	2,447
Provision for taxation	1,166	13,249	1	-
	<b>19,917</b>	<b>35,745</b>	<b>2,558</b>	<b>2,447</b>
<b>Net Current Assets</b>	<b>120,064</b>	<b>138,003</b>	<b>34,517</b>	<b>29,666</b>
<b>Non-Current Liability</b>				
Deferred taxation	107	147	-	-
	<b>107</b>	<b>147</b>	<b>-</b>	<b>-</b>
<b>Net Assets</b>	<b>697,174</b>	<b>726,080</b>	<b>690,395</b>	<b>723,344</b>
<i>Represented by:</i>				
<b>Unitholders' Funds</b>				
Units in issue	719,307	717,354	719,307	717,354
Revenue reserves	(22,133)	8,726	(28,912)	5,990
	<b>697,174</b>	<b>726,080</b>	<b>690,395</b>	<b>723,344</b>

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

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

**1(c) CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 December**

	<b>2011</b>	2010
	<b>\$'000</b>	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	<b>16,837</b>	10,313
<u>Adjustments for :</u>		
Depreciation	<b>241</b>	244
Interest income	<b>(127)</b>	(86)
Interest expense	-	4,218
Trustee-Manager's fees payable in units	-	2,305
Operating profit before working capital changes	<b>16,951</b>	16,994
Increase in inventories	<b>(252)</b>	(857)
Decrease in service concession receivables	<b>35,519</b>	42,031
(Increase)/decrease in trade and other receivables	<b>(3,385)</b>	814
Increase in trade and other creditors	<b>2,048</b>	4,766
<b>Cash generated from operations</b>	<b>50,881</b>	63,748
Tax paid	<b>(12,994)</b>	(866)
Interest received	<b>127</b>	83
Interest paid	-	(4,218)
<b>Net cash from operating activities</b>	<b>38,014</b>	58,747
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of subsidiaries, net of cash acquired	-	(215,321)
Construction of assets	<b>(28,562)</b>	(11,901)
<b>Net cash used in investing activities</b>	<b>(28,562)</b>	(227,222)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
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)
Distribution paid	<b>(46,856)</b>	-
<b>Net cash (used in)/generated from financing activities</b>	<b>(46,856)</b>	252,950
<b>Net change in cash and cash equivalents</b>	<b>(37,404)</b>	84,475
<b>Cash and cash equivalents at beginning of year</b>	<b>85,030</b>	555
<b>Cash and cash equivalents at end of year</b>	<b>47,626</b>	85,030

**Reconciliation of cash generated from operations to distribution for year ended 31 December 2011:**

	2011 \$'000
<b>Cash generated from operations</b>	<b>50,881</b>
Interest received	127
Tax paid <sup>(1)</sup> and amount set aside for working capital	(1,759)
<b>Total distribution for the financial year</b>	<b>49,249</b>
Distribution of 3.13 cents per unit paid in 1H 2011	(19,712)
<b>Distribution payable in 2H 2011</b>	<b>29,537</b>
Based on total issued units ('000)	629,781
<b>Distribution per unit (cents) payable for 2H 2011</b>	<b>4.69</b>

<sup>(1)</sup> Excluding tax liabilities acquired as part of the restructuring exercise

**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:

	2010 \$'000
Plant and equipment	11
Service concession receivables	224,937
Inventories	2,848
Trade and other receivables	8,016
Cash, bank and deposit balances	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	215,321



1 (d)(i) STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS for the year ended 31 December

GROUP	Units in issue \$'000	Revenue reserves \$'000	Total unitholders' funds \$'000
<b>As at 1 January 2011</b>	<b>717,354</b>	<b>8,726</b>	<b>726,080</b>
Total comprehensive income for the year	-	15,997	<b>15,997</b>
Distribution paid	-	(46,856)	<b>(46,856)</b>
Creation of new units			
- payment of Trustee-Manager's fees in units <sup>1</sup>	1,786	-	<b>1,786</b>
Issue costs	167	-	<b>167</b>
<b>As at 31 December 2011</b>	<b>719,307</b>	<b>(22,133)</b>	<b>697,174</b>
<b>As at 1 January 2010</b>	-	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>2</sup>	519	-	519
Issue costs	(2,542)	-	(2,542)
<b>As at 31 December 2010</b>	<b>717,354</b>	<b>8,726</b>	<b>726,080</b>
<b>TRUST</b>			
	Units in issue \$'000	Revenue reserves \$'000	Total unitholders' funds \$'000
<b>As at 1 January 2011</b>	<b>717,354</b>	<b>5,990</b>	<b>723,344</b>
Total comprehensive income for the year	-	11,954	<b>11,954</b>
Distribution paid	-	(46,856)	<b>(46,856)</b>
Creation of new units			
- payment of Trustee-Manager's fees in units <sup>1</sup>	1,786	-	<b>1,786</b>
Issue costs	167	-	<b>167</b>
<b>As at 31 December 2011</b>	<b>719,307</b>	<b>(28,912)</b>	<b>690,395</b>
<b>As at 1 January 2010</b>	-	-	-
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>2</sup>	519	-	519
Issue costs	(2,542)	-	(2,542)
<b>As at 31 December 2010</b>	<b>717,354</b>	<b>5,990</b>	<b>723,344</b>

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

<sup>2</sup> This represents 467,893 units issued in 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 2011</b>	628,112,568
Payment of Trustee-Manager's fees in units	1,668,711
<b>Issued units as at 31 December 2011</b>	<b><u>629,781,279</u></b>

## 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 2010.

## 5 CHANGES IN THE ACCOUNTING POLICIES

The Group 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 2011. The adoption of these new and revised FRSs and INT FRSs does not result in changes to the Group's and Trust's accounting policies and has no material effect on the amounts reported for the current or prior years.

The adoption of the new FRSs, INT FRSs and amendments to FRS that were issued but not effective until future periods will have no material impact on financial statements of the Group in the year of their initial adoption.

## 6 EARNINGS PER UNIT ("EPU")

	<b>2011</b>	2010	+/- %
<b>Earnings per unit</b> <sup>(1)</sup> (based on the weighted average number of units as at the end of the year)	<b>2.54 cents</b>	1.53 cents	<i>N.M.</i>
Weighted average number of units as at the end of year	<b>629,561,832</b>	627,745,297	<i>+0.3</i>

*N.M. – Not meaningful*

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

## 7 DISTRIBUTION PER UNIT (“DPU”)

	2H 2011	2011	29 Jun 10 to 31 Dec 10
Distribution per unit	<b>4.69 cents</b>	<b>7.82 cents</b>	4.31 cents

- based on total issued units of 629,781,279

Distributions by KGT will be paid from its residual cash flows. Residual cash flows comprise cash flows from distributions received by KGT from the Sub-Trusts, principal and interest payments received by KGT from the Sub-Trusts pursuant to the Notes and other cash received by KGT from the Sub-Trusts and any other assets, after such cash flows have been applied to:

- (i) Pay or provide for the operating expenses and taxes of KGT, including Trustee-Manager’s fees
- (ii) Pay or provide for repayment of principal amounts under any debt or financing arrangement of KGT; and
- (iii) Pay or provide for interest or any other financing expense on any debt or financing or hedging arrangement of KGT.

## 8 NET ASSET VALUE (“NAV”) PER UNIT

	GROUP			TRUST		
	2011	2010	+/- %	2011	2010	+/- %
NAV per unit based on issued units at the end of the year (\$)	<b>1.11</b>	1.16	-4.3	<b>1.10</b>	1.15	-4.3
Adjusted NAV per unit (\$) - based on total issued units of 629,781,279 (and excluding distribution payable to unitholders)	<b>1.06</b>	1.11	-4.5	<b>1.05</b>	1.11	-5.4

## 9 REVIEW OF PERFORMANCE

### Profit and Loss Analysis

The revenue of KGT was derived mainly from three components: 1) recognition of construction revenue of \$25.9 million arising from the flue gas upgrade based on percentage of completion method during the construction phase, 2) finance income of \$18.2 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 \$46.4 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 \$24.8 million relate to the amount of capital expenditure spent on the flue gas treatment upgrade during the year ended 31 December 2011. The main operating expenses are: electricity costs, operation and maintenance costs, property tax, insurance, management fees and other administrative costs. Profit before tax and after tax was \$16.8 million and \$16.0 million, respectively.

For a review of the actual performance against the projection year from 1 January 2011 to 31 December 2011 as disclosed in the Introductory Document, please refer to Paragraph 10 below.

## Balance Sheet and Cash Flow Analysis

Group unitholders' funds decreased from \$726.1 million at 31 December 2010 to \$697.2 million at 31 December 2011. The decrease was mainly attributable to the distribution of \$46.9 million paid to unitholders during the year, partially offset by increase in comprehensive income for the year of \$16.0 million, and the creation of new units for payment of Trustee-Manager's fees of \$1.8 million for FY 2010.

Total assets of the Group amounted to \$717.2 million at 31 December 2011. This was \$44.8 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 \$10.8 million for the year, offset by higher debtors of \$3.4 million mainly due to receivables from the tax authorities in relation to reimbursement of property taxes. Group total liabilities decreased by \$15.9 million to \$20.0 million compared to \$35.9 million in the previous year end mainly due to payment of income tax.

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 at listing. These QPDS are eliminated on consolidation.

As at 31 December 2011, the Group had no external borrowing.

Cash generated from operations of \$50.9 million for the year was derived from the Group's pre-tax profit of \$16.8 million, after adjusting for non-cash items and changes in working capital of \$33.9 million. Taking into account income taxes paid, cash flow from operating activities was \$38.0 million for the year. Net cash used in investing activity for year was \$28.6 million. This was mainly due to payments made for the flue gas treatment upgrading contract. The net decrease in cash and cash equivalents was \$37.4 million for the year, after making 2 semi-annual distributions totaling \$46.9 million during the year.

KGT, being a business trust, is allowed to pay distributions to unitholders out of its residual cash flows, which is largely derived from the operating cash flow generated from operations of the Sub-Trusts. For 2H 2011, the Group will be distributing 4.69 cents per unit to its unitholders, which is 8.8% more than the distribution made in the second half of 2010. Together with the 3.13 cents paid earlier in 2011, the full year distribution was 7.82 cents as projected in the Introductory Document. Please refer to paragraph 7 for more details.

## 10 VARIANCE FROM FORECAST STATEMENT

### 10(i) GROUP PROFIT AND LOSS ACCOUNT for the year ended 31 December 2011

	Actual \$'000	Projection <sup>1</sup> \$'000	+/- %
Construction revenue	25,942	15,837	+63.8
Finance income	18,249	18,480	-1.3
Operation and maintenance income	46,373	42,522	+9.1
<b>Revenue</b>	<b>90,564</b>	<b>76,839</b>	<b>+17.9</b>
Construction expense	(24,753)	(15,084)	+64.1
Operation and maintenance cost	(33,021)	(31,154)	+6.0
Electricity cost	(6,544)	(5,463)	+19.8
Depreciation	(241)	(224)	+7.6
Trustee-Manager's fees	(4,484)	(4,520)	-0.8
Trust expense	(999)	(1,015)	-1.6
Other operating expenses	(4,248)	(5,371)	-20.9
Other income	436	332	+31.3
<b>Operating profit</b>	<b>16,710</b>	<b>14,340</b>	<b>+16.5</b>
Net interest income / (expense)	127	(21)	N.M.
<b>Profit before tax</b>	<b>16,837</b>	<b>14,319</b>	<b>+17.6</b>
Taxation	(840)	(682)	+23.2
<b>Profit for the year</b>	<b>15,997</b>	<b>13,637</b>	<b>+17.3</b>

N.M. – Not meaningful

<sup>1</sup> 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 full year ended 31 December 2011 (actual vs projection)

Revenue of \$90.6 million was 17.9% more than the projection of \$76.8 million. This was mainly due to higher recognition of construction revenue by \$10.1 million following a shift in schedule of the flue gas upgrading works for Senoko Plant from FY 2010 to FY 2011. The flue gas treatment facilities upgrade project is in progress and the Engineering, Procurement and Construction (EPC) contractor is on track to meet the scheduled completion by June 2012. Operation and maintenance (O&M) income from all three plants was \$46.4 million, 9.1% above the projection, largely contributed by Ulu Pandan Trust on higher volume of NEWater delivered, as well as higher tariffs as a result of higher CPI indexation than projected in the new contract year.

For the same reason above, construction expense incurred on the EPC contract was above projection by \$9.7 million. The O&M cost was slightly higher than projection by 6.0% on account of higher output from the three plants. Electricity cost was 19.8% higher due to increase in electricity consumption on the increased volume of NEWater delivered as well as higher electricity prices than projected. 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.

Operating profit was \$2.4 million better than expected. Overall, profit for the year of \$16.0 million exceeded projection by 17.3%.

## 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. Demand for NEWater is subject to PUB's availability to other sources of water supply.

Ulu Pandan Trust's cash earnings is dependent on changes in power revenue received from PUB and changes in electricity price. 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 Trustee-Manager will continue to evaluate asset enhancement opportunities in these three assets. The flue gas treatment facilities upgrade project for Senoko Plant is in progress and is scheduled to complete by June 2012.

In FY 2012, the Trustee-Manager will focus on acquisitions in areas of waste management, water treatment, renewable energy and energy efficiency, including assets which were identified under the Rights of First Refusal (ROFR). Key geographies for potential acquisitions remain Europe and Asia Pacific.

## 12 DISTRIBUTIONS

### 12a. Current Financial Period Reported On

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

Amount :	S\$29.5 million
Distribution Period :	1 July 2011 to 31 December 2011
Distribution Type :	Cash, Tax-exempt Distribution
Distribution Rate :	4.69 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? 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.

### 12c. Date Payable

23 February 2012

12d. Books Closure Date

Notice is hereby given that, the Unit Transfer Books and Register of Members of KGT will be closed on 10 February 2012 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 9 February 2012 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 9 February 2012 will be entitled to the distribution.

12e. Total Annual Distribution

	<b>2011</b>	<b>2010</b>	+ / -
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
1 January 2011 to 30 June 2011 (paid)	19,712	-	<i>N.M.</i>
1 July 2011 to 31 December 2011 (to be paid) (2010: 29 June to 31 December)	<u>29,537</u>	<u>27,144</u>	<i>+8.8</i>
	<u><b>49,249</b></u>	<u><b>27,144</b></u>	<i>N.M.</i>

*N.M. – Not meaningful*

13 **SEGMENT ANALYSIS**

<b>FY 2011</b>	<b>Waste Management</b>	<b>Water and Wastewater Treatment</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>	<u>75,655</u>	<u>14,909</u>	<u><b>90,564</b></u>
<b>Results</b>			
Operating profit	19,464	2,729	<b>22,193</b>
Interest income	82	16	<b>98</b>
Profit before tax	<u>19,546</u>	<u>2,745</u>	<b>22,291</b>
Taxation	(837)	(2)	<b>(839)</b>
Segment profit	<u>18,709</u>	<u>2,743</u>	<b>21,452</b>
Trustee-Manager's fees			(4,484)
Trust expenses			(999)
Interest income			29
Income tax expense			<u>(1)</u>
			<u><b>15,997</b></u>
<b>Other information</b>			
Additions to non-current assets	25,942	-	<b>25,942</b>
Depreciation	238	3	<b>241</b>

<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:

- 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.
- 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.
- Interest expense excludes interest on notes receivables (QPDS) issued to KGT by the Sub-Trusts.
- 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

The Waste Management segment was the major contributor to the Group, compared to the Water and Wastewater Treatment segment, which accounted for more than 80% of Group Revenue and Segment Profit in both years.

Interest expense arising from QPDS for each segment was eliminated at group level. Overall, the effective tax rate for both segments was lower than the statutory tax rate of 17% due to tax deductibility of interest expenses arising from the QPDS issued to KGT. The interest income received by KGT, onward declared to unitholders within six months from the end of the financial year, would qualify for tax exemption.



14 **BREAKDOWN OF REVENUE**

	<b>2011</b>	<b>2010</b>	+/-
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b><u>First half</u></b>			
Revenue reported for first half year	44,109	16,918	<i>N.M.</i>
Profit after tax reported for first half year	7,909	1,043	<i>N.M.</i>
<b><u>Second half</u></b>			
Revenue reported for second half year	46,455	48,891	-5.0
Profit after tax reported for second half year	8,088	8,530	-5.2

*N.M. – Not meaningful*

15 **INTERESTED PERSON TRANSACTIONS**

The Group has obtained a general mandate from unitholders for interested person transactions in the Annual General Meeting held on 15 April 2011. 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)	
	<b>1 Jan 11 to 31 Dec 11 \$'000</b>	29 Jun 10 to 31 Dec 10 \$'000	<b>1 Jan 11 to 31 Dec 11 \$'000</b>	29 Jun 10 to 31 Dec 10 \$'000
<b>Keppel Corporation Group</b>				
- General Transactions	-	-	<b>33,469</b>	9,606
- Treasury Transactions	-	-	<b>46,485</b>	83,392
<b>Total</b>	<b>-</b>	<b>-</b>	<b>79,954</b>	92,998

**16 REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CEO OR SUBSTANTIAL SHAREHOLDER**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that none of the persons occupying managerial positions in Keppel Infrastructure Fund Management Pte Ltd ("KIFM"), as Trustee-Manager of K-Green Trust or any of its principal subsidiaries is a relative of a director or chief executive officer of KIFM or substantial unitholder of K-Green Trust.

**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  
17 January 2012