

R E P O R T T O U N I T H O L D E R S 2 0 1 0

K-GREENtrust

Building Strengths

Defining Distinction

Sustaining Returns  Pursuing Growth

To be a premier partner that invests in environmental solutions today for a sustainable tomorrow.

K-Green Trust aims to create enduring partnerships to invest in yield-accretive, “green” infrastructure assets globally to generate long-term, predictable and regular distributions for our Unitholders.

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Financial Highlights

Distribution Per Unit

(cents)

29 Jun 2010 – 31 Dec 2010

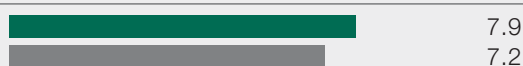


Actual

Forecast

Annualised Distribution Yield

(%)



Actual

Forecast

Financial Summary

for the period from 29 June 2010 to 31 December 2010¹

	Actual \$'000	Forecast ² \$'000	% Change
Profit before tax	9,287	7,472	24.3
Net profit	8,726	7,148	22.1
Distribution per unit (cents) ³	4.31	3.91	10.2
Annualised distribution yield (%) ⁴	7.9	7.2	9.7

Balance Sheet

as at 31 December 2010

	\$'000
Total assets	761,972
Total liabilities	35,892
Unitholders' funds	726,080
Market capitalisation ⁴	672,080
Number of units in issue ('000)	628,113
Net asset value per unit (\$)	1.16
Adjusted net asset value per unit (\$) ⁵	1.11

Financial Ratio

Distribution per unit (cents)	4.31
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¹ K-Green Trust was constituted on 23 July 2009 and listed on the Main Board of the Singapore Exchange Securities Trading Limited on 29 June 2010. Hence, income and expenses relate only to the period from 29 June 2010 to 31 December 2010.

² The forecast is extracted from the Introductory Document dated 31 May 2010 and is based on the assumptions set out in the Introductory Document.

³ Distribution payable is derived from its residual cash flows in accordance with "Distributions" set out on page 34 of the Introductory Document.

⁴ Based on the market closing price per unit of \$1.07 as at the last trading day, 31 December 2010.

⁵ Based on total issued units (including new units issued for Trustee-Manager's fees payable in units) and excluding distribution payable to Unitholders.

Net Profit

22.1%

Profit after tax from date of listing to 31 December 2010 was \$8.7 million, 22.1% higher than forecast.

“KGT’s distribution per unit for this period will be 4.31 cents, outperforming its forecast by 10.2%.”

DEAR UNITHOLDERS,

On behalf of the Board and management of Keppel Infrastructure Fund Management Pte Ltd (KIFM), the Trustee-Manager, I am pleased to present K-Green Trust’s (KGT) first annual report, covering the financial year ended 31 December 2010.

KGT is a “green” infrastructure focused business trust with the objective of investing in “green” infrastructure assets in Singapore and globally with a focus on Asia, Europe and the Middle East. Sponsored by Keppel Integrated Engineering Limited (KIE), KGT’s initial portfolio consists of Senoko Waste-to-Energy Plant, Keppel Seghers Tuas Waste-to-Energy Plant and Keppel Seghers Ulu Pandan NEWater Plant, all located in Singapore.

PERFORMANCE EXCEEDS FORECASTS

KGT’s objective is to deliver stable, predictable and reliable distributions to Unitholders. The three plants all have long-term concession agreements of between 15 years to 25 years with Singaporean statutory bodies, namely the National Environment Agency and the Public Utilities Board.

All three assets enjoy stable income and their performances have exceeded their projected levels.

I am pleased that for the period from 29 June 2010 to 31 December 2010, KGT will distribute \$27.1 million to its Unitholders. KGT’s distribution per unit for this period will be 4.31 cents, outperforming its forecast by 10.2%. Net asset value was \$1.16 per unit at end-December 2010.

RETURNS TO UNITHOLDERS

Since its debut on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST), KGT’s unit price has performed steadily in line with the expectations of a business trust with a highly visible, stable and recurring income stream. Total distribution payout of 4.31 cents for the financial period will achieve an annualised return of 7.9% to Unitholders since KGT’s listing.

With its quality portfolio, proactive asset management, potential acquisitions of earnings-accretive assets and an increasing global interest in “green” solutions, KGT is well-positioned to grow and achieve better returns.



The growing “green” infrastructure industry has created a market of unprecedented opportunities.



KGT currently has no debt. The ungeared balance sheet gives KGT the full financial potential to take on new acquisitions while minimising the need to call for additional funds from Unitholders. The Trustee-Manager will continue to adopt a proactive portfolio management strategy to optimise KGT's capital structure and funding costs so as to give Unitholders optimal returns.

GROWTH IN THE “GREEN” INFRASTRUCTURE INDUSTRY

It is an exciting time for the “green” infrastructure industry. The confluence of technological, economic and demographic developments, increasing social and political awareness and concern on climate change issues has created a market of unprecedented opportunities.

Around the world, various government bodies have implemented various incentive schemes, including subsidies, to encourage development of “green” infrastructure. One example is the Renewable Obligations Certificate (ROC) scheme in the United Kingdom where power generators receive ROCs for producing renewable energy. The ROCs may be sold to electricity suppliers to fulfill their obligation to source a certain proportion of their electricity from renewable sources.

Elsewhere in Europe, governments of Spain, Germany and Italy have implemented variations of feed-in tariff schemes where power generators receive a more favorable tariff for electricity from renewable sources as compared to conventional fossil-fuel sources.

In addition to incentives to promote electricity generation from renewable sources, governments, including Singapore's, have also begun to

provide incentives to encourage energy efficiency.

The speed and scale of investments into the “green” sector bodes well for KGT, increasing the number and scope of opportunities for its growth.

In the water-scarce Middle East and North Africa (MENA) region, with a forecasted six percent average annual increase in water demand, there is a critical need for enhancing development of water infrastructure. For instance, Saudi Arabia has announced that USD 53 billion will be invested in water projects over the next 15 years while the United Arab Emirates and Oman are expected to invest USD 15 billion and USD 8.5 billion respectively¹ in water projects between 2009 and 2013. KIE's presence in MENA will provide KGT with potential acquisition and growth opportunities.

CHALLENGES AHEAD

Despite growing awareness of climate change issues and the pressing need for more sustainable development models, investment in sustainable development infrastructure continues to face challenges.

A fundamental challenge for many renewable energy projects is the higher cost compared to traditional fossil fuels. Without subsidies, many projects would not be commercially viable. Therefore, investing in such projects would mean undertaking the risks of changing energy policies.

Over the course of 2010, several European Union governments, including Germany, the Czech Republic, Italy and Spain, were reported to have announced proposals reducing renewable energy incentives in their respective countries². This marked

¹ Frost & Sullivan market insight, 17 November 2010, Demand surge in wastewater infrastructure creates growth opportunities in the Middle East and North Africa.

² Reuters news article, 7 July 2010, Factbox: EU states cut incentives for green power projects.

pullback in renewable energy support highlights the growing political and regulatory risks associated with investments in the sector.

To mitigate such risks, KGT intends to invest in projects which are commercially viable without excessive subsidies, or in projects which have explicit long term guarantees of governmental support.

COMMITMENT TO GROWTH

KGT is committed to drive growth and deliver sustainable returns to Unitholders by focusing on stable, mature and positive cash flow projects for investment.

Tapping on the experience in investment, asset management and research of its Trustee-Manager, KIFM, and its Sponsor, KIE, KGT is confident of improving returns to Unitholders through yield accretive acquisitions in the long run.

The Trustee-Manager has been actively exploring acquisition opportunities, which include the Right of First Refusal (ROFR) projects from its Sponsor, KIE. Apart from the strong pipeline of ROFR projects from KIE, the Trustee-Manager has explored various investment opportunities in Singapore, Europe and Asia.

The Trustee-Manager is confident that KGT's strong potential for growth and its synergistic relationship with its Sponsor will allow it to overcome the challenges ahead.

ACKNOWLEDGEMENTS

I would like to thank fellow Board members for their contribution and guidance over the past year. The team at KGT has worked hard to build a strong foundation. By working closely

with its Sponsor to anticipate and resolve operational problems, the team has ensured that the performance of the assets has exceeded the yield projection made. I thank them all for their unstinting efforts.

I also wish to extend my appreciation to our Unitholders and business partners for their confidence and support. KGT remains committed to deliver stable, predictable and reliable distributions to Unitholders.

Yours sincerely,



Khor Poh Hwa
Chairman

Keppel Infrastructure Fund
Management Pte Ltd
(as Trustee-Manager of K-Green Trust)
24 January 2011



Sustaining Returns

→ K-Green Trust provides investors with an opportunity to invest in “green” infrastructure assets and will deliver stable, predictable and reliable distributions through the assets in its current portfolio, which all have long-term concessions with Singaporean statutory bodies.



Pursuing Growth

→ The Trustee-Manager of K-Green Trust (KGT) will leverage KGT and Keppel Integrated Engineering's (KIE) synergistic business models, as well as KIE's extensive "green" infrastructure expertise and wide network for growth.

K-Green Trust at a Glance

Net Profit

22.1%

Profit after tax from date of listing to 31 December 2010 was \$8.7 million, 22.1% higher than forecast.

Earnings Per Unit

1.39¢

Earnings per unit from date of listing to 31 December 2010 was 1.39 cents.

NAV Per Unit

\$1.16

Net asset value per unit was \$1.16 as at 31 December 2010.

Distribution Per Unit

4.31¢

Distribution per unit of 4.31 cents will be higher than forecast by 10.2%.

Distribution Yield

7.9%

Annualised distribution yield will be 7.9% based on unit closing price of \$1.07 on 31 December 2010.

Net Assets

\$726.1m

Net assets of \$726.1 million as at 31 December 2010.

Strategic Directions

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

KGT aims to deliver sustainable returns to its Unitholders through executing the following strategies:

Strategy	Execution
Sustain Asset Performance	<ul style="list-style-type: none">→ Building sustainable earnings through proactive asset management.→ Improving operational performance and efficiencies through active engagement with Operations and Maintenance (O&M) contractors.→ Leveraging technology to improve operational performance.→ Upholding safety and environmental standards.
Synergise with Sponsor	<ul style="list-style-type: none">→ Leveraging the Sponsor’s, Keppel Integrated Engineering, extensive “green” infrastructure expertise, international reach and business network to identify and assess potential acquisition opportunities.→ Acquiring assets from the Sponsor through the Rights of First Refusal granted.→ Exploring opportunities for co-investing in assets with the Sponsor.→ Ensuring smooth asset operations by tapping on the Sponsor and its subsidiaries’ strong technical, O&M and Engineering, Procurement and Construction expertise.
Acquire Quality Assets	<ul style="list-style-type: none">→ Building business networks for acquisition deal flow.→ Seeking like-minded partners with strong development capabilities to build up acquisition pipeline.→ Focusing on operational projects that provide regular and/or predictable cash flows, backed by long-term contracts with credit-worthy and reputable off-takers.
Improve Capital Efficiency	<ul style="list-style-type: none">→ Optimising capital structure.→ Maintaining prudent financial leverage.→ Ensuring all assets and businesses have sufficient financial flexibility.

Board of Directors



Mr Khor Poh Hwa, 60

Non-Executive and Non-Independent Director and Chairman of the Board

Mr Khor Poh Hwa has been the Non-Executive and Non-Independent Director and Chairman of the Board since 11 February 2010.

Mr Khor was appointed to directorship of Keppel Land Limited since 1998, a post he continues to hold till today. He has also been an advisor to Keppel Corporation Limited (Keppel Corporation) in township and infrastructure development between May 2007 and April 2010 and a director of Evergro Properties Limited between September 2008 and December 2009.

Prior to that, Mr Khor was seconded from Singapore Public Works Department to the China-Singapore Suzhou Industrial Park Development Co Ltd as its Deputy Chief Executive Officer from 1995 to 1997. In 1999, he helmed the corporatisation of Singapore Public Works Department and later became Chief Executive Officer of the new entity, CPG Corporation Pte Ltd. He retired from the corporation in 2005 but continued to serve as its senior adviser up till 2008.

Mr Khor was previously a member of the Asia Pacific Economic Co-operation Business Advisory Council, the Singapore-British Business Council, the Singapore-Shandong Business Council and the Network China Steering Committee. He was also formerly President of the Society of Project Managers, Singapore, as well as the Singapore-China Suzhou Club.

Mr Khor obtained a Bachelor of Engineering (Civil) from the then Singapore University in 1975 and subsequently a Master of Science (Civil Engineering) from the National University of Singapore in 1980.



Mr Alan Ow Soon Sian, 63

Independent Director Chairman of the Nominating Committee

Mr Alan Ow Soon Sian has been an Independent Director since 11 February 2010.

Mr Ow is currently a tax consultant with KhattarWong, a law firm in Singapore, which he joined in 2008.

Mr Ow started his career with Inland Revenue Department in 1970 and retired as the senior deputy commissioner of Inland Revenue Authority of Singapore in 2007. From 2006 to 2007 he was also concurrently the Chief Executive Officer of the Tax Academy of Singapore (TAS). He was also a director of TAS from 2006 to 2008.

Mr Ow obtained a Bachelor of Social Sciences (Second Class Honours, Lower Division) degree from the University of Singapore in 1970. He completed the International Tax Program at Harvard Law School in 1980 and the Advanced Management Program at Harvard Business School in 1997.

Mr Ow was awarded the Public Administration Bronze Medal in 1981, the Public Administration Silver Medal in 1986 and the Public Administration Gold Medal in 1997 by the Public Service Division, Prime Minister's Office of Singapore, in recognition of his contribution to public administration in Singapore. In addition to his current commitments, Mr Ow is also the treasurer of Morning Star Community Services, a community services organisation.



Mr Paul Ma Kah Woh, 63

**Independent Director
Chairman of the
Audit Committee**

Mr Paul Ma Kah Woh has been an Independent Director since 11 February 2010.

Mr Ma was a senior partner of KPMG Singapore where he was in charge of the audit & risk advisory practice and risk management function for many years until his retirement in 2003.

Mr Ma sits on the board of directors and is a member of the audit committee and executive resource and compensation committee of Mapletree Investment Pte Ltd. He is the Chairman of the board of directors of Mapletree Logistics Trust Management Limited, the manager of the Mapletree Logistics Trust, a logistics real estate investment trust listed in Singapore.

He also sits on the boards of Hwa Hong Corporation Ltd and SMRT Corporation Ltd and chairs the audit committee of Hwa Hong Corporation Ltd and SMRT Corporation Ltd. Hwa Hong Corporation Ltd is a listed company principally involved in real estate and general insurance. SMRT Corporation Ltd is a listed company principally involved in rapid transit services and bus and taxi operations in Singapore.

Mr Ma also sits on the boards of two private equity funds, CapitaLand China Development Fund Pte Ltd and CapitaLand China Development Fund II Ltd, and the board of Nucleus Connect Pte Ltd, a wholly-owned subsidiary of Starhub Ltd and the operator of the Next Generation Broadband Network. He is a trustee on the board of trustees of the National University of Singapore and chairs its audit committee.

Mr Ma is a Fellow of the Institute of Chartered Accountants in England and Wales, and a Member of the Institute of Certified Public Accountants of Singapore.



Ms Quek Soo Hoon, 57

**Independent Director
Chairman of the
Conflicts Resolution Committee**

Ms Quek Soo Hoon has been an Independent Director since 11 February 2010.

Ms Quek is an Operating Partner at iGlobe Partners (II) Pte Ltd, responsible for strategic issues, human and information capital. Prior to joining iGlobe in 2009, Ms Quek was Senior Managing Director (Established Markets) at Great Eastern Life Assurance Co Ltd where she was responsible for business strategies in Malaysia and Singapore. From 2000 to 2005, she was Executive Director (Insurance Supervision Department) at the Monetary Authority of Singapore.

Ms Quek joined Keppel Insurance Pte Ltd in 1986 to initiate and develop the life insurance business and left Keppel Insurance Pte Ltd in 2000 as the General Manager (Life Insurance).

Her business experience began as an actuarial trainee with Commercial Union (London) in 1975 and she later assumed various senior management positions in life marketing, group insurance and actuarial services in the American International Assurance Company Limited. Before that, she was a Management Services Officer with the Ministry of Finance.

Ms Quek graduated from the London School of Economics and Political Science in 1975 with a Bachelor of Science (Economics) (First Class Honours) and later qualified for Fellowship at the Institute of Actuaries (United Kingdom). In October 2007, she was recognised as a Distinguished Fellow of the International Association of Insurance Supervisors.

Board of Directors



Mr Thio Shen Yi, 44

**Independent Director
Chairman of the
Remuneration Committee**

Mr Thio Shen Yi has been an Independent Director of the Board since 11 February 2010.

Mr Thio is currently the joint managing director of TSMP Law Corporation, and a director of Allens Arthur Robinson TSMP. Mr Thio started his career with Drew & Napier LLC in 1993 as an associate, joined Rajah & Tann LLP as a senior associate in 1997 and TSMP Law Corporation as a director in 1998.

Mr Thio obtained a Bachelor of Arts degree and a Master of Arts degree from the University of Cambridge in 1991 and 1995, respectively. In 1992, Mr Thio was called to the Middle Temple in England as a barrister-at-law, winning the 1992 Council of Legal Education Prize in the process. He was admitted as an advocate and solicitor of the Supreme Court of Singapore in 1993. Mr Thio was appointed a fellow of the Singapore Institute of Arbitrators in 2006, and Senior Counsel by the Selection Committee under the Legal Profession Act (Chapter 161) in 2008. He is a panel arbitrator of the Singapore International Arbitration Centre and the Kuala Lumpur Regional Centre for Arbitration. Mr Thio is a fellow of the Singapore Academy of Law and a member of its Legal Education and Studies Committee. He is also a member of the Law Society of Singapore and chairperson of its Continuing Professional Development Committee. He also sits on the Management Committee of the Law Society's Pro Bono, Learning and Support Services, a charity and IPC established by the Law Society of Singapore.



Mr Teo Soon Hoe, 61

**Non-Executive and
Non-Independent Director**

Mr Teo Soon Hoe has been a Non-Executive and Non-Independent Director of the Board since 11 February 2010.

Mr Teo is currently the senior executive director and group finance director of Keppel Corporation. He was appointed to the board of Keppel Corporation in 1985. He is the Chairman of Keppel Telecommunications & Transportation Ltd, M1 Limited and Keppel Philippines Holding Inc. In addition, Mr Teo is a director of several other companies within the Keppel Group, including Keppel Land Limited, Keppel Offshore & Marine Ltd, Keppel Energy Pte Ltd, Singapore Tianjin Eco-City Investment Holdings Pte Ltd and k1 Ventures Limited.

Mr Teo began his career with the Keppel Group in 1975 when he joined Keppel Shipyard. He rose through the ranks and was seconded to various subsidiaries of the Keppel Group before assuming the position of Group Finance Director in 1985.

Mr Teo graduated from the University of Singapore with a bachelor's degree in business administration in 1972. He is currently a member of the Wharton Society of Fellows, University of Pennsylvania, the United States.



Mr Michael Chia Hock Chye, 58

**Non-Executive and
Non-Independent Director**

Mr Michael Chia Hock Chye has been a Non-Executive and Non-Independent Director of the Board since 13 January 2010.

Mr Chia is currently the Deputy Chairman of Keppel Integrated Engineering Limited, the Managing Director (Offshore) of Keppel Offshore & Marine Ltd, and Director (Group Strategy & Development) of Keppel Corporation. He was the Chief Executive Officer of Keppel Integrated Engineering Limited from 13 January 2010 to 31 December 2010.

Prior to joining the Keppel Group in 1980, Mr Chia worked as the Project Superintendent and Head of Production, Planning and Control in Promet Shipbuilding from 1978 to 1980. From 1976 to 1978, Mr Chia worked as an engineer at Jurong Shipyard where he was responsible for steelwork, repairs and conversion projects in ship repairs.

Mr Chia obtained a Bachelor of Science (First Class Honours) in Naval Architecture and Shipbuilding from the University of Newcastle upon Tyne, United Kingdom, in 1974 and a Master of Business Administration from the National University of Singapore in 1987. In 2005, Mr Chia obtained a Graduate Certificate in International Arbitration from the National University of Singapore, Faculty of Law. Mr Chia was appointed as Chairman of the Singapore Maritime Foundation in 2010.

Present and Past Principal Directorships

DIRECTORS

Mr Khor Poh Hwa

Present Directorships

CPG FM (Xiamen) Co., Ltd; Hock Lian Seng Holdings Limited; Keppel Group Eco-City Investment Pte Ltd; Keppel Land Limited; Singapore Tianjin Eco-City Investment Holdings Pte Ltd; Sino-Singapore Tianjin Eco-City Investment and Development Co., Ltd; SIP Jiacheng Property Development Co Ltd; Substantial Enterprises Limited; Suzhou Industrial Park CPG FM CO., Ltd; Tianjin Fulong Property Development Co., Ltd; Tianjin Pearl Beach International Country Club Co., Ltd; Keppel Land China Holdings Pte Ltd

Past Directorships

CA Facilities Pte Ltd; China-Singapore Suzhou Industrial Park Development Co., Ltd; CPG Consultants Pte Ltd; CPG Corporation Pte Ltd; CPG Facilities Management Pte Ltd; CPG Hubin (Suzhou) Pte Ltd; CPG Investments Pte Ltd; Evergro Properties Limited; PM Link Pte Ltd; Suzhou PM Link Pte Ltd

Mr Alan Ow Soon Sian

Present Directorships

M1 Limited

Past Directorships

Tax Academy of Singapore

Mr Paul Ma Kah Woh

Present Directorships

CapitaLand China Development Fund II Limited; CapitaLand China Development Fund Pte Ltd; Hwa Hong Corporation Ltd; Mapletree Investments Pte Ltd; Mapletree Logistics Trust; Management Limited; National University of Singapore; Nucleus Connect Pte Ltd; SMRT Buses Ltd; SMRT Corporation Ltd; SMRT Road Holdings Ltd; SMRT Trains Ltd

Past Directorships

Ascott Residence Trust Management Ltd; Bata Emerging Markets Limited; Golden Harvest Entertainment (Holdings) Limited; Tenet Insurance Company Ltd

Ms Quek Soo Hoon

Present Directorships

Parenting Partners Pte Ltd; Singapore Deposit Insurance Corporation; Special Needs Trust Company Ltd; Students-in-Free-Enterprise (SIFE)

Past Directorships

Millea Asia Pte Ltd

Mr Thio Shen Yi

Present Directorships

Allens Arthur Robinson TSMP; OUE Realty Pte Ltd; TSMP Law Corporation

Past Directorships

Metalfarm Asia Pte Ltd; Metalfarm International Ltd; MPL (1) Limited

Mr Teo Soon Hoe

Present Directorships

Keppel Corporation Limited; Keppel Telecommunications & Transportation Ltd; M1 Limited; Keppel Philippines Holdings Inc; Keppel Energy Pte Ltd; k1 Ventures Limited; Keppel Land China Holdings Pte Ltd; Keppel Land Limited; Keppel Offshore & Marine Ltd; Singapore Tianjin Eco-City Investment Holdings Pte Ltd

Past Directorships

Keppel Shipyard Limited; Singapore Petroleum Company Limited; Travelmore (Pte) Ltd

Mr Michael Chia Hock Chye

Present Directorships

Keppel Integrated Engineering Limited; Keppel Seghers Engineering Singapore Pte Ltd; Keppel DHCS Pte Ltd; Keppel Seghers NEWater Development Co Pte Ltd; Senoko Waste-To-Energy Pte Ltd; Keppel Seghers Tuas Waste-to-Energy Pte Ltd; GE Keppel Energy Services Pte Ltd; Keppel FELS Limited; Keppel Shipyard Limited; Keppel Energy Pte Ltd

Past Directorships

Regency Steel Japan Limited; Asian Lift Pte Ltd

Key Executives of the Trustee-Manager

1_Mr Koh Hee Song Senior Adviser	3_Mr Thomas Pang Thieng Hwi Chief Executive Officer	5_Ms Kang Leng Hui Chief Financial Officer
2_Ms Wendy Lim Hui Yi Senior Accountant	4_Ms Foo Chih Chi Senior Investment Manager	6_Mr Liew Yuen Cheng Asset Manager



Operations and Maintenance Managers

1_Mr Cheang Whye Theng Plant Manager, Keppel Seghers Ulu Pandan NEWater Plant	3_Mr Venkat Patnaik General Manager (Plant Operations), Senoko Waste-to-Energy Plant and Keppel Seghers Tuas Waste-to-Energy Plant	5_Mr Francis Ng Tong Wah Operations Manager, Senoko Waste-to-Energy Plant
2_Mr Maurice Ho Sze Hian Operations Manager, Keppel Seghers Tuas Waste-to-Energy Plant	4_Mr Varadarajan Ramesh Maintenance Manager, Keppel Seghers Tuas Waste-to-Energy Plant	6_Mr Lim Chiow Giap Senior General Manager (Operations)
		7_Mr Steven Lee Fook Seng Maintenance Manager, Senoko Waste-to-Energy Plant



Key Executives of the Trustee-Manager and Operations and Maintenance Managers

KEY EXECUTIVES OF THE TRUSTEE-MANAGER

Mr Thomas Pang Thieng Hwi **Chief Executive Officer**

Mr Thomas Pang Thieng Hwi has been the Chief Executive Officer (CEO) of the Trustee-Manager since 29 June 2010. As the CEO of the Trustee-Manager, he is responsible for working with the Board to determine the strategy for K-Green Trust (KGT). He works with other members of the Trustee-Manager's management team to execute the stated strategy of the Trustee-Manager.

Mr Pang joined Keppel Offshore & Marine Ltd in 2002 as a senior manager (merger integration office) to assist in the merger integration of Keppel FELS Limited and Keppel Shipyard Limited. He was promoted to General Manager (Corporate Development) in 2007 and oversaw the investment, mergers and acquisitions and strategic planning of Keppel Offshore & Marine Ltd.

Prior to that, he was an investment manager with Vertex Management (United Kingdom) from 1998 to 2001. Mr Pang was also the vice president (Central USA) of the Singapore Tourism Board from 1995 to 1998, as well as assistant head at the Economic Development Board of Singapore from 1988 to 1995. Mr Pang obtained a Bachelor of Arts degree and a Master of Arts degree from the University of Cambridge in 1988 and 1993 respectively.

Mr Koh Hee Song **Senior Adviser**

Mr Koh Hee Song has been a Senior Adviser to the Trustee-Manager since 29 June 2010. As a Senior Adviser, he works with the other members of the Trustee-Manager's management team to evaluate potential acquisitions and/or divestments and recommend and analyse potential asset enhancement initiatives from a technical perspective. He also advises the management team on technical matters relating to the business of KGT as and when the circumstances require. Prior to 29 June 2010, Mr Koh was a Senior Adviser to Keppel Seghers Engineering Singapore Pte Ltd in matters pertaining to solid waste management projects.

Mr Koh started his career as a mechanical engineer with the Sewerage Department of the Public Works Department in 1969. In 1990, Mr Koh was appointed as the Head of the Engineering Services Department in the Ministry of the Environment and the National Environment Agency (NEA) upon its formation in 2002, until his retirement in 2003.

Mr Koh was awarded the Colombo Plan Scholarship for Mechanical Engineering, Australia in 1965 and he obtained a Bachelor of Engineering (Mechanical) (Second Class Honours, Division One) in 1968 from the University of Sydney. Mr Koh was also awarded the Public Administration Bronze Medal in 1981, the Public Administration Silver Medal in 2002 and the Long Service Medal in 2003 by the Government of Singapore in recognition of his contribution to public administration in Singapore. Mr Koh is also a member of the Professional Engineers Board, Singapore.

Ms Kang Leng Hui **Chief Financial Officer**

Ms Kang Leng Hui has been the Chief Financial Officer of the Trustee-Manager since 29 June 2010. Her responsibility is largely focused on the financial performance and other financial matters of KGT.

Ms Kang has over 10 years of experience in finance, accounting and external auditing. Ms Kang joined Keppel Corporation Limited (Keppel Corporation) in 2005. In her role as Finance Manager with Keppel Corporation, she was responsible for the value management of Keppel Corporation, management reporting and other financial-related matters.

Prior to joining Keppel Corporation, she worked at PricewaterhouseCoopers, where she left as an Audit Manager. Ms Kang graduated from Nanyang Technological University with a Bachelor of Accountancy Degree (Honours). She is also a member of the Institute of Certified Public Accountants of Singapore.

Ms Foo Chih Chi **Senior Investment Manager**

Ms Foo Chih Chi has been the Senior Investment Manager of the Trustee-Manager since 29 June 2010. As the Senior Investment Manager, she is

primarily responsible for identifying and evaluating potential acquisitions with a view to enhance KGT's portfolio.

Ms Foo has over 10 years of experience in investment evaluation, corporate strategy and new business development. Ms Foo obtained a Bachelor of Business Administration from the University of Michigan, School of Business Administration in 1999.

Mr Liew Yuen Cheng **Asset Manager**

Mr Liew Yuen Cheng is the Asset Manager of the Trustee-Manager. As the Asset Manager, Mr Liew implements asset management plans for KGT's asset portfolio by engaging the Operations and Maintenance contractor to ensure that the required levels of service standards are met and also to enhance operational performance. He works with the Engineering, Procurement and Construction (EPC) contractor in asset enhancement and upgrading projects as well.

Mr Liew joined Keppel FELS Limited in 1998, where he held various positions in the production, engineering and marketing departments. From 2004 to 2008, he was seconded to Caspian Shipyard Company Ltd (an overseas subsidiary of Keppel Offshore & Marine Ltd) in Azerbaijan, where he headed the marketing, procurement and subcontracting functions as Commercial Manager. Prior to joining the Trustee-Manager, he was a Project Manager for EPC rig construction projects in Keppel FELS Limited in Singapore.

Mr Liew obtained a Bachelor of Engineering (First Class Honours) degree in Marine Technology (Offshore Engineering) from the University of Newcastle upon Tyne (United Kingdom) in 2001 and a Diploma (with Merit) in Shipbuilding & Offshore Engineering from the Ngee Ann Polytechnic (Singapore) in 1998. Mr Liew is a member of the Society of Naval Architects and Marine Engineers Singapore (SNAMES) and was a Council Member of SNAMES from 2002 to 2004.

Ms Wendy Lim Hui Yi **Senior Accountant**

Ms Wendy Lim Hui Yi is the Senior Accountant of the Trustee-Manager. She joined the Trustee-Manager in April 2010.

Ms Lim assists the Chief Financial Officer of the Trustee-Manager with the financial and management reporting of the Trustee-Manager and KGT Group. She was responsible for setting up the accounting systems and also the completion accounts of the entities in KGT Group prior to the listing of KGT.

Ms Lim has more than 10 years of experience in financial and management reporting. She joined Keppel Corporation in 2000, where she was exposed to the various finance functions in the Group Control & Accounts department.

Ms Lim holds a Diploma in Accountancy from Ngee Ann Polytechnic and a professional certification from the Association of Chartered Certified Accountants. She is a Certified Public Accountant of the Institute of Certified Public Accountants of Singapore.

OPERATIONS AND MAINTENANCE MANAGERS

Mr Lim Chiow Giap Senior General Manager (Operations)

Mr Lim Chiow Giap is the Senior General Manager (Operations) of Keppel Seghers Engineering Singapore Pte Ltd (Keppel Seghers). He is responsible for Keppel Seghers' global operations and maintenance business.

Prior to joining Keppel Seghers in 2008, Mr Lim was a director of Public Utilities Board of Singapore, the national water agency, from 2001 to 2007.

Mr Lim is a Professional Engineer with 26 years of experience in the planning, development and management of large water, environmental and utilities projects in Singapore and overseas. He was the recipient of the 2003 Singapore National Day Award – the Public Administration (Silver) Medal. He holds a Bachelor of Civil Engineering (First Class) degree from University of Auckland, New Zealand, and attended the International Executive Programme in INSEAD, France. He is a Senior Member of the Institution of Engineers, Singapore.

Mr Venkat Patnaik General Manager (Plant Operations), Senoko Waste-to-Energy Plant and Keppel Seghers Tuas Waste-to-Energy Plant

Mr Venkat Patnaik oversees the operations and maintenance of both Senoko Waste-to-Energy Plant and Keppel Seghers Tuas Waste-to-Energy Plant.

Mr Patnaik has more than 25 years of experience in the power industry. He has experience in managing nuclear, combined cycle and cogen plant projects.

He holds a Bachelor of Electrical Engineering (Honours) from the Regional Engineering College of the University of Kashmir. He is a member of the Institution of Engineers (India).

Mr Cheang Whye Theng Plant Manager, Keppel Seghers Ulu Pandan NEWater Plant

Mr Cheang Whye Teng oversees the operations and maintenance of Keppel Seghers Ulu Pandan NEWater Plant.

Mr Cheang has over 30 years of experience in the operations and maintenance of water and waste water treatment plants and chemical plants in various industries (including the petrochemical and chemical industries).

Mr Cheang holds a Bachelor of Science (Chemical Engineering) from the University of Singapore.

Mr Maurice Ho Sze Hian Operations Manager, Keppel Seghers Tuas Waste-to-Energy Plant

Mr Maurice Ho Sze Hian is responsible for the overall operations of Keppel Seghers Tuas Waste-to-Energy Plant.

Mr Ho has more than 17 years of experience in facility operations and facility management in the semiconductor and property industries.

He holds a Technical Diploma in Chemical Process Technology from Singapore Polytechnic.

Mr Varadarajan Ramesh Maintenance Manager, Keppel Seghers Tuas Waste-to-Energy Plant

Mr Varadarajan Ramesh is responsible for preventive, routine and non-routine maintenance and repairs of Keppel Seghers Tuas Waste-to-Energy Plant.

Mr Ramesh has over 21 years of experience in the field of plant automation, involving process, steel, rubber, power, cement and machine tool industries.

He holds a Bachelor of Engineering degree in Electrical and Electronics.

Mr Francis Ng Tong Wah Operations Manager, Senoko Waste-to-Energy Plant

Mr Francis Ng Tong Wah is responsible for the overall operations of Senoko Waste-to-Energy Plant.

He has more than 10 years of experience in the Waste-to-Energy industry. Prior to joining Keppel Seghers, he was an Operations Engineer with the NEA where he was involved in the smooth and safe operations of the same plant at Senoko that he currently oversees.

Mr Ng holds a Bachelor of Engineering (Electrical and Electronics Engineering) from Nanyang Technological University.

Mr Steven Lee Fook Seng Maintenance Manager, Senoko Waste-to-Energy Plant

Mr Steven Lee Fook Seng is responsible for the preventive, routine and non-routine maintenance and repairs of Senoko Waste-to-Energy Plant.

Mr Lee has over 39 years of working experience with the Keppel Group, including over 10 years of experience in the environmental engineering arm where he held various positions in project management, testing and commissioning and operations and maintenance.



The Keppel Seghers Tuas Waste-to-Energy Plant, equipped with Keppel Seghers' in-house technologies, is the first incineration plant in Singapore built under the Public-Private-Partnership initiative.

Senoko WTE Plant and Keppel Seghers Tuas WTE Plant treat close to half of Singapore's incinerable waste.

Operations Review

OVERVIEW

K-Green Trust's (KGT) current portfolio comprises Senoko Waste-to-Energy (WTE) Plant, Keppel Seghers Tuas WTE Plant and Keppel Seghers Ulu Pandan NEWater Plant.

KGT actively engages its Sponsor, Keppel Integrated Engineering (KIE), and its subsidiaries to ensure strong technical, Operations and Maintenance (O&M), and Engineering, Procurement and Construction (EPC) support for smooth asset operations. KGT works closely with KIE to:

- build sustainable earnings through proactive asset management;
- improve operational performance and efficiencies;
- leverage technology to improve operational performance; and
- uphold safety and environmental standards.

Senoko WTE Plant and Keppel Seghers Tuas WTE Plant treat close to half of Singapore's incinerable waste. Incineration plants help mitigate greenhouse gas emissions by diverting waste from landfill to incineration, as methane is released during waste decomposition from organic waste in landfill. By reducing the volume of waste disposed, modern incineration plants also help in landfill diversion by as much as 90%. By using waste as fuel, incineration plants produce green energy, thereby reducing dependency on fossil fuels.

Senoko WTE Plant is the third incineration plant built in Singapore and is the only incineration plant located outside the Tuas area to serve the eastern, northern and central parts of Singapore. It was acquired by Senoko Trust on 31 August 2009.

Keppel Seghers Tuas WTE Plant is Singapore's fifth incineration plant built and the first in Singapore built under the Public-Private-Partnership initiative.

It is equipped with Keppel Seghers' in-house technologies such as air-cooled grates and flue gas treatment system and is the first incineration plant in Singapore to showcase WTE technology from a Singaporean company.

The two WTE plants have entered into Incineration Service Agreements (ISA) with the National Environment Agency (NEA). Most of their income are from capacity payments, which offer a stable source of income with little correlation to economic or demographic fluctuations.

Keppel Seghers Ulu Pandan NEWater Plant is one of Singapore's largest NEWater plants. Operational since 2007, it meets the demands of the industrial and commercial sectors in the western and central regions of Singapore. The plant has entered into a 20-year NEWater Agreement (NWA) with the Public Utilities Board (PUB) with effect from March 2007.

SENOKO WASTE-TO-ENERGY PLANT AND KEPPEL SEGHERS TUAS WASTE-TO-ENERGY PLANT

The performances of Senoko WTE Plant and Keppel Seghers Tuas WTE Plant have met the required Performance and Customer Service Standards under the ISAs. In addition to full Fixed Capacity Payments from NEA for meeting the Contracted Incineration Capacity, the plants also received variable payment for refuse incineration service and electricity exported.

During the six-month review period, both plants met the requirements under their respective ISAs. Senoko WTE Plant achieved Time Availability Factor above the 74.0% (for the first contract year ended 31 August 2010) and 73.1% (for the second contract year) thresholds required to receive full Fixed Capacity Payments from NEA.

Keppel Seghers Tuas WTE Plant achieved Time Availability Factor above the 83.3%

(first contract year ended 29 October 2010) and 77.5% (for the second contract year) thresholds required to receive full Fixed Capacity Payments from NEA.

Senoko WTE Plant and Keppel Seghers Tuas WTE Plant also met their other obligations under the ISA, namely Average Total Organic Content of bottom ash, Turnaround Time of refuse trucks and electricity generation.

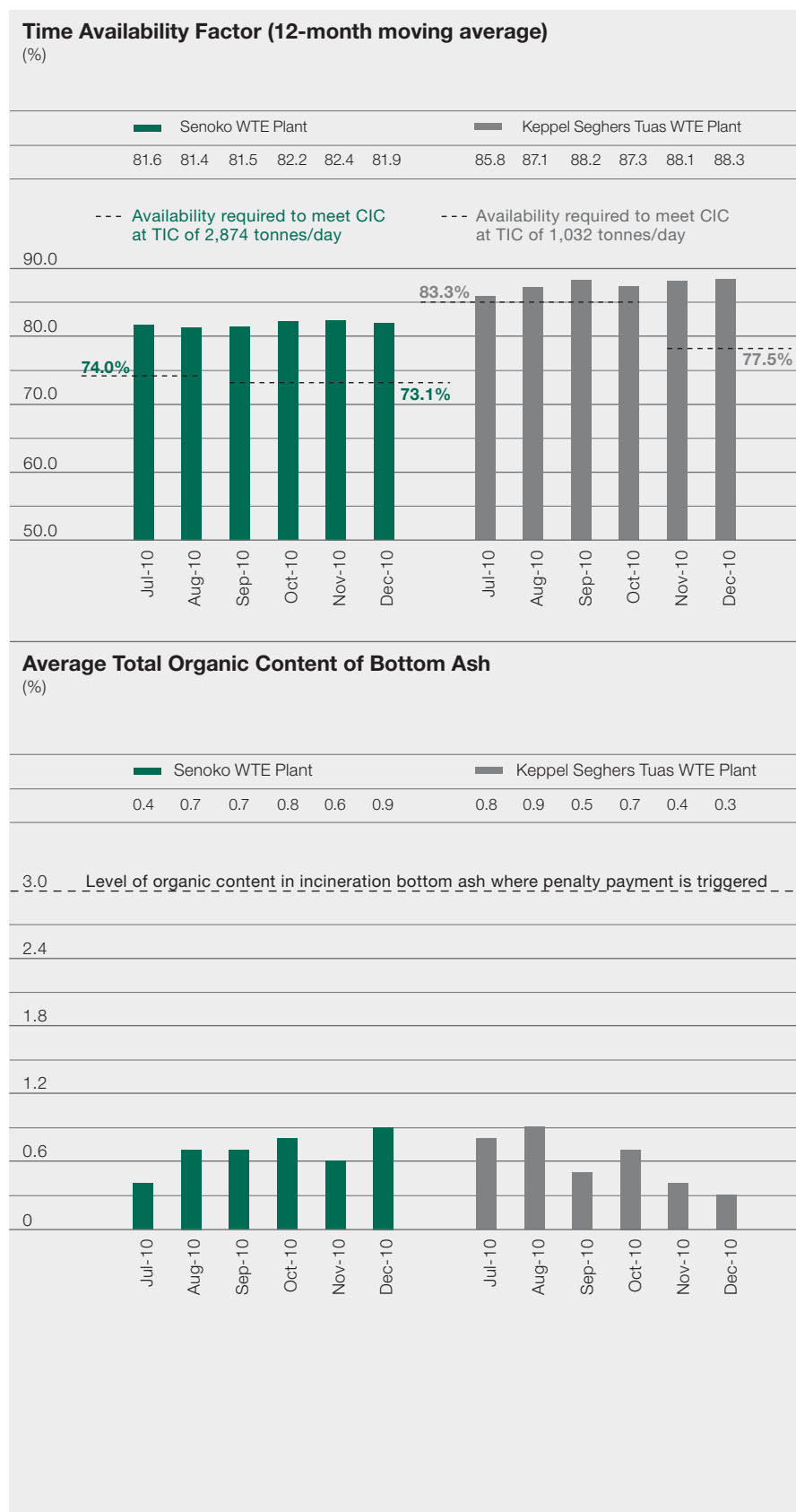
Both plants achieved Tested Incineration Capacities (TICs) above their Contracted Incineration Capacities (CICs). Senoko WTE Plant completed its first contract year on 31 August 2010. The new TIC was 2,874 tonnes per day. Keppel Seghers Tuas WTE Plant completed its first contract year on 29 October 2010. The new TIC was 1,032 tonnes per day.

Keppel Seghers Tuas WTE Plant had no Lost Time Incident (LTI) reported, while Senoko WTE Plant had four LTIs involving finger lacerations and eye irritations for the reporting period.

SENOKO WTE PLANT FLUE GAS TREATMENT UPGRADE

Under the Senoko ISA, the Senoko Trustee is required to upgrade its Flue Gas Treatment (FGT) by the third quarter of 2012.

The upgrade of FGT involves building two new treatment plants downstream of the existing induced draft fans for treatment of the flue gases to meet the required emission standards. Each new FGT stream will treat the combined flue gases from three incinerator-boiler lines. Each stream comprises a venturi reactor for hydrated lime, a bag house compartment consisting of an integrated fabric filter section and a dioxin catalyst section as well as a booster induced draft fan. The scrubbed flue gases are then discharged into the atmosphere via the chimneys.



While there has been a shift in project schedule, the EPC contractor is expected to accelerate the construction progress over the next four quarters in 2011 and work is expected to be completed by the original completion date.

The EPC contractor achieved zero LTI since the commencement of work.

KEPPEL SEGHERS ULU PANDAN NEWATER PLANT

Availability payments were received in full when the NEWater warranted capacity of the Keppel Seghers Ulu Pandan NEWater Plant was greater than or equal to 148,000 m³ per day. Output payments were paid by PUB based on the net amount of NEWater delivered by the plant to PUB at delivery points.

Keppel Seghers Ulu Pandan NEWater Plant had consistently achieved more than 98% availability over the six-month review period. The plant also fulfilled other requirements under the NWA, namely the Required Storage Level, quality specifications of NEWater and the residual waste produced.

Due to plant maintenance activities in the last quarter of 2010, warranted capacity and output were reduced. However, there was little impact on the plant's profitability as the costs associated with the maintenance and reduced capacity were borne by the O&M contractor, in accordance with the terms of the O&M contract. Plant maintenance activities will also be carried out in the first quarter of 2011.

NEWater demand in the 2011 is expected to remain comparable to the demand seen in 2010. Ulu Pandan Trust's cash earnings could, however, 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



1

electricity up to the end of financial year 2011 after monitoring the fluctuations in electricity price for the past year.

Keppel Seghers Ulu Pandan NEWater Plant achieved zero LTI for the reporting period.

FINANCIAL REVIEW

The good operational performance of the three plants resulted in better than forecast earnings for KGT. For the period from listing date to 31 December 2010, KGT's recorded net profit of \$8.7 million was higher than forecast by \$1.6 million, or 22.1%. This was attributed mainly to the better O&M income of \$1.6 million, or 7.4%, from all three plants. The total O&M costs and electricity costs were slightly higher than forecast by about \$1.3 million, on account of higher output from the three plants. The better result was achieved despite a drop in profit of \$0.8 million for Senoko Waste-to-Energy Plant's FGT upgrading works.

The good results achieved were also attributed to lower trust expenses and other operating expenses incurred, which were less than forecast by \$2.0 million. The decrease in other operating expenses, mainly overhead



2

costs, were due to certain cost savings arising from group purchases negotiated for the three plants. With the Trustee-Manager's fees to be paid by KGT elected in units in lieu of cash, distribution declared for the period was \$27.1 million, which translates to a distribution per unit of 4.31 cents for the financial year 2010. This will be 10.2% higher than the forecast of 3.91 cents.

1_The Keppel Seghers Ulu Pandan NEWater Plant is one of Singapore's largest NEWater Plants.

2_The Senoko Waste-to-Energy Plant is the only incineration plant located outside the Tuas area to serve the eastern, northern and central parts of Singapore.

Sustainability Report

K-Green Trust (KGT) is committed to create positive social impact by investing in projects that contribute towards sustainable urban development and mitigate the environmental impacts of urbanisation.

KGT's Corporate Social Responsibility policy addresses the environmental, social and governance factors pertinent to its stakeholders. As KGT is a financial investor relying on its Operations & Maintenance (O&M) contractors to carry out daily plant operations, many aspects of the policy will be effected through its contractors.

Sustaining Growth

Our commitment to business excellence is driven by our unwavering focus on strong corporate governance and prudent risk management.

Resource efficiency is not only our responsibility, but also makes good business sense.

Delivering quality products and services are key in sharpening our competitive edge.

Empowering Lives

People are the cornerstone of our businesses.

As an employer of choice, we are committed to grow and nurture our talent pool through continuous training and development to help our people reach their full potential.

We want to instill a culture of safety so that everyone who comes to work goes home safe.

Nurturing Communities

As a global citizen, we believe that as communities thrive, we thrive. We give back to communities wherever we operate through our multi-faceted approach towards Corporate Social Responsibility.

We also believe that cultivating a green mindset among our employees will spur them to adopt a sustainable lifestyle.

As leaders in our businesses, we support industry programmes and initiatives, and encourage open dialogue for further growth.



Sustaining Growth

K-Green Trust works closely with its Operations & Maintenance contractor to ensure operational efficiency and excellence.

CORPORATE GOVERNANCE

The Trustee-Manager of KGT, Keppel Infrastructure Fund Management, strives to be an exemplary model of good corporate governance.

Timeliness of information and disclosures are tenets of good governance and corporate discipline. KGT will ensure the timely disclosure of material information to its Unitholders and to the investing public.

The trust of its Unitholders is crucial to the success of KGT. By having a majority of independent directors on the Board of the Trustee-Manager, KGT will ensure the fair treatment of all Unitholders.

A Whistle-Blower Protection Policy, a Code of Practice on Safeguarding Information and an Insider Trading Policy have been implemented and will be periodically updated to be in line with industry best practices. For more details on KGT's corporate governance guidelines, please refer to pages 31 to 44.

RISK MANAGEMENT

Good corporate governance and discipline also involves prudent risk management and preparation.

KGT requires its O&M contractor, Keppel Seghers Engineering Singapore Pte Ltd (Keppel Seghers), to have a comprehensive Business Continuity Plan (BCP) to minimise disruptions to critical business activities and to its plants in the event of a crisis.

Keppel Seghers constantly updates and improves its BCP and does this in collaboration with the risk management unit of Keppel Corporation Limited (Keppel Corporation).

For more details on KGT's risk management strategy, please refer to page 45.

OPERATIONAL EXCELLENCE

As plant operations are the main source of KGT's income, KGT aims to have high availability of plants by working with established O&M contractors.

Keppel Seghers has strong Quality, Environment, Health and Safety (QEHS) accreditations. It is ISO 9001, 14001 and OHSAS 18001 – certified for its quality management system, environmental and safety policies respectively.

Working with well-qualified O&M contractors with good track records ensures that O&M standards are closely benchmarked to the best in the industry, thereby also reducing operational risks to KGT.

Empowering Lives



Keppel Integrated Engineering, the Sponsor of K-Green Trust, won the Keppel Group Chairman Safety Challenge for outstanding safety performance for the second year running. Keppel Seghers played a major role in this achievement.

PEOPLE MATTERS

The Trustee-Manager upholds the principles of fair employment in its human resource policies.

Such principles include a meritocratic recruitment process, continuous training and employee development, respectful treatment of all employees and fair rewards for employees based on performance and experience. The Trustee-Manager also seeks to promote a healthy work-life balance for all staff and to provide a work environment that promotes mutual respect and teamwork.

SAFETY AND HEALTH

Safety is of utmost priority to KGT. Working closely with KGT's O&M contractor, the Trustee-Manager strives to achieve excellence in workplace safety and health.

Each of the three plants received a letter of commendation from the Workplace Safety & Health Council for participating in the Workplace Safety & Health Awards 2010.

Keppel Seghers Ulu Pandan NEWater Plant was awarded the Workplace Safety & Health Performance Awards (Silver Award) 2010.

Three teams, one from each plant, were also awarded bronze medals for innovative safety projects at the Keppel Group Safety Convention 2010. Every month, a token of appreciation was also awarded to the most safety-conscious worker in recognition of his efforts in promoting safety.

Keppel Seghers' employees actively took part in safety training workshops and conventions. In 2010, they participated in various events like the Keppel Integrated Engineering Environment Health and Safety (KIE EHS) Convention, the KIE EHS Seminar, Self-Contained Breathing Apparatus Training, Automated External Defibrillators Training and fire awareness safety training.

For the Flue Gas Treatment Upgrade project, Keppel Seghers held daily tool-box meetings to ensure safety standards were upheld. Site inspections

were carried out regularly by safety officers and all audit and inspection findings, together with follow-up actions, were discussed monthly at EHS committee meetings.

Nurturing Communities



K-Green Trust mitigated the environmental impact of the flue gas treatment works at Senoko WTE Plant by planting and relocating trees.

COMMUNITY RELATIONS

In 2010, more than 26 schools and community organisations, totalling over 1,800 visitors, were hosted at KGT's two WTE plants as part of its community outreach programme.

The plant tours allowed the visitors to have a better understanding of waste management practices in Singapore. KGT will continue to educate the community on the importance of waste management and resource conservation.

CEO of the Trustee-Manager, Mr Thomas Pang, together with other Keppel Ambassadors for the Clipper Round the World Race, also organised a charity drive, "Sail for a Cause".

Its gala dinner, "Dine for Fund", brought together master chefs from three of Singapore's top restaurants and saw a total of 40 guests. It also featured charity auction pieces by Master Potter, Lim Kim Hui, and paintings from Fill Your Walls art gallery.

"Sail for a Cause" raised over \$110,000 that will go towards helping underprivileged children at the Canossaville Children's Home and in refurbishing a new central kitchen for Willing Hearts – a non-profit organisation that provides meals for low-income families in Singapore.

KGT, together with other Keppel business units, contributed a total of \$20,000 to the Semakau Run 2010.

Organised by the National Environment Agency and Mediacorp Pte Ltd, the event was held on 2 October 2010 and saw the participation of some 160 corporate participants, among whom were Mr Pang and Asset Manager of the Trustee-Manager, Mr Liew Yuen Cheng.

The run raised a total of \$370,000, aiding seven beneficiaries, namely, Singapore Environment Council, Singapore Institute of International Affairs, Restroom Association (Singapore), Nature Society (Singapore), Amalgamated Union of Public Daily Rated Workers, HCA Hospice and Rainbow Centre – Yishun Park School.

GREEN ENDEAVOURS

In October 2010, KGT and Keppel Seghers planted 35 new trees and relocated another 12 to mitigate the impact of the flue gas treatment upgrading works at the Senoko WTE Plant. The 12 trees had to be relocated as they were rooted at the site for the new flue gas treatment facility.

The exercise was in line with KGT's policy of minimising impact to the environment during operations.

Unit Price Performance

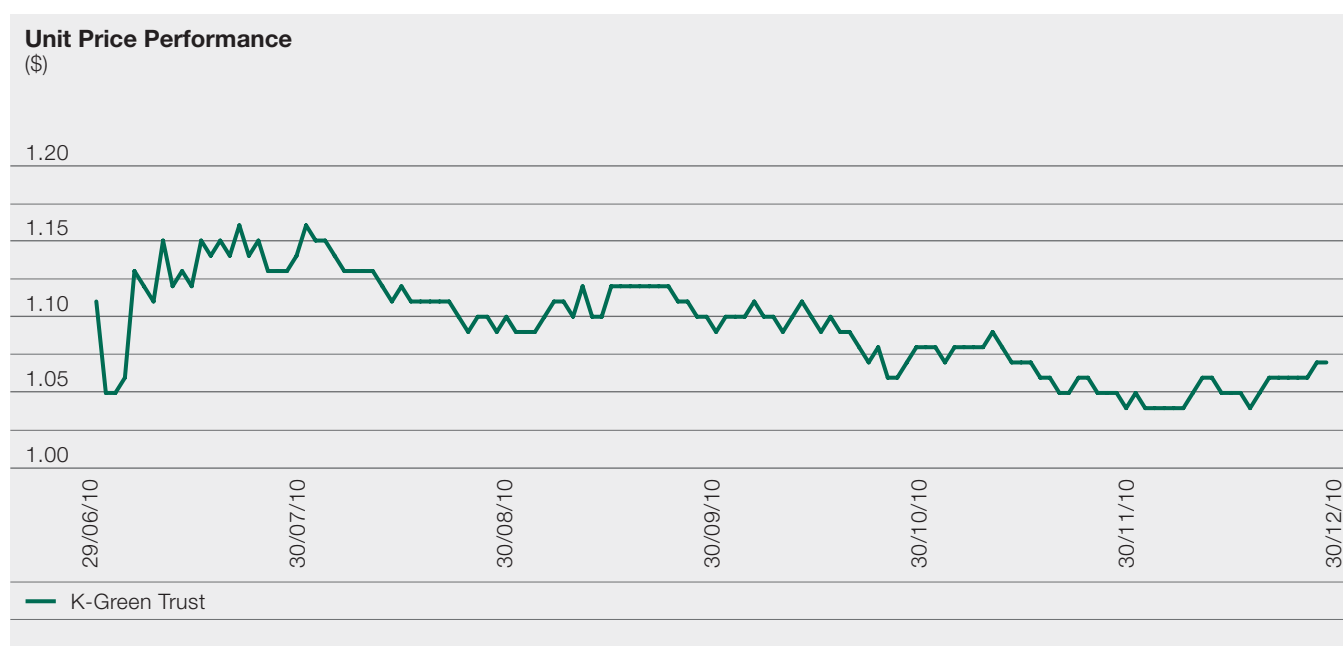
K-Green Trust (KGT) was listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST Main Board) by way of an Introduction on 29 June 2010 with the issue of 627.6 million units. The Sponsor of KGT, Keppel Integrated Engineering, a wholly-owned subsidiary of Keppel Corporation Limited (Keppel Corporation), retained approximately 49% of the issued units and the remaining 51%, or 320.1 million units, were distributed *in specie* to Keppel Corporation's shareholders.

As at 31 December 2010, a total of 628.1 million units were in issue after taking into account another 0.5 million units issued in payment to the Trustee-Manager of KGT for the period from 29 June 2010 to 30 September 2010.

KGT made a strong debut on the SGX-ST Main Board, opening at a unit price of \$1.17, higher than its implied price of \$1.13, and with over 33.6 million units traded on its first trading day. KGT's unit price reached a high of \$1.33 on 29 June 2010 and a low of \$1.00 on 1 July 2010.

Between 29 June 2010 and 31 December 2010, the total volume of trade was 493.3 million units – an average daily traded volume of approximately 3.8 million units.

KGT's stable unit price performance is a clear indication of strong support from investors of it being an investment vehicle that delivers steady distribution yield, with long-term prospects in the "green" business.



Financial Calendar & Significant Events

Financial Calendar

FY2010

18 October 2010

→ Announcement of 2010 3Q results.

31 December 2010

→ Financial year-end.

18 January 2011

→ Announcement of 2010 full-year results.

24 February 2011

→ Books closure date for distribution payout of 4.31 cents per unit to Unitholders for the period 29 June 2010 to 31 December 2010.

10 March 2011

→ Payment date for distribution.

24 March 2011

→ Despatch of Annual Report to Unitholders.

15 April 2011

→ Annual General Meeting.

FY2011

April 2011

→ Announcement of 2011 1Q results.

July 2011

→ Announcement of 2011 2Q results.

October 2011

→ Announcement of 2011 3Q results.

31 December 2011

→ Financial year-end.

January 2012

→ Announcement of 2011 full-year results.

Significant Events

26 January 2010

→ Keppel Corporation Limited (Keppel Corporation) announced that Keppel Integrated Engineering Limited would be sponsoring the listing of K-Green Trust (KGT) on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST Main Board) and proposed dividend *in specie* of units in KGT to shareholders of Keppel Corporation.

27 May 2010

→ Obtained approval from the Monetary Authority of Singapore for registration of KGT under the Business Trusts Act; and conditional eligibility-to-list from the SGX-ST for the listing of KGT on SGX-ST Main Board.

31 May 2010

→ Introductory Document on KGT despatched to Keppel Corporation's shareholders.

29 June 2010

→ Listing of KGT on SGX-ST Main Board.

15 November 2010

→ KGT announced payment of management fees and performance fees by way of 467,893 units for the period from 29 June 2010 to 30 September 2010.

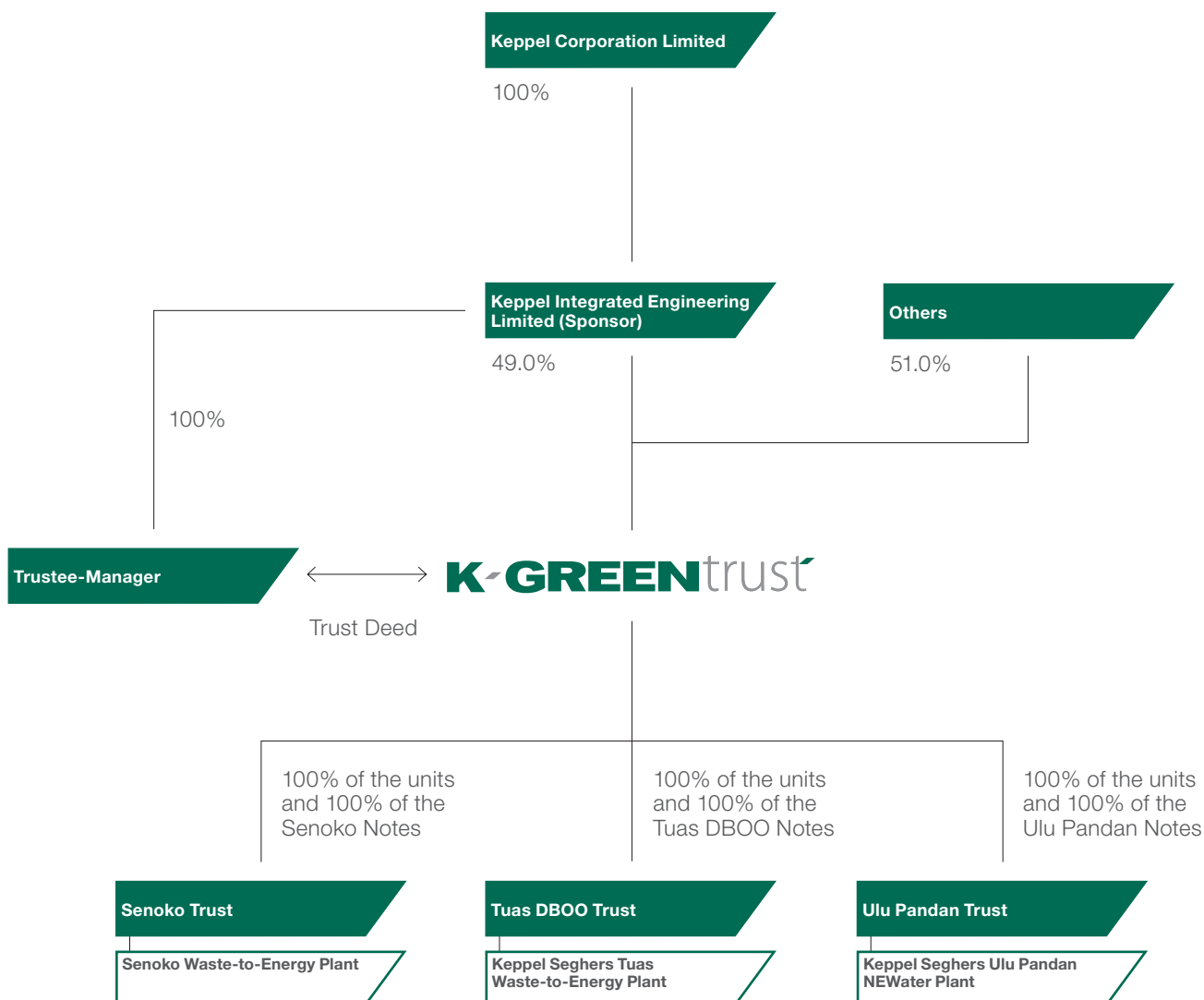
18 January 2011

→ KGT announced distribution payable of 4.31 cents per unit for the period from 29 June 2010 to 31 December 2010.



K-Green Trust was listed on the SGX-ST Main Board on 29 June 2010.

Trust Structure



Notes:

- (1) The Trustee-Manager holds: (i) 100% of the issued share capital in Senoko Waste-to-Energy Pte Ltd (Senoko Trustee), 100% of the units in the Senoko Trust and 100% of the Senoko Notes; (ii) 100% of the issued share capital in Keppel Seghers Tuas Waste-to-Energy Plant Pte Ltd (Tuas DBOO Trustee), 100% of the units in the Tuas DBOO Trust and 100% of the Tuas DBOO Notes; and (iii) 100% of the issued share capital in Keppel Seghers NEWater Development Co Pte Ltd (Ulu Pandan Trustee), 100% of the units in the Ulu Pandan Trust and 100% of the Ulu Pandan Notes, in each case on trust for the Unitholders of K-Green Trust (KGT).
- (2) The Senoko Trustee, the Tuas DBOO Trustee and the Ulu Pandan Trustee hold the assets and business undertakings relating to Senoko Waste-to-Energy Plant, Keppel Seghers Tuas Waste-to-Energy Plant and Keppel Seghers Ulu Pandan NEWater Plant, respectively, on trust for the respective Unitholders of the Sub-Trusts.
- (3) The above unitholdings were based on the trust structure as at 31 December 2010. Following the issue of 1,668,711 KGT units as payment of Trustee-Manager's fees in February 2011, the Sponsor will hold 49.2% of the units in KGT.

Corporate Governance

The Board and management of Keppel Infrastructure Fund Management Pte Ltd, as the Trustee-Manager of K-Green Trust (KGT), are fully committed to maintain good corporate governance as they firmly believe that it is essential to protect the best interests of the unitholders of KGT (Unitholders).

The Business Trusts Act, Chapter 31A, of Singapore (BTA) sets out the requirements and obligations in respect of corporate governance. The Business Trusts Regulations 2006 (BTR) set out the requirements for, amongst other matters, the board composition of a Trustee-Manager, the independence of its directors, and the audit committee composition of a Trustee-Manager.

In addition, the Trustee-Manager adopts the Code of Corporate Governance 2005¹ (the Code) as its benchmark for corporate governance policies and practices. The following describes the Trustee-Manager's main corporate governance policies and practices with specific reference to the Code.

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1:

Effective Board to lead and control the company

The Board of Directors of the Trustee-Manager (the Board) is responsible for the overall management and the corporate

governance of KGT, including establishing goals for management and monitoring the achievement of these goals.

The principal functions of the Board are to:

- decide on matters in relation to KGT's activities which are material in nature, including decisions on strategic directions and guidelines and the approval of periodic plans and major investments and divestments;
- oversee the business and affairs of KGT, establish, with management, the strategies and financial objectives to be implemented by management, and monitor the performance of management;
- oversee processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance, and satisfy itself as to the adequacy of such processes; and
- assume responsibility for corporate governance.

All directors of the Trustee-Manager (the Directors) are expected to exercise independent judgment in the best interests of KGT.

To assist the Board in the discharge of its oversight function, the Audit Committee, the Nominating Committee, the Remuneration Committee and the Conflicts Resolution Committee have been constituted with clear written terms of reference. The Committees are

actively engaged and play an important role in ensuring good corporate governance. The terms of reference of the respective Board committees are disclosed in the Appendix to this report.

The Board meets four times a year and as warranted by particular circumstances to discuss and review the Trustee-Manager's key activities, including its business strategies and policies for KGT, proposed acquisitions and disposals, the annual budget, review the performance of the business and the financial performance of KGT and the Trustee-Manager. The Board also reviews and approves the release of the quarterly, half-yearly and full-year results. In addition, the Board reviews the risks to the assets of KGT, and acts upon any comments from the auditors of KGT.

The Trustee-Manager's Articles of Association permit Board meetings to be held by way of conference by telephone or any other electronic means of communication by which all persons participating are able, contemporaneously, to hear and be heard by all other participants.

The number of Board and Board committee meetings held for FY2010 (between 29 June 2010 and 31 December 2010), as well as the attendance of each Board member at these meetings, are disclosed in the following table:

¹ The Code of Corporate Governance 2005 issued by the Ministry of Finance on 14 July 2005.

	Board Meetings	Audit Committee Meetings	Nominating Committee Meetings	Remuneration Committee Meetings	Conflicts Resolution Committee Meetings
Mr Khor Poh Hwa	1	–	–	–	–
Mr Alan Ow Soon Sian	1	1	–	–	–
Mr Paul Ma Kah Woh	1	1	–	–	–
Ms Quek Soo Hoon	1	1	–	–	–
Mr Thio Shen Yi	1	–	–	–	–
Mr Teo Soon Hoe	1	–	–	–	–
Mr Michael Chia Hock Chye	1	–	–	–	–
No. of Meetings Held in FY2010	1	1	0	0	0

Corporate Governance

The nature of the current Director's appointments on the Board and the details of their membership on Board Committees are as set out below:

	Board Membership	Audit Committee	Nominating Committee	Remuneration Committee	Conflicts Resolution Committee
Mr Khor Poh Hwa	Non-Executive and Non-Independent Chairman	–	Member	–	–
Mr Alan Ow Soon Sian	Non-Executive Independent	Member	Chairman	–	–
Mr Paul Ma Kah Woh	Non-Executive Independent	Chairman	Member	–	Member
Ms Quek Soo Hoon	Non-Executive Independent	Member	–	Member	Chairman
Mr Thio Shen Yi	Non-Executive Independent	–	–	Chairman	Member
Mr Teo Soon Hoe	Non-Executive and Non-Independent	–	–	Member	–
Mr Michael Chia Hock Chye	Non-Executive and Non-Independent	–	–	–	–

The Trustee-Manager has adopted a set of internal guidelines which sets out the financial authority limits for investment/business acquisition, operating/capital expenditure, leasing, disposal of assets and various corporate matters that require the approval of the Board and Sub-Trustee's Boards. Appropriate delegations of authority and approval sub-limits are also provided at management level to facilitate operational efficiency.

A formal letter is sent to newly-appointed Directors upon their appointment explaining their duties and obligations as director. Changes to laws, regulations, policies, accounting standards and industry-related matters are monitored closely. Where the changes have an important and significant bearing on KGT and its disclosure obligations, the Directors are briefed either during Board meetings, at specially convened sessions or via circulation of Board papers.

The Directors are also provided with continuing education in areas such as directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, changes in the Companies Act and industry-related matters, so as to update and refresh them on matters that affect or may enhance their performance as Board or Board committee members.

BOARD COMPOSITION AND GUIDANCE

Principle 2:

Strong and independent element on the Board

Presently, the Board consists of seven members, four of whom are independent non-executive Directors. The other directors are non-independent non-executive Directors. The Chairman of the Board is Mr Khor Poh Hwa, who is a non-executive non-independent Director.

The composition of the Board complies with the BTR and comprises:

- at least a majority of the directors who are independent from management and business relationships with the Trustee-Manager;
- at least one-third of the directors who are independent from management and business relationships with the Trustee-Manager and from every substantial shareholder of the Trustee-Manager; and
- at least a majority of the directors who are independent from any single substantial shareholder of the Trustee-Manager.

To be considered to be independent from management and business relationships with the Trustee-Manager (whether or not the Trustee-Manager is

acting for or on behalf of KGT), a Director must not have any:

- management relationships with the Trustee-Manager or with any of its subsidiaries; and
- business relationships with the Trustee-Manager or with any of its related corporations, or with any officer of the Trustee-Manager or any of its related corporations,

that could interfere with the exercise of his independent judgment with regard to the interests of all the Unitholders as a whole.

To be considered to be independent from a substantial shareholder of the Trustee-Manager, a Director must not be a substantial shareholder of the Trustee-Manager and is not connected to the substantial shareholder of the Trustee-Manager.

The Trustee-Manager is wholly-owned by Keppel Integrated Engineering Limited, a wholly-owned subsidiary of Keppel Corporation Limited (Keppel Corporation). Keppel Corporation and its related corporations have extensive business activities in offshore and marine, infrastructure, property sectors and investments.

Following a review, the Board has determined that:

- (a) Mr Khor Poh Hwa is not considered to be independent from Keppel Corporation. Mr Khor is a director of a number of subsidiaries or associated companies of Keppel Corporation including Keppel Land Limited. Mr Khor is concurrently an advisor to Keppel Corporation in township and infrastructure development. According to BTR criteria, Mr Khor is deemed to be connected to Keppel Corporation.
- (b) although Mr Alan Ow Soon Sian is not considered to be independent from Keppel Corporation according to the definition in the BTR, nonetheless, the Board determined that Mr Ow is independent from Keppel Corporation and is therefore an Independent Director. Under the BTR, a director is considered not to be independent from a substantial shareholder of the Trustee-Manager if he is connected to that substantial shareholder. Mr Ow is an independent director of MobileOne Ltd, which is an associated company of Keppel Corporation. According to the BTR, Mr Ow is connected to Keppel Corporation. After review, the Board is satisfied that the connection to Keppel Corporation will not interfere with Mr Ow's independent judgment and ability to act with regard to the interests of all the Unitholders as a whole. The Board reached its conclusion on the basis that Mr Ow has shown independent judgment in his deliberation of the interests of KGT. Mr Ow's participation in the Board will benefit KGT given his expertise. Mr Ow will abstain from the Board's decisions in relation to any matter which involves MobileOne Ltd in which he is an independent director.
- (c) Mr Paul Ma Kah Woh is independent from the management and business relationships with the Trustee-Manager and independent from Keppel Corporation.
- (d) although Ms Quek Soo Hoon is considered to have a business relationship with the Trustee-Manager and its related corporations according to the definition used in the BTR, nonetheless, the Board determined that Ms Quek is independent from business relationships with the Trustee-Manager and/or its related corporations and is therefore an Independent Director. Ms Quek Soo Hoon is currently an operating partner of a fund manager, iGlobe Partners (II) Pte Ltd (Fund Manager), that manages a fund that Keppel Corporation (through a wholly owned subsidiary) invested into in 2010. In accordance with the BTR, Ms Quek is deemed to have a business relationship with a related corporation of the Trustee-Manager. After review, the Board is satisfied that the business relationship described above will not interfere with Ms Quek's independent judgment and ability to act with regard to the interests of all the Unitholders as a whole. The Board reached its conclusion on the basis that Ms Quek did not derive any direct benefit from the Keppel Corporation's investment. The Fund Manager did not have direct interest in the investment invested by Keppel Corporation in the Fund. Keppel Corporation had not paid and will not be paying any monies to the Fund Manager directly. Ms Quek's benefits and interest as an operating partner of the Fund Manager are contingent on many other factors and not solely dependent on Keppel Corporation's investment, and in any event is small. Any benefit that Ms Quek might receive is paid by the Fund Manager and not by Keppel Corporation and the benefit that Ms Quek might receive is also not determined by the Trustee-Manager or any of its related corporations. As the benefit that Ms Quek might receive (which is dependent on the performance of the Fund) is not determined by the Trustee-Manager or any of its related corporations, decisions made by the Trustee-Manager or any of its related corporations has no direct effect on the same, and her share of the carried interest benefit is small, it is not contemplated that the duties required to be performed by Ms Quek as a director of the Trustee-Manager would be compromised. Ms Quek, in the course of her service as a director to the Trustee-Manager, has shown independent judgment in her deliberation of the interests of KGT. Ms Quek's participation in the Board will benefit KGT given her expertise. Ms Quek will abstain from the Board's decisions in relation to any matter which involves iGlobe Partners (II) Pte Ltd in which she is an operating partner.
- (e) although Mr Thio Shen Yi is considered to have a business relationship with the Trustee-Manager and its related corporations according to the definition used in the BTR, nonetheless, the Board determined that Mr Thio is independent from business relationships with the Trustee-Manager and/or its related corporations and is therefore an Independent Director. Mr Thio is a joint managing director of TSMP Law Corporation and a director of Allens Arthur Robinson TSMP, both of which are law firms. Allens Arthur Robinson TSMP was instructed by Keppel Corporation in a corporate transaction in 2009 in which Mr Thio was not personally involved and did not derive any economic benefit from. After review, the Board is satisfied that the business relationship described above will not interfere with Mr Thio's independent judgment and ability to act with regard to the interests of all the Unitholders as a whole. The Board reached its conclusion on the basis that while Mr Thio and the law firms in which he is a director may provide legal services to the Trustee-Manager and its related corporations, the measures described later in this paragraph will ensure that Mr Thio will not be involved in any decision-

making process which will involve the appointment of TSMP Law Corporation or Allens Arthur Robinson TSMP. There will thus be no interference with his exercise of independent judgment and his ability to act with regard to the interests of Unitholders as a whole. Mr Thio, in the course of his service as a director to the Trustee-Manager, has shown independent judgment in his deliberation of the interests of KGT. Mr Thio's participation in the Board will benefit KGT given his expertise. Mr Thio will abstain from the Board's decisions in relation to the choice of legal counsel for KGT, where TSMP Law Corporation or Allens Arthur Robinson TSMP is involved, for various matters. Regardless of whether Mr Thio is a Director of the Trustee-Manager, the Trustee-Manager will appoint its legal counsel based on their expertise and decide on their fees based on market rates.

- (f) Mr Teo Soon Hoe is not considered to be independent from Keppel Corporation. Mr Teo is currently the senior executive director and group finance director of Keppel Corporation. He was appointed to the board of Keppel Corporation in 1985. He is the Chairman of Keppel Telecommunications & Transportation Ltd, MobileOne Ltd and Keppel Philippines Holding Inc. In addition, Mr Teo is a director of several other companies within the Keppel Group, including Keppel Land Limited, Keppel Offshore & Marine Ltd and k1 Ventures Limited.
- (g) Mr Michael Chia Hock Chye is not considered to be independent from Keppel Corporation. Mr Chia is currently the Deputy Chairman of Keppel Integrated Engineering Limited, as well as the Managing Director (Offshore) of Keppel Offshore & Marine Limited. Mr Chia is also currently Director (Group Strategy & Development) of Keppel Corporation.

The Board and management fully appreciate that fundamental to good corporate governance is an effective and robust Board whose members engage in open and constructive debate and challenge management on its assumptions and proposals. For this to happen, the Board, in particular, the non-executive Directors, are kept well informed of KGT's businesses and affairs and are knowledgeable about the industry in which the businesses operate. For the current financial year, the non-executive Directors have constructively challenged and helped to develop proposals on strategy and reviewed the performance of management. The non-executive Directors are well supported by accurate, complete and timely information, have unrestricted access to management, and have sufficient time and resources to discharge their oversight function effectively.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3:

Clear division of responsibilities for the working of the Board and the executive responsibility of the company's business to ensure a balance of power and authority

The positions of Chairman and Chief Executive Officer (CEO) are held by two separate persons to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. The Chairman and the CEO are not related to each other.

The Chairman leads the Board in working together with management with integrity, competency and in an effective manner to address strategy, business operations and enterprise risk issues, and facilitates the effective contribution of the non-executive Directors and the Board as a whole. With the assistance of the company secretaries, the Chairman also sets and approves the agenda of all Board meetings.

The Chairman monitors the flow of information from management to the Board to ensure that material information is provided in a timely manner to the Board. He also encourages constructive relations between the Board and management.

The Chairman ensures effective communication with Unitholders. He also takes a leading role in promoting high standards of corporate governance with the full support of the Directors and management.

The CEO is responsible for working with the Board to determine the strategy for KGT. The CEO also works with the other members of the Trustee-Manager's management team to ensure that KGT is operated in accordance with the stated investment strategy of the Trustee-Manager. He is also responsible for the strategic planning and development of KGT.

The clear separation of roles of the Chairman and the CEO provides a healthy professional relationship between the Board and management with clarity of roles and robust deliberation on the business activities of KGT.

BOARD MEMBERSHIP

Principle 4:

Formal and transparent process for the appointment of new directors to the Board

Nominating Committee

The Trustee-Manager has established a Nominating Committee (NC) to, among other things, make recommendations to the Board on all Board appointments. The NC comprises three Directors, majority of whom are independent; namely:

Mr Alan Ow Soon Sian	Chairman
Mr Khor Poh Hwa	Member
Mr Paul Ma Kah Woh	Member

The terms of reference of the NC are disclosed on page 42 of the Appendix hereto.

Process for appointment of new Directors

A formal process for the selection of new Directors to increase the transparency of the nominating process in identifying and evaluating nominees for Directors has been implemented since February 2011. The NC leads the process and makes recommendations to the Board as follows:

- (a) The NC evaluates the balance of skills, knowledge and experience on the Board and, in the light of such evaluation and in consultation with management, prepares a description of the role and the essential and desirable competencies for a particular appointment;
- (b) External help (for example, Singapore Institute of Directors, search consultants, open advertisement) to be used to source for potential candidates if need be. Directors and management may also make suggestions;
- (c) The NC meets with the short-listed candidates to assess suitability and to ensure that the candidate(s) is (are) aware of the expectations and the level of commitment required; and
- (d) The NC makes recommendations to the Board for approval.

Criteria for appointment of new Directors

All new appointments are subject to the recommendation of the NC based on the following objective criteria:

- (1) Integrity
- (2) Independent minded
- (3) Diversity – Possess core competencies that meet the current needs of KGT and the Trustee-Manager and complement the skills and competencies of the existing Directors on the Board
- (4) Able to commit time and effort to carry out duties and responsibilities effectively – proposed director is on not more than six principal boards
- (5) Track record of making good decisions

- (6) Experience in high-performing corporations or infrastructure funds
- (7) Business acumen and financial literacy

The NC is also charged with determining annually whether or not a Director of the Trustee-Manager is independent in the manner provided in the BTR.

BOARD PERFORMANCE

Principle 5:

Formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board

The Board is exploring the option of appointing an independent coordinator to assist the NC and the Board in assessing the effectiveness of the Board as a whole, and the contribution by each individual Director to the effectiveness of the Board.

As KGT was listed only on 29 June 2010 and whereas the Board has only met once for FY2010, the NC decided that the assessment of the effectiveness of the Board and the contribution by each individual Director for FY2010 would be made after the completion of the first full accounting year. This would give the NC more time to consider the appointment of the independent coordinator, the appropriate form and structure to be adopted for assessing performance.

ACCESS TO INFORMATION

Principle 6:

Board members to have complete, adequate and timely information

Management provides the Board with relevant and accurate information in a timely manner relating to matters to be brought before the Board, prior to Board meetings and on an on-going basis.

As a general rule, Board papers are required to be sent to Directors at least seven days before the Board meeting. However, sensitive matters may be

tabled at the meeting itself or discussed without any papers being distributed. Managers who can provide additional insight into the matters at hand would be present at the relevant time during the Board meeting. The Board has separate and independent access to the Trustee-Manager's senior management for further clarification if required.

The information provided to the Board includes financial results, market and business developments, and business and operational information. Such reports keep the Board informed, on a balanced and understandable basis, of KGT's performance, financial position and prospects. The financial results are also compared against the budgets, together with explanations given for significant variances for the reporting period.

The Trustee-Manager has implemented quarterly financial reporting from the date of listing of KGT on the Main Board of SGX-ST.

The Directors have separate and independent access to both company secretaries of the Trustee-Manager. The company secretaries assist the Chairman to ensure that Board procedures (including but not limited to assisting the Chairman to ensure the timely and good information flow to the Board and its committees, and between senior management and the non-executive Directors) are followed and that the Trustee-Manager's memorandum and articles of association and relevant rules and regulations are complied with. At least one of the two company secretaries will attend Board meetings and prepare minutes of the Board proceedings. The appointment and removal of each of the company secretaries are subject to the approval of the Board as a whole.

The Board also has access to independent professional advice in the furtherance of their duties, where appropriate.

REMUNERATION MATTERS

Principle 7:

Formal and transparent procedure for developing policy on executive remuneration and for fixing remuneration packages of individual directors

Principle 8:

Remuneration of directors should be adequate but not excessive

Principle 9:

Disclosure on remuneration policy, level and mix of remuneration, and procedure for setting remuneration

The Board has established a Remuneration Committee (RC) to cover all aspects of remuneration. The RC's terms of reference are set out on page 43 of the Appendix hereto. The RC comprises entirely of non-executive Directors, a majority of whom are independent Directors.

The RC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration and for determining the remuneration packages of individual Directors and senior management.

The RC assists the Board to ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate the Directors and key executives of the Trustee-Manager, without being excessive, and thereby maximise Unitholder value. The RC recommends to the Board for endorsement a framework of remuneration (which covers all aspects of remuneration including Directors' fees, salaries, allowances, bonuses, options and benefits in kind) and the specific remuneration packages for each Director and the CEO. The RC also reviews the remuneration of the senior management of the Trustee-Manager.

The RC has access to expert advice in the field of executive compensation outside the Trustee-Manager where required.

ANNUAL REMUNERATION REPORT

All remuneration and compensation, including any bonus or profit sharing plan, payable to Directors and employees of the Trustee-Manager is paid by the Trustee-Manager (in its personal capacity), and not by KGT.

Policy in respect of Directors' remuneration

Director's fees are established annually for the Directors, the amount of which is dependent on their level of responsibilities on the Board and its committees. Each Director is paid a basic fee. In addition, Directors who perform additional services through Board committees are paid an additional fee for such services. The chairman of the Board and of each Board committee is paid a higher fee compared with members of the Board and of such Board committee in view of the greater responsibility carried by that office. None of the Directors have any service contracts with the Trustee-Manager.

The framework in FY2010 for determining the Directors' fees is set out below.

Remuneration policy in respect of Key Executives

The Trustee-Manager advocates a performance-based remuneration system that is flexible and responsive to the market and the individual employee's performance.

The total remuneration mix comprises two key components; that is, annual fixed pay and annual performance incentive.

The annual fixed pay component comprises the annual basic salary plus any other fixed allowances. The annual performance incentive is tied to the individual employee's performance.

The compensation structure is designed such that to stay competitive and relevant, the Trustee-Manager benchmarks the annual fixed salaries of key executives at the market median with the variable compensation being strictly performance-driven.

More emphasis is placed on the 'pay-at-risk' compensation as an employee moves up the corporate ladder, with an increasing percentage on performance-related bonuses.

Level and mix of remuneration of Directors and top five key executives (who are not also Directors) for the year ended 31 December 2010

The level and mix of each of the Directors' remuneration, and that of each of the top five key executives (who are not also Directors), in bands of \$250,000, for the year ended 31 December 2010 are set out on page 37.

Framework of Directors' Fees

Main Board	Chairman	\$40,000 per annum
	Director	\$25,000 per annum
Audit Committee	Chairman	\$12,000 per annum
	Member	\$8,000 per annum
Nominating Committee	Chairman	\$8,000 per annum
	Member	\$4,000 per annum
Remuneration Committee	Chairman	\$8,000 per annum
	Member	\$4,000 per annum
Conflicts Resolution Committee	Chairman	\$8,000 per annum
	Member	\$4,000 per annum

Level and Mix of Remuneration of Directors and Top 5 Key Executives

Remuneration Band & Names of Directors	Base/ Fixed Salary	Variable or Performance-Related Income/Bonuses	Directors' Fees	Benefits-in-Kind	Shares Granted
Below \$250,000					
Mr Khor Poh Hwa	–	–	100%	–	–
Mr Alan Ow Soon Sian	–	–	100%	–	–
Mr Paul Ma Kah Woh	–	–	100%	–	–
Ms Quek Soo Hoon	–	–	100%	–	–
Mr Teo Soon Hoe	–	–	100%	–	–
Mr Michael Chia Hock Chye	–	–	100%	–	–

Remuneration Band ¹ & Names of Top Five Key Executives	Performance-Related Bonuses Earned (including EVA ² and non-EVA Bonuses)				
	Base/ Fixed Salary	Paid	Deferred & at risk	Benefits-in-Kind	Shares Granted
Above \$250,000 to \$500,000					
Mr Thomas Pang Thieng Hwi	31%	31%	14%	n.m. ³	24% ⁴
Below \$250,000					
Ms Kang Leng Hui	37%	33%	23%	n.m. ³	7% ⁴
Ms Foo Chih Chi	31%	32%	26%	n.m. ³	11% ⁴
Mr Liew Yuen Cheng	40%	35%	6%	n.m. ³	19% ⁴
Mr Koh Hee Song	92%	8%	—	n.m. ³	—

¹ Based on period 29 June 2010 till 31 December 2010.

² "EVA" means Economic Value Added.

³ "n.m." means not meaningful.

⁴ Based on the fair value of Keppel Corporation Limited Restricted Shares granted in June 2010.

Remuneration of employees who are immediate family members of a Director or the Chief Executive Officer

No employee of the Trustee-Manager was an immediate family member of a Director or the CEO and whose remuneration exceeded \$150,000 during FY2010. "Immediate family member" means the spouse, child, adopted child, step-child, brother, sister and parent.

ACCOUNTABILITY AND AUDIT

Principle 10:

The Board is accountable to Unitholders; management is accountable to the board

Principle 11:

Establishment of Audit Committee with written terms of reference

The Board is responsible to Unitholders for providing a balanced and

understandable assessment of KGT's performance, position and prospects.

The Board has embraced openness and transparency in the conduct of the Trustee-Manager's affairs, whilst preserving the commercial interests of KGT. Financial reports and other price-sensitive information are disseminated to Unitholders through announcements via SGXnet, press releases, KGT's website and media and analyst briefings.

Management provides all members of the Board with management accounts which present a balanced and understandable assessment of the KGT's performance, position and prospects on a periodic basis. Such reports include financial results, market and business developments,

and business and operational information. The financial results are compared against the respective budgets, together with explanations for significant variances for the reporting period.

Audit Committee

The Audit Committee (AC) has been appointed by the Board from among the Directors of the Trustee-Manager and comprises three non-executive Directors, all of whom (including the chairman of the AC) are independent Directors. The chairman of the AC is Mr Paul Ma Kah Woh and the members are Mr Alan Ow Soon Sian and Ms Quek Soo Hoon.

All members of the AC have accounting or related financial management expertise or experience.

The AC's main role is to assist the Board to ensure integrity of financial reporting and that there is in place sound internal control systems. The AC's terms of reference are set out on page 42 herein.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly. The Trustee-Manager's internal audit functions are performed by Keppel Corporation Limited's Group Internal Audit department (Group Internal Audit). Group Internal Audit, together with the external auditors, reports their findings and recommendations independently to the AC.

The AC also meets with the external auditors and with the internal auditors at least once during the year without the presence of management.

During the year, the AC performed an independent review of the financial statements of KGT before the announcement of KGT's quarterly results. In the process, the AC reviewed the key areas of management judgment applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have a significant impact on the financials.

The AC also reviewed and approved both the internal auditor's and external auditor's plans to ensure that the plans covered sufficiently in terms of audit scope in reviewing the significant internal controls of KGT and the Trustee-Manager. Such significant controls comprise financial, operational and compliance controls. All audit findings and recommendations put up by the internal and the external auditors were forwarded to the AC. Significant issues were discussed at these meetings.

In addition, the AC undertook a review of the independence and objectivity of the external auditors through discussions with the external auditors as well as reviewing the non-audit fees awarded to them, and confirmed that there are no non-audit services performed by the external auditors that would affect their independence.

The AC also reviewed the adequacy of the internal audit function and is satisfied that the team is adequately resourced and has appropriate standing within KGT and the Trustee-Manager.

The AC reviewed and the Board approved the adoption of the "Whistle-Blower Protection Policy" which provides for the mechanisms by which employees and other persons may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. The AC is satisfied that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action.

INTERNAL CONTROLS

Principle 12:

Sound system of internal controls

To assist the Board in the effective discharge of its responsibilities in ensuring that KGT and the Trustee-Manager maintain a sound system of internal controls to safeguard KGT's assets and Unitholders' interests, the Trustee-Manager has put in place internal control policies and procedures in areas such as financial, operational and compliance controls and risk management.

Recognising and managing risk is central to the business of KGT and to protecting Unitholders' interests and value. The Trustee-Manager has appointed experienced and well-qualified management to handle its day-to-day operations.

The Trustee-Manager's internal and external auditors also conduct an annual review of the effectiveness of KGT's and the Trustee-Manager's material internal controls, including financial, operational and compliance controls, and risk management. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The AC also reviews the effectiveness of the actions taken by the management on the recommendations made by the internal and external auditors in this respect.

The Board met in October 2010 to review the financial performance and the annual budget of KGT. The Board also discussed the key business risks in KGT.

In assessing business risk, the Board takes into consideration the economic environment and the risks relevant to the infrastructure industry.

The risk management process and system of internal controls in KGT and the Trustee-Manager are designed to manage and mitigate KGT's overall risks. Such systems are intended to provide reasonable assurance that risk exposures are managed to acceptable levels while achieving KGT's strategic objectives.

In addition, the Trustee-Manager has adopted a Whistle-Blower Protection Policy, a Code of Practice on Safeguarding Information and an Insider Trading Policy which reflects the management commitment to conduct its business within a framework that fosters the highest ethical and legal standards.

The AC reviewed the effectiveness of KGT's and the Trustee-Manager's internal control procedures and was satisfied that the internal controls are adequate to meet the needs of KGT and the Trustee-Manager in their respective current business environment. The Board is also satisfied that KGT's and the Trustee-Manager's internal controls are adequate.

INTERNAL AUDIT

Principle 13:

Independent internal audit function

Group Internal Audit was appointed as the internal auditor to perform the internal audit function of the Trustee-Manager.

The role of the internal auditor is to assist the AC to ensure that KGT and the Trustee-Manager maintain a sound system of internal controls by reviewing the key controls and procedures and ensuring their effectiveness, undertaking investigations as directed by the AC, and conducting regular in-depth audits of high risk areas.

Staffed by suitably qualified executives, Group Internal Audit has unrestricted direct access to the AC. The Head of Group Internal Audit's primary line of reporting is to the chairman of the AC.

As a corporate member of the Singapore branch of the Institute of Internal Auditors Incorporated, USA (IIA), Group Internal Audit is guided by the International Standards for the Professional Practice of Internal Auditing set by the IIA. These standards consist of attribute and performance standards. The professional competence of Group Internal Audit is maintained through its continuing professional development programme for its staff which includes sending auditors to attend professional courses conducted by external accredited organisations to enhance their knowledge on auditing techniques, auditing and accounting pronouncements.

COMMUNICATION WITH UNITHOLDERS

Principle 14:

Regular, effective and fair communication with Unitholders

Principle 15:

Greater Unitholder participation at Annual General Meetings

In addition to the matters mentioned above in relation to "Access to

Information/Accountability", the Trustee-Manager regularly communicates with Unitholders and receives and attends to their queries and concerns.

Material information is disclosed in a comprehensive, accurate and timely manner via SGXnet and the press. The Trustee-Manager does not practise selective disclosure, material and price-sensitive information is publicly released to the public via SGXnet and the press within mandatory periods.

Unitholders are informed of Unitholders' meetings through notices published in the newspapers and/or circulars sent to all Unitholders. Unitholders are invited at such meetings to put forth any questions they may have on the motions to be debated and decided upon. If any Unitholder is unable to attend, he is allowed to appoint up to two proxies to vote on his behalf at the meeting through proxy forms sent in advance.

At Unitholders' meetings, each distinct issue is proposed as a separate resolution. The chairman of each Board committee is required to be present to address questions at general meetings. External auditors are also present at such meetings to assist the Directors to address Unitholders' queries, if necessary.

The Trustee-Manager will not be implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved. The company secretaries of the Trustee-Manager prepares minutes of Unitholders' meetings, which incorporates substantial comments or queries from Unitholders and responses from the Board and management. These minutes are available to Unitholders upon their requests.

SECURITIES TRANSACTIONS

Insider Trading Policy

The Trustee-Manager has a formal Insider Trading Policy on dealings in

the securities of KGT, which sets out the implications of insider trading and guidance on such dealings. The policy has been distributed to the Trustee-Manager's directors and officers. In line with the requirements in the Listing Manual on best practices on dealing in securities, the Trustee-Manager issues circulars to its directors and officers informing that the Trustee-Manager and its officers must not deal in listed securities of KGT one month before the release of the full-year results and two weeks before the release of quarterly results, and if they are in possession of unpublished price-sensitive information.

CONFLICTS OF INTERESTS

The Board has formed a Conflicts Resolution Committee (CRC), consisting entirely of Independent Directors, namely, Ms Quek Soo Hoon, Mr Thio Shen Yi and Mr Paul Ma Kah Woh. The Chairman of the CRC is Ms Quek Soo Hoon. The CRC's primary role is to review conflicts or potential conflicts of interest that may arise from time to time in the course of KGT's business or operations between (i) KGT and (ii) any director or officer of the Trustee-Manager, any controlling Unitholder (as defined in the Listing Manual), or any controlling shareholder of the Trustee-Manager (as defined in the Listing Manual). The CRC's terms of reference are set out on page 43 herein.

The CRC has developed the following framework to resolve such conflicts or potential conflicts of interest:

- (a) first, to identify the conflict or potential conflict and then assess and evaluate its nature and extent; and
- (b) then, to develop and implement one or more appropriate measures with the aim of controlling, avoiding or mitigating such conflict or potential conflict.

The CRC will apply this framework both in the course of day-to-day conduct of business, as well as in the specific instances when a particular acquisition

or disposal is contemplated. In the course of day-to-day conduct of business, all directors, officers and employees of the Trustee-Manager are obliged to keep strictly confidential all matters received by them in the course of their service to the Trustee-Manager (including without limitation information relating to potential acquisition or disposal opportunities) and not disclose any such matters to any other person.

As an example, when the Trustee-Manager identifies an acquisition or disposal target and seeks the approval of the Board to pursue the transaction:

- (a) each Director and officer of the Trustee-Manager will be obliged to disclose to the CRC whether he or, as far as he is aware, his affiliates (including family members, companies of which he is a significant shareholder, director or employee) have an interest in pursuing the same target (Potential Conflict of Interest);
- (b) if any Director discloses to the CRC that he or his affiliates have a Potential Conflict of Interest, the CRC will consider the nature and extent of the Potential Conflict of Interest and develop such measures as may be appropriate to address these issues (including, where material, disclosure of such measures to Unitholders at the appropriate time);
- (c) as part of such measures, the CRC may require the relevant Director to abstain from participating in the deliberations of the Board on the transaction;
- (d) the CRC will monitor the implementation by the Trustee-Manager of the measures imposed by the CRC in order to resolve or mitigate the Potential Conflict of Interest; and
- (e) the obligation on the Director to make disclosures to the CRC on, and on the CRC to review, a Potential Conflict of Interest in relation to any particular transaction is an on-going obligation and lasts for so long as

that transaction is still on-going. This obligation is not imposed only at the start of the transaction. Thus, if in the course of considering the transaction, a Director should learn of a Potential Conflict of Interest, then that Director is required forthwith to make the necessary disclosure to the CRC so that the CRC may consider such matters and take the necessary actions.

The CRC will periodically review the framework to ascertain how it has worked out in practice and, where appropriate, will consider and implement further measures to fine-tune the framework so as to make it better suited to the potential conflict issues that the Trustee-Manager may face, including procedures to ensure that no controlling Unitholder or controlling shareholder of the Trustee-Manager would be able to influence the evaluation of potential acquisitions, disposals or other transactions in a manner contrary to the interests of Unitholders as a whole.

The CRC will have the power to appoint an independent adviser to advise on and recommend procedures to resolve or mitigate such conflict or potential conflict of interests, so as to enable the CRC to discharge its duties to the Unitholders. The independent adviser may also be called on to provide an opinion as to whether the procedures recommended by the CRC to resolve or mitigate conflicts or potential conflicts are carried out in an appropriate and effective manner.

The CRC and the framework will be in place for so long as (i) the Trustee-Manager remains as the trustee-manager of KGT and (ii) Keppel Integrated Engineering Limited, its related corporations and/or any of its associates remain as controlling shareholders (as defined in the Listing Manual) of the Trustee-Manager or in fact exercise control (as defined in the Listing Manual) over the Trustee-Manager.

INTERESTED PERSON TRANSACTIONS

The Trustee-Manager's Internal Control System

The Trustee-Manager has established an internal control system to ensure that all Interested Person transactions are undertaken on normal commercial terms and are not prejudicial to the interests of KGT and its minority Unitholders.

On 29 June 2010, KGT obtained a general mandate from its Unitholders pursuant to Chapter 9 of the Listing Manual (Unitholders' Mandate) to enable KGT, a subsidiary of KGT or an associated company of KGT (collectively the "Entities at Risk" or EAR Group"), as the term is used in the Listing Manual, in the ordinary course of their business, to enter into the Mandated Transactions with the Mandated Interested Persons (as respectively defined in the Introductory Document dated 31 May 2010) which are necessary for the day-to-day operations of KGT, provided that all such transactions are carried out on normal commercial terms and are not prejudicial to the interests of KGT and its minority Unitholders. The Unitholders' Mandate remains in force until the next Annual General Meeting.

In view of the time-sensitive nature of commercial transactions and the frequency of commercial transactions between members in the EAR Group and KGT's interested persons, it would be advantageous to KGT to renew the above Unitholders' Mandate and KGT will seek Unitholders' approval for the same during the next Annual General Meeting.

The Interested Person transactions transacted for the period 29 June 2010 to 31 December 2010 by KGT are set out in the table on page 41.

MATERIAL CONTRACTS

For the financial period between 29 June 2010 to 31 December 2010, there were no material contracts that were not in the ordinary course of

Interested Person Transactions Transacted for the Period 29 June 2010 to 31 December 2010

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) (\$'000)	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) (\$'000)
Keppel Corporation Group		
General Transactions	–	9,606
Treasury Transactions	–	83,392
Total	–	92,998

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.

business, entered into by KGT or any of its subsidiary involving the interest of the Chief Executive Officer, any Director, or controlling Unitholder.

STATEMENT OF POLICIES AND PRACTICES

The Trustee-Manager has established policies and practices in relation to its management and governance of KGT to ensure that the trust is managed in the interest of the Unitholders. These policies and practices include:

- (a) The trust property of KGT is properly accounted for and trust property is kept distinct from the property of the Trustee-Manager in its own capacity. The Trustee-Manager maintains different bank accounts in its personal capacity and in its capacity as the Trustee-Manager of KGT.
- (b) The Board reviews and approves all investments and acquisitions by KGT 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 to ensure adherence with the business scope

as set out in its trust deed.

- (c) The Board has set up the CRC, consisting entirely of Independent Directors, to deal with conflicts or potential conflicts of interest between KGT and the Trustee-Manager. The details of the measures taken are as set out on page 39.
- (d) The Trustee-Manager has established an internal control system to ensure that all Interested Person transactions are undertaken on normal commercial terms and are not prejudicial to the interests of KGT and its minority Unitholders. The Internal Auditor carries out a review of Interested Person transactions and submits a report to the Audit Committee (comprising entirely of Independent Directors). The Audit Committee reviews the report submitted and ensures compliance with applicable legislation and the relevant provisions of the Listing Manual. The details of the Interested Person transactions for the period between 29 June 2010 and 31 December 2010 have been set out above.
- (e) The Trustee-Manager has adopted a Whistle-Blower Protection Policy,

a Code of Practice on Safeguarding Information and an Insider Trading Policy which reflects the management commitment to conduct its business within a framework that fosters the highest ethical and legal standards.

- (f) The expense and cost allocations (if any) payable to the Trustee-Manager in its capacity as Trustee-Manager of KGT out of the trust property of KGT are reviewed and approved by the Board, to ensure that the fees and expenses charged to KGT are appropriate and in accordance with the KGT trust deed. The fees and expenses paid to the Trustee-Manager relate to Management Fees and Performance Fees disclosed on page 71.
- (g) The Trustee-Manager has engaged the services of and obtained advice from professional advisers and consultants from time to time, and in particular when dealing with acquisitions and capital raising, to ensure compliance with the requirements of the BTA, BTR and the Listing Manual.

APPENDIX

BOARD COMMITTEES – TERMS OF REFERENCE

A. Audit Committee

- (1) Examine the effectiveness of KIFM's internal control system to ensure that a sound system of internal controls is maintained;
- (2) Perform a review of KGT's financial statements and results, including quarterly and full-year results;
- (3) Review audit plans and reports of the external and internal auditors to ensure that where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by the management;
- (4) Monitor the procedures established to regulate interested person transactions, including reviewing any interested person transactions entered into from time to time and ensuring compliance with applicable legislation and the relevant provisions of the Listing Manual (this review will exclude conflicts of interest, which will be dealt with by the Conflicts Resolution Committee);
- (5) Monitor the implementation of the foreign exchange hedging policy approved by the Board as well as review and recommend to the Board all other hedging policies and instruments before implementation by KGT;
- (6) Review the independence and objectivity of the external and internal auditors annually;
- (7) Review the nature and extent of non-audit services performed by the external auditors;
- (8) Meet with external and internal auditors, without the presence of Management, at least annually;
- (9) Review and ensure at least annually that the internal audit function is adequately resourced and has appropriate standing within the Company;
- (10) Recommend to the Board on the appointment, re-appointment and removal of the external auditor, and

approve the remuneration of the external auditor;

- (11) Approve the remuneration of the external auditor;
- (12) Investigate any matters within the Audit Committee's terms of reference, whenever it deems necessary;
- (13) Report to the Board on material matters, findings and recommendations;
- (14) Sub-delegate any of its powers within its terms of reference as listed above from time to time as the Audit Committee may deem fit;
- (15) Carry out all other functions of the Audit Committee in accordance with Regulation 13(6) of the Singapore Business Trusts Regulations.

B. Nominating Committee

- (1) Review and assess candidates for directorships (including executive directorships) before making recommendations to the Board for the appointment/re-appointment/removal of Directors on Trustee-Manager's board and KGT's subsidiaries;
- (2) Re-nomination for re-election of the Directors on the Trustee-Manager's board and K-Green Trust's subsidiaries in accordance with the Trustee-Manager's Articles of Association, having regard to the Director's contribution and performance;
- (3) Review annually the composition of the Board of the Trustee-Manager;
- (4) Determine annually whether or not a Director of the Trustee-Manager is independent in the manner provided in the Business Trust Regulations;
- (5) To ensure that the Board of the Trustee-Manager comprises:-
 - (a) at least a majority of the Directors who shall be independent from management and business relationships with the Trustee-Manager;
 - (b) at least one-third of the Directors who shall be independent from management and business relationships with the Trustee-

Manager and from every substantial shareholder of the Trustee-Manager; and

- (c) at least a majority of the Directors who shall be independent from any single substantial shareholder of the Trustee-Manager;
- (6) Decide whether a Director is able to and has been adequately carrying out his duties as Director of the Trustee-Manager;
- (7) Decide how the Trustee-Manager's Board performance may be evaluated, and propose objective performance criteria to assess effectiveness of the Board as a whole and the contribution of each Director and thereafter carry out annual assessment of the Board and individual Directors based on the criteria set;
- (8) Review succession plan within the Board as well as for the Chief Executive Officer; and
- (9) Sub-delegate any of its powers within its terms of reference as listed above, from time to time, as this Committee may deem fit.
- (10) Perform such other functions relating to the terms of reference as the Board may request.

Save that a member of this Committee shall not be involved in the deliberations in respect of any matter which he has a personal interest in.

C. Remuneration Committee

- (1) Recommend to the Board a framework of remuneration for Board members and key executives;
- (2) Determine specific remuneration packages for each Director and the Chief Executive Officer (if the Chief Executive Officer is not an executive director);
- (3) Decide the early termination compensation (if any) of Directors;
- (4) Study long-term incentive schemes for Directors and staff;
- (5) Review the terms, conditions and remuneration of the senior

management of the Trustee-Manager; and

- (6) Sub-delegate any of its powers within its terms of reference as listed above, from time to time, as this Committee may deem fit.

Save that a member of this Committee shall not be involved in the deliberations in respect of any remuneration, compensation, options or any form of benefits to be granted to him.

D. Conflicts Resolution Committee

- (1) Review conflicts or potential conflicts of interest that may arise from time to time in the course of KGT's business or operations between (i) KGT and (ii) any Director or officer of the Trustee-Manager, any controlling Unitholder (as defined in the Listing Manual), or any controlling shareholder of the Trustee-Manager (as defined in the Listing Manual);
- (2) Consider declarations made by a Director and/or officer of the Trustee-Manager when they declare a potential conflict of interest, identify conflict or potential conflict of interest issues and then assess and evaluate its nature and extent;
- (3) Develop and implement one or more appropriate measures with the aim of controlling, avoiding or mitigating such conflict or potential conflict (including, where material, disclosure of such measures to Unitholders at the appropriate time);
- (4) Monitor the implementation by the Trustee-Manager of the measures imposed by the committee in order to resolve or mitigate conflict or potential conflict of interest;
- (5) Periodically review the framework to resolve conflict or potential conflict of interest and ascertain how it has worked out in practice and, where appropriate, to consider and implement further measures to fine-tune the framework so as to make it better suited to the potential conflict issues that the Trustee-Manager may face, including procedures to ensure

that no controlling Unitholder or controlling shareholder of the Trustee-Manager would be able to influence the evaluation of potential acquisitions or disposals in a manner contrary to the interests of Unitholders as a whole; and

- (6) Where appropriate, appoint an independent adviser to advise on and recommend procedures to resolve or mitigate such conflict or potential conflict of interests, so as to enable the committee to discharge its duties to the Unitholders.

Save that the Terms of Reference of the Conflict Resolution Committee would exclude review of interested person transactions which fall within the purview of the Audit Committee.

Code of Corporate Governance 2005 Specific Principles and Guidelines for Disclosure

Relevant guideline or principle	Page reference in Corporate Governance report
Guideline 1.3 Delegation of authority, by the Board to any Board committee, to make decisions on certain board matters	Page 31
Guideline 1.4 The number of board and board committee meetings held in the year, as well as the attendance of every board member at these meetings	Page 31
Guideline 1.5 The type of material transactions that require board approval under internal guidelines	Page 32
Guideline 2.2 Where the company considers a director to be independent in spite of the existence of a relationship as stated in the Code that would otherwise deem him as non-independent, the nature of the director's relationship and the reason for considering him as independent should be disclosed	Pages 32 to 34
Guideline 3.1 Relationship between the Chairman and CEO where they are related to each other	Not Applicable
Guideline 4.1 Composition of nominating committee	Page 34
Guideline 4.5 Process for selection and appointment of new directors to the board	Page 35
Guideline 4.6 Key information regarding directors, which directors are executive, non-executive or considered by the nominating committee to be independent	Pages 12 to 15 and 32
Guideline 5.1 Process for assessing the effectiveness of the Board as a whole and the contribution of each individual director to the effectiveness of the board	Page 35
Principle 9.0 Clear disclosure of its remuneration policy, level and mix of remuneration, procedure for setting remuneration and link between remuneration paid to directors and key executives, and performance	Pages 36 and 37
Guideline 9.1 Composition of remuneration committee	Page 32
Guideline 9.2 Names and remuneration of each director. The disclosure of remuneration should be in bands of \$250,000. There will be a breakdown (in percentage terms) of each director's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, and stock options granted and other long-term incentives	Page 37
Names and remuneration of at least the top five key executives (who are not also directors). The disclosure should be in bands of \$250,000 and include a breakdown of remuneration	
Guideline 9.3 Remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceed \$150,000 during the year. The disclosure should be made in bands of \$250,000 and include a breakdown of remuneration	Not Applicable
Guideline 9.4 Details of employee share schemes	Not Applicable
Guideline 11.8 Composition of audit committee and details of the committee's activities	Pages 37 to 39
Guideline 12.2 Adequacy of internal controls, including financial, operational and compliance controls, and risk management systems	Pages 38 and 39

Risk Management

Effective risk management is a critical component to the sustainability of K-Green Trust (KGT). The Trustee-Manager aims to manage and mitigate risks by diversifying the asset class and geographic region in which KGT will invest. Although waste management, water and wastewater treatment, renewable energy and energy efficiency all fall under the broad category of “green” infrastructure assets, it is unlikely that these sub-sectors will be affected by the same sector specific events except for general macro-economic events that occur. Although the existing three plants are located in Singapore, the investment mandate of the Trustee-Manager includes investments in different geographic regions such as Asia, Europe and the Middle East in the future so as to mitigate country-specific risks.

In order to secure the sustainability of KGT’s distributions, the Trustee-Manager ensures that business decisions are aligned with KGT’s strategies. The Trustee-Manager also manages and reviews its key risks at both strategic and operational levels so that risk exposure can be managed to acceptable levels while achieving business objectives. The Trustee-Manager has identified and managed the following key risks to KGT:

INVESTMENT RISK

Distribution growth is dependent on KGT’s ability to grow its asset base. Timing of new acquisitions is dependent on market opportunities and funding environment. The Trustee-Manager evaluates all investment opportunities against KGT’s stated investment criteria and investment mandate. Investment evaluation will take into account the asset quality, expected returns, sustainability of asset performance and security of the cash flows.

INTEREST RATE RISK

KGT’s exposure to interest rate risk is minimal. In the event KGT is exposed to interest rate risk on the loans drawn

under the working capital facility or additional loans that it may undertake, the risk is managed by maintaining an appropriate mix between fixed and floating rate borrowings. The Trustee-Manager will also monitor the interest rate exposure of KGT and will consider restructuring KGT’s credit facilities or use derivative financial instruments to hedge interest rate risks should the need arise.

FOREIGN EXCHANGE RISK

KGT’s exposure to foreign exchange risk is minimal as it does not have any foreign currency denominated balances at the end of the reporting period. If KGT acquires assets in the future with cash flows denominated in foreign currencies, the Trustee-Manager may utilise foreign currency hedging instruments to hedge KGT’s exposure to specific currency risks relating to future investments, receivables, payables and other commitments.

CREDIT RISK

As at the end of the reporting period, there is a significant concentration of credit risk to KGT’s customer, the Government of the Republic of Singapore, for the duration of the service concession contract entered. The Trustee-Manager monitors the credit risk by ensuring that payments are received by the contracted date. One of the characteristics of new investments that the Trustee-Manager intends to pursue are assets that have creditworthy or reputable off-takers.

LIQUIDITY RISK

In the management of the liquidity risk, the Trustee-Manager monitors and maintains a level of cash and cash equivalents deemed adequate to finance KGT’s operations and mitigate the effects of fluctuations in cash flows. The Trustee-Manager manages liquidity risk by maintaining adequate reserves and actual cash flows and matching the maturity profiles of financial assets and liabilities.

OPERATIONAL RISK

The incineration plants and NEWater plant are built to incinerate waste and treat feedwater that fall within certain input specifications. Deviations from the specifications may affect the performance standards of the plants or the production process.

Each plant is also subject to wear and tear as a natural consequence of its operations and there may be periodic downtime for repairs and maintenance. If downtime for repairs exceeds the time anticipated, affecting the availability of the plants, full capacity payments may not be received. Deductions are passed on to the Operations and Maintenance (O&M) contractor, subject to an annual liability cap.

In managing such risks, each plant has a set of standard operating procedures that is established and strictly adhered to by the O&M contractor for the day-to-day operations and maintenance of the plants. The Trustee-Manager meets with the plant managers to monitor, review and manage the operational risks of the three plants on a regular basis.

Business continuity plans and environment, health and safety risk assessments are in place at each plant to address operational exigencies. Exercises are also conducted regularly to test plant workers’ responses to emergencies. Business continuity plans and safety procedures in the event of disaster and pandemic contingencies are periodically reviewed and improved.

Statistics of Unitholdings

As at 28 February 2011

ISSUED AND FULLY PAID UNITS

629,781,279 Units (Voting rights: 1 vote per Unit)

There is only one class of Units in K-Green Trust.

Distribution of Unitholdings

Size of Holdings	No. of Unitholders	%	No. of Units	%
1 – 999	16,332	56.37	6,073,322	0.96
1,000 – 10,000	10,635	36.71	34,797,854	5.53
10,001 – 1,000,000	1,982	6.84	92,239,938	14.65
1,000,001 and above	24	0.08	496,670,165	78.86
Total	28,973	100.00	629,781,279	100.00

Twenty Largest Unitholders

No.	Name	No. of Units	%
1	Keppel Integrated Engineering Limited	309,683,005	49.17
2	Aranda Investments Pte Ltd	67,528,780	10.72
3	DBS Nominees Pte Ltd	35,630,088	5.66
4	HSBC (Singapore) Nominees Pte Ltd	16,096,958	2.56
5	Citibank Nominees S'pore Pte Ltd	14,074,545	2.23
6	United Overseas Bank Nominees Pte Ltd	11,489,713	1.82
7	Raffles Nominees Pte Ltd	7,207,221	1.14
8	Bank of Singapore Nominees Pte Ltd	4,504,016	0.72
9	DB Nominees (Singapore) Pte Ltd	4,203,796	0.67
10	DBS Vickers Securities (S) Pte Ltd	2,601,031	0.41
11	Liew Chee Kong	2,530,000	0.40
12	DBSN Services Pte Ltd	2,359,620	0.37
13	OCBC Securities Private Ltd	2,110,140	0.34
14	NTUC Fairprice Co-operative Ltd	2,000,000	0.32
15	Citigroup GM Sing Secs Pte Ltd	1,953,474	0.31
16	UOB Kay Hian Pte Ltd	1,891,624	0.30
17	Merrill Lynch (S'pore) Pte Ltd	1,877,517	0.30
18	Kim Eng Securities Pte Ltd	1,490,786	0.24
19	OCBC Nominees Singapore Pte Ltd	1,474,170	0.23
20	BNP Paribas Nominees Singapore Pte Ltd	1,333,681	0.21
Total		492,040,165	78.12

SUBSTANTIAL UNITHOLDERS

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Trustee-Manager as at 28 February 2011, the Substantial Unitholders of K-Green Trust and their interests in the Units of K-Green Trust are as follows:

Name	Direct Interest		Deemed interest	
	No. of Units	%	No. of Units	%
Keppel Integrated Engineering Limited	309,683,005	49.17		
Keppel Corporation Limited ¹			309,683,005	49.17
Aranda Investments Pte Ltd	67,724,180	10.75		
Seletar Investments Pte Ltd ²			67,724,180	10.75
Temasek Capital (Private) Limited ³			67,724,180	10.75
Temasek Holdings (Private) Limited ⁴			377,411,861	59.93

Notes:

- (1) Keppel Corporation Limited is deemed to have an interest in the Units held by Keppel Integrated Engineering Limited, its wholly-owned subsidiary.
- (2) Seletar Investments Pte Ltd is deemed to have an interest in the Units held by Aranda Investments Pte Ltd, its wholly-owned subsidiary.
- (3) Temasek Capital (Private) Limited is deemed to have an interest in the Units held by Aranda Investments Pte Ltd, a wholly-owned subsidiary of Seletar Investments Pte Ltd, which is in turn a wholly-owned subsidiary of Temasek Capital (Private) Limited.
- (4) Temasek Holdings (Private) Limited is deemed to have an interest in the Units held by its subsidiaries, namely Aranda Investments Pte Ltd, ST Asset Management Ltd, and the Units held by its associated companies, namely Keppel Corporation Limited and DBS Group Holdings Limited.

PUBLIC UNITHOLDERS

Based on the information available to the Trustee-Manager as at 28 February 2011, approximately 39.9% of the issued Units in K-Green Trust is held by the public. Accordingly, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

As at 28 February 2011, there are no treasury units held.

DIRECTORS OF THE TRUSTEE-MANAGER

Mr Khor Poh Hwa

Non-Executive and Non-Independent Director and Chairman of the Board

Mr Alan Ow Soon Sian

Independent Director

Mr Paul Ma Kah Woh

Independent Director

Ms Quek Soo Hoon

Independent Director

Mr Thio Shen Yi

Independent Director

Mr Teo Soon Hoe

Non-Executive and Non-Independent Director

Mr Michael Chia Hock Chye

Non-Executive and Non-Independent Director

AUDIT COMMITTEE

Mr Paul Ma Kah Woh (Chairman)

Mr Alan Ow Soon Sian

Ms Quek Soo Hoon

REMUNERATION COMMITTEE

Mr Thio Shen Yi (Chairman)

Mr Teo Soon Hoe

Ms Quek Soo Hoon

NOMINATING COMMITTEE

Mr Alan Ow Soon Sian (Chairman)

Mr Paul Ma Kah Woh

Mr Khor Poh Hwa

CONFLICTS RESOLUTION COMMITTEE

Ms Quek Soo Hoon (Chairman)

Mr Thio Shen Yi

Mr Paul Ma Kah Woh

COMPANY SECRETARIES

Mr Ng Wai Hong

Mr Joseph Ng Chin Chai

TRUSTEE-MANAGER OF K-GREEN TRUST

Keppel Infrastructure Fund Management Pte Ltd

Registered Address

1 HarbourFront Avenue

#18-01 Keppel Bay Tower

Singapore 098632

Place of Business Address

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Phone: +65 6499 0599

Fax: +65 6265 1953

Email: info@kgreentrust.com

Website: www.kgreentrust.com

UNIT REGISTRAR AND UNIT TRANSFER OFFICE

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50 Raffles Place

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AUDITORS

Deloitte & Touche LLP

Certified Public Accountants

6 Shenton Way #32-00

DBS Building Tower Two

Singapore 068809

Phone: +65 6224 8288

Fax: +65 6538 6166

Partner-in-charge:

Mr Aric Loh Siang Khee

Year appointed: 2010

ISSUE MANAGER

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 Report to Unitholders 2010.

Report of the Trustee-Manager

The directors of Keppel Infrastructure Fund Management Pte. Ltd., the Trustee-Manager of K-Green Trust (the "Trust"), are pleased to present their report to the unitholders of the Trust, together with the audited financial statements of the Trust and its subsidiaries (collectively "the Group") for the financial year ended December 31, 2010.

1. Directors

The directors of the Trustee-Manager in office at the date of this report are as follows:

Khor Poh Hwa (Chairman)	(Appointed on February 11, 2010)
Ow Soon Sian, Alan	(Appointed on February 11, 2010)
Ma Kah Woh, Paul	(Appointed on February 11, 2010)
Quek Soo Hoon	(Appointed on February 11, 2010)
Thio Shen Yi	(Appointed on February 11, 2010)
Teo Soon Hoe	(Appointed on February 11, 2010)
Chia Hock Chye, Michael	(Appointed on January 13, 2010)

2. Arrangements to enable Directors to acquire benefits by means of the acquisition of units and debentures

Neither at the end of the financial year nor at any time during the financial year was the Trustee-Manager a party to any arrangement whose object is to enable the directors of the Trustee-Manager to acquire benefits by means of the acquisition of units in, or debentures of the Trust.

3. Directors' interests in units and debentures

The directors at the end of the financial year had no interests in the unit capital and debentures of the Trust and related corporations either at the date of appointment, if later, or at the end of the financial year, except as follows:

Name of directors and corporations in which interests are held	Interest	
	At date of appointment	At end of year
Interest in K-Green Trust (Units)		
Ma Kah Woh, Paul	-	10,000
Quek Soo Hoon	-	3,170
Thio Shen Yi	-	400
Teo Soon Hoe	-	817,666
Chia Hock Chye, Michael	-	39,000

The unitholdings of the above directors as at January 21, 2011 were the same as those at December 31, 2010.

4. Directors' receipt and entitlement to contractual benefits

During the financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Trust or a related corporation with the director, or with a firm of which he is a member or with a company in which he has a substantial financial interest, except for the arrangement as disclosed in Note 5 to the financial statements.

5. Unit options

(a) Option to take up unissued unit

During the financial year, there were no option granted by the Trustee-Manager to any person to take up unissued units in the Trust.

(b) Option exercised

During the financial year, there were no unit of the Trust issued by virtue of the exercise of an option to take up unissued unit.

(c) Unissued unit under option

At the end of the financial year, there was no unissued unit of the Trust under option.

6. Audit Committee

The members of the Audit Committee during the financial year and as at the date of this report are:

Ma Kah Woh, Paul (Chairman)
Ow Soon Sian, Alan
Quek Soo Hoon

All members of the Audit Committee are independent and non-executive directors.

The Audit Committee carried out its function in accordance with Regulation 13(6) of the Singapore Business Trusts Regulations and the SGX Listing Manual.

In performing its functions, the Audit Committee met with the Trust's external and internal auditors to discuss the scope and results of their audit and evaluation of the Group's internal accounting control system.

The Audit Committee also reviewed the following:

- a) the Group's financial and operating results and accounting policies;
- b) the statement of financial position and statement of changes in equity of the Trust and the consolidated financial statements of the Group before their submission to the Board of Directors of the Trustee-Manager;
- c) external auditors' report on those financial statements;
- d) the quarterly and annual announcements on the results and financial position of the Trust and the Group;
- e) the co-operation and assistance given by the Trustee-Manager's officers to the Group's external auditors; and
- f) the re-appointment of the external auditors of the Group.

The Audit Committee has full access to and has the co-operation of the management of the Trustee-Manager and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer of the Trustee-Manager to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting of the unitholders.

7. Auditors

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

On behalf of the Directors



Khor Poh Hwa
Chairman



Chia Hock Chye, Michael
Director

Singapore
January 24, 2011

Statement by the Trustee-Manager

In our opinion,

- (a) the financial statements set out on pages 55 to 82 are drawn up so as to give a true and fair view of the state of affairs of the Group and Trust as at December 31, 2010 and the consolidated financial statements of the Group and statement of financial position and changes in unitholders' fund of the Trust for the financial year then ended in accordance with the provisions of the Singapore Business Trusts Act, Chapter 31A and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due.

We further certify:

- (a) the fees or charges paid or payable out of the trust property of the Trust to the Trustee-Manager are in accordance with the Trust Deed;
- (b) there are no interested person transactions entered into by the Trust during the financial year ended December 31, 2010 which are detrimental to the interests of all the unitholders of the Trust as a whole based on the circumstances at the time of the relevant transactions; and
- (c) the Board of Directors of the Trustee-Manager is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the Trust or on the interests of all the unitholders of the Trust as a whole.

In accordance with Regulation 12(6) of the Singapore Business Trust Regulations ("BTR"), the Board of Directors of the Trustee-Manager may determine that a director who is not considered to be independent from management and business relationships with the Trustee-Manager under Regulation 3; or not considered to be independent from a substantial shareholder of the Trustee-Manager under Regulation 4, is nonetheless independent from management and business relationships with the Trustee-Manager or independent from a substantial shareholder of the Trustee-Manager, if the Board of Directors is satisfied that the director's independent judgment and ability to act with regard to the interests of all the unitholders of the Trust as a whole will not be interfered with, despite the relationships.

The details of the Board of Directors' review and determination under Regulation 12(7) of the BTR are disclosed in the Corporate Governance section of the Annual Report of the Trust in accordance to Regulation 12(8) and 12(9) of the BTR.

On behalf of the Directors



Khor Poh Hwa
Chairman



Chia Hock Chye, Michael
Director

Singapore
January 24, 2011

Statement by the Chief Executive Officer

In accordance with Section 86 of the Singapore Business Trusts Act, Chapter 31A, I certify that I am not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the Trust or on the interests of all the unitholders of the Trust as a whole.

A handwritten signature in black ink, appearing to read 'Pang Thieng Hwi'.

Pang Thieng Hwi, Thomas
Chief Executive Officer

Singapore
January 24, 2011

Independent Auditors' Report

to the Unitholders of K-Green Trust

(Constituted under a Trust Deed in the Republic of Singapore)

Report on the Financial Statements

We have audited the accompanying financial statements of K-Green Trust (the "Trust") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and the Trust as at December 31, 2010, and the statement of comprehensive income, statement of changes in unitholders' fund and statement of cash flows of the Group and the statement of changes in unitholders' fund of the Trust for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 55 to 82.

Trustee-Manager's Responsibility for the Financial Statements

The Trustee-Manager of the Trust is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Business Trusts Act, Chapter 31A (the "Act") and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Trustee-Manager, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in unitholders' fund of the Trust are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and the Trust as at December 31, 2010 and of the results, changes in unitholders' fund and cash flows of the Group and changes in unitholders' funds of the Trust for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Trust and by those subsidiaries incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.



Deloitte & Touche LLP

Public Accountants and
Certified Public Accountants
Singapore

Aric Loh Siang Khoo
Partner

Appointed on June 29, 2010
January 24, 2011

Statements of Financial Position

December 31, 2010

		Group		Trust	
	Note	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Non-Current Assets					
Plant and equipment	6	876	1,115	-	-
Subsidiaries	7	-	-	403,536	-
Service concession receivables	8	587,348	405,053	-	-
Notes receivable	9	-	-	290,142	-
Total Non-Current Assets		<u>588,224</u>	<u>406,168</u>	<u>693,678</u>	<u>-</u>
Current Assets					
Inventories	10	15,159	11,454	-	-
Service concession receivables	8	54,956	38,636	-	-
Trade and other receivables	11	18,603	11,392	266	317,219
Cash, bank and deposit balances	12	85,030	555	31,847	-
Total Current Assets		<u>173,748</u>	<u>62,037</u>	<u>32,113</u>	<u>317,219</u>
Current Liabilities					
Trade and other payables	13	22,496	59,833	2,447	317,219
Income tax payable		13,249	9	-	-
Total Current Liabilities		<u>35,745</u>	<u>59,842</u>	<u>2,447</u>	<u>317,219</u>
Net Current Assets		<u>138,003</u>	<u>2,195</u>	<u>29,666</u>	<u>-</u>
Non-Current Liabilities					
Other payables	13	-	408,344	-	-
Deferred tax liability	14	147	-	-	-
Total Non-Current Liabilities		<u>147</u>	<u>408,344</u>	<u>-</u>	<u>-</u>
Net Assets		<u>726,080</u>	<u>19</u>	<u>723,344</u>	<u>-</u>
Represented by:					
Unitholders' Funds					
Units in issue	15	717,354	-	717,354	-
Revenue reserves		8,726	19	5,990	-
Total Unitholders' Funds		<u>726,080</u>	<u>19</u>	<u>723,344</u>	<u>-</u>

See accompanying notes to financial statements.

Consolidated Statement of Comprehensive Income

Year ended December 31, 2010

		Private Trust	Public Trust	Total	Private Trust
	Note	January 1, 2010 to June 28, 2010 \$'000	June 29, 2010 to December 31, 2010 \$'000	January 1, 2010 to December 31, 2010 \$'000	July 23, 2009 to December 31, 2009 \$'000
Revenue	17	16,522	49,287	65,809	10,612
Construction expenses		-	(15,709)	(15,709)	-
Operation and maintenance costs		(9,924)	(16,405)	(26,329)	(6,699)
Electricity costs		-	(3,095)	(3,095)	-
Depreciation		(119)	(125)	(244)	(79)
Trustee-Manager's fees		-	(2,305)	(2,305)	-
Trust expenses		-	(581)	(581)	-
Other operating expenses		(1,424)	(2,086)	(3,510)	(929)
Other income		181	228	409	114
Operating profit		5,236	9,209	14,445	3,019
Net interest (expense) income	18	(4,210)	78	(4,132)	(2,991)
Profit before tax		1,026	9,287	10,313	28
Income tax expense	19	(179)	(561)	(740)	(9)
Profit for the year representing total comprehensive income for the year		847	8,726	9,573	19
Earnings per unit (cents):					
Basic and diluted	16	N.M	1.39	1.53	N.M

N.M: Not meaningful

See accompanying notes to financial statements.

Statements of Changes in Unitholders' Fund

Year ended December 31, 2010

	Units in issue \$'000	Revenue reserves \$'000	Total unitholders' funds \$'000
Group			
As at July 23, 2009 (date of constitution)	*	-	*
Total comprehensive income for the period	-	19	19
Balance at December 31, 2009	<u>*</u>	<u>19</u>	<u>19</u>
Total comprehensive income for the year	-	9,573	9,573
Distribution paid [Note 15(a)]	-	(866)	(866)
Creation of new units			
- introduction of Trust	719,377	-	719,377
- payment of Trustee-Manager's fees in units	519	-	519
Issue costs	(2,542)	-	(2,542)
Balance at December 31, 2010	<u>717,354</u>	<u>8,726</u>	<u>726,080</u>
Trust			
Balance at July 23, 2009 (date of constitution)	*	-	*
Total comprehensive income for the period	-	-	-
Balance at December 31, 2009	<u>*</u>	<u>-</u>	<u>*</u>
Total comprehensive income for the year	-	6,856	6,856
Distribution paid [Note 15(a)]	-	(866)	(866)
Creation of new units			
- introduction of Trust	719,377	-	719,377
- payment of Trustee-Manager's fees in units	519	-	519
Issue costs	(2,542)	-	(2,542)
Balance at December 31, 2010	<u>717,354</u>	<u>5,990</u>	<u>723,344</u>

* less than \$1,000

See accompanying notes to financial statements.

Consolidated Statement of Cash Flows

Year ended December 31, 2010

	January 1, 2010 to December 31, 2010 \$'000	July 23, 2009 to December 31, 2009 \$'000
Cash flows from operating activities		
Profit before income tax	10,313	28
Adjustments for:		
Depreciation	244	79
Interest income	(86)	-
Interest expense	4,218	2,991
Trustee-Manager's fees	2,305	-
Operating profit before movement in working capital	16,994	3,098
Increase in inventories	(857)	(11,454)
Decrease (Increase) in service concession receivables	42,031	(443,689)
Decrease (Increase) in trade and other receivables	814	(11,392)
Increase in trade and other payables	4,766	5,158
Cash generated from (used in) operations	63,748	(458,279)
Tax paid	(866)	-
Interest received	83	-
Interest paid	(4,218)	(2,991)
Net cash from (used in) operating activities	58,747	(461,270)
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired (Note A)	(215,321)	-
Construction of assets	(11,901)	-
Purchases of plant and equipment	-	(1,194)
Net cash used in investing activities	(227,222)	(1,194)
Cash flows from financing activities		
Proceeds raised from issue of units	719,377	-
(Repayment of) Proceeds from borrowings	(463,019)	463,019
Payment of issue costs	(2,542)	-
Distribution paid to previous unitholder of Trust	(866)	-
Net cash from financing activities	252,950	463,019
Net increase in cash and cash equivalents	84,475	555
Cash and cash equivalents at beginning of year	555	-
Cash and cash equivalents at end of year	85,030	555

See accompanying notes to financial statements.

Note A

Pursuant to the restructuring exercise on June 29, 2010, the Trust 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 fair value of the net assets) 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	2009 \$'000
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	215,321	-

See accompanying notes to financial statements.

Notes to Financial Statements

December 31, 2010

1. General

K-Green Trust (the "Trust") is a business trust constituted by a Trust Deed dated July 23, 2009. The Trust Deed is governed by the laws of the Republic of Singapore. The address of the Trustee-Manager's registered office and principal place of business is 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632 and 108 Pasir Panjang Road, #03-01 Golden Agri Plaza, Singapore 118535 respectively. The financial statements are expressed in Singapore dollars which is the functional currency of the Trust.

The Trust was formally admitted to the Official List of the Main Board of SGX-ST on June 29, 2010.

The principal activity of the Trust is investment holding.

The principal activities of the subsidiaries are disclosed in Note 7 to financial statements.

The Trustee is under a duty to take into custody and hold the assets of the Trust in trust for the holders of units (the "Units") in the Trust ("Unitholders").

The consolidated financial statements of the Group and statement of financial position, and statement of changes in unitholders' funds of the Trust for the year ended December 31, 2010 were authorised for issue by the Board of Directors of the Trustee-Manager on January 24, 2011.

2. Summary of significant accounting policies

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with Singapore Financial Reporting Standards ("FRS").

ADOPTION OF NEW AND REVISED STANDARDS - In the current year, the Group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after January 1, 2010.

The following are the new or amended FRS and INT FRS that are relevant to the Group:

FRS 103 (2009)	<i>Business Combinations</i>
FRS 27 (2009)	<i>Consolidated and Separate Financial Statements</i>
Amendments to FRS 1	<i>Presentation of Financial Statements (as part of Improvements to FRSs issued in 2010)</i>

The adoption of these new/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, except as discussed below:

FRS 103 (2009) Business Combinations

FRS 103 (2009) has been adopted in the current year and is applied prospectively to business combinations for which the acquisition date is on or after January 1, 2010. The main impact of the adoption of FRS 103 (2009) *Business Combinations* on the Group has been:

- to allow a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as, minority interests) either at fair value or at the non-controlling interests' share of the fair value of the identifiable net assets of the acquiree;

- to change the recognition and subsequent accounting requirements for contingent consideration. Under the previous version of the Standard, contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were recognised against goodwill. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against goodwill only to the extent that they arise from better information about the fair value at the acquisition date, and they occur within the measurement period (a maximum of 12 months from the acquisition date). All other subsequent adjustments are recognised in profit or loss;
- where the business combination in effect settles a pre-existing relationship between the Group and the acquiree, to require the recognition of a settlement gain or loss; and
- to require that acquisition-related costs be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in consolidated profit or loss as incurred, whereas previously they were accounted for as part of the cost of the acquisition.

FRS 27 (2009) Consolidated and Separate Financial Statements

FRS 27 (2009) has been adopted for periods beginning on or after January 1, 2010 and has been applied retrospectively (subject to specified exceptions) in accordance with the relevant transitional provisions. The revised Standard has affected the Group's accounting policies regarding changes in ownership interests in its subsidiaries that do not result in a change in control. The adoption of the revised Standard does not have any effect on the Group as the Group does not have non-controlling interest.

In prior years, in the absence of specific requirements in FRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised where appropriate; for decreases in interests in existing subsidiaries that did not involve a loss of control, the difference between the consideration received and the carrying amount of the share of net assets disposed of was recognised in profit or loss. Under FRS 27 (2009), all such increases or decreases are dealt within equity reserve, with no impact on goodwill or profit or loss.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised Standard requires that the Group derecognise all assets, liabilities and non-controlling interests at their carrying amount. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost, with the gain or loss arising recognised in profit or loss.

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the Trust were issued but not effective:

- *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 Trustee-Manager anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the Trust in the period of their initial adoption.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Trust and its subsidiaries. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

2. Summary of significant accounting policies (continued)

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

In the Trust's financial statements, investment in subsidiaries are carried at cost less impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*, or FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the group of an acquiree's share-based payment awards are measured in accordance with FRS 102 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through the profit or loss".

Financial assets

Trade receivables, other receivables and amount due from related parties/companies

The above that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". These are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Service concession arrangements

The Group has entered into service concession arrangements with governing agencies (the grantors) of the Government of the Republic of Singapore to operate a water treatment plant and two waste-to-energy plants (2009 : one waste-to-energy plant) in the Republic of Singapore. Under the concession arrangements, the Group will operate the plants for an agreed original concession periods of between 15 to 25 years (2009 : 15 years) and transfer the plants to the grantors at the end of the concession period. Such concession arrangements fall within the scope of INT FRS 112 and are accounted for as service concession receivables.

The Group recognises a financial receivable arising from a service concession arrangement when it has a right to receive a fixed and determinable amount of payments during the concession period irrespective of the usage of the concession infrastructure. When the Group receives a payment during the concession period, it will apportion such payment between (i) a repayment of the financial receivable (if any), which will be used to reduce the carrying amount of the financial receivable on its statement of financial position, (ii) interest income, which will be recognised as finance income in its profit or loss and (iii) revenue from operating and maintaining the infrastructure, which will be recognised in its profit or loss.

Notes receivable

Interest-bearing notes receivables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method less impairment. Interest is recognised by applying the effective interest method.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade or other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

2. Summary of significant accounting policies (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, if the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and unitholders' funds

Classification as debt or equity

Financial liabilities and unitholders' funds issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and unitholders' funds.

Units issued

Units in issue are classified as equity in the unitholders' funds. Units issue costs represent expense incurred in connection with the issue of units. All such expense are deducted directly from unitholders' funds.

Financial liabilities

Trade payables, other payables and amount due to related parties and companies are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Trust derecognises financial liabilities when, and only when, the Trust's obligations are discharged, cancelled or expired.

PLANT AND EQUIPMENT — Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Office equipment	- 33%
Machinery and equipment	- 20%

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the profit or loss.

IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation. Provisions are measured at the Trustee-Manager's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Costs comprise spare parts and consumables. Cost is calculated using the weighted average method.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable.

Finance income from service concession arrangements

Finance income from service concession arrangement represents the interest income on the service concession receivables arising from a service concession arrangement, and is recognised using the effective interest method.

Operation and maintenance income

Revenue from provision of operation and maintenance service is recognised when the services are rendered.

Construction revenue

Revenue from construction contract is recognised based on the percentage of completion method in proportion to the stage of completion, provided that at least 20% of project milestone has been achieved and the outcome of such contract can be reliably estimated. The percentage of completion is measured by reference to the proportion of the contract cost incurred to date to the estimated contract costs.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial assets to that assets' net carrying amount.

Notes to Financial Statements

2. Summary of significant accounting policies (continued)

Distribution income

Distribution income from investment in subsidiary is recognised when the unitholders' right to receive payment have been established.

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

INCOME TAX - Income tax expense represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Current and deferred taxes are recognised as an expense or income in the profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in the profit or loss, except when they relate to items credited or debited directly to unitholders' funds, in which case the tax is also recognised directly in unitholders' funds, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS - The Trust's financial statements are measured and presented in the currency of the primary economic environment in which the Trust operates (its functional currency). The financial statements of the Group are presented in Singapore dollars.

In preparing the financial statements of the Group, transactions in currencies other than the Trust's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the end of the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

CASH AND CASH EQUIVALENTS - Cash and cash equivalents comprise cash on hand and at banks and deposits placed with a related party that are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 2 to the financial statements, the Trustee-Manager is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Critical judgements in applying the Group's accounting policies

The Trustee-Manager is of the opinion that any instance of application of judgement is not expected to have a significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

(a) Impairment of investment in subsidiaries

The Trustee-Manager assesses at each reporting date whether there is an indication that the investment in subsidiaries may be impaired. Should there be any indicator of impairment, the Trustee-Manager then estimates the recoverable amount based on the higher of fair value less costs to sell or value-in-use of the investment. Estimating the value-in-use requires the Trustee-Manager to make estimate of the expected future cash flows from the cash-generating units and also to choose an appropriate discount rate in order to calculate the present value of those cash flows. During the year, there was no indicator to suggest that the investment in subsidiaries has suffered any impairment loss.

The carrying amount of the investment in subsidiaries at the end of the reporting period is disclosed in Note 7 to the financial statements.

(b) Recognition of service concession receivables

The Group recognises a financial receivable if it has a contractual right under the concession agreements to receive a fixed and determinable amount of payments during the concession period, which will be apportioned between (i) interest income recognised as finance income in its income statement, and (ii) a repayment of the receivable used to reduce the carrying amount of the receivable at the end of its reporting period. The apportionment is determined using the effective interest rate which in turn was derived from the Trustee-Manager's estimate of the cash flows that is expected to arise from the concession agreements.

(c) Construction revenue recognition

The Group recognises contract revenue based on the stage of completion method. The stage of completion is measured in accordance with the accounting policy stated in Note 2 to the financial statements. Significant assumption is required in determining the stage of completion based on the extent of the contract cost incurred. Revenue from construction contracts is disclosed in Note 17 to the financial statements.

Notes to Financial Statements

4. Financial instruments, financial risks and capital risks management

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Trust	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial Assets				
Loans and receivables (including cash, bank and deposit balances)	103,012	11,502	322,042	317,219
Service concession receivables	642,304	443,689	-	-
Total	<u>745,316</u>	<u>455,191</u>	<u>322,042</u>	<u>317,219</u>
Financial Liabilities				
Payables, at amortised cost	<u>21,834</u>	<u>467,387</u>	<u>2,438</u>	<u>317,219</u>

(b) Financial risk management policies and objectives

The Group's overall financial risk management seeks to minimise potential adverse effects of financial performance of the Trust. There have been no changes to the Trust's exposure to these financial risks or the manner in which the Trustee-Manager manages and measures the risk.

(i) Foreign exchange risk management

The Group's exposure to foreign exchange risk is minimal as it does not have any foreign currency denominated balances at the end of the reporting period. Hence, no sensitivity analysis is performed and presented.

(ii) Interest rate risk management

The Group's and the Trust's exposure to interest rate risk is minimal, which is only the deposits placed with a related party (Note 12). Hence, no sensitivity analysis is performed and presented.

(iii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, there is a significant concentration of credit risk to the Group's customer, which is the Government of the Republic of Singapore, for the duration of the service concession contract entered into. The Trustee-Manager monitors the credit risk by ensuring that payments are received by the contracted date. The maximum exposure to credit risk is the carrying amount of financial assets which are mainly trade and other receivables and bank balances and cash.

Financial assets that are neither past due nor impaired

The trade receivables have an average credit period of 45 days.

All the Group's trade receivables and service concession receivables are neither past due nor impaired and are recoverable from a creditworthy customer, i.e., the Government of the Republic of Singapore.

Information relating to the service concession receivables and trade and other receivables are disclosed in Notes 8 and 11 respectively to the financial statements.

(iv) Liquidity risk management

In the management of the liquidity risk, the Trustee-Manager monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Trustee-Manager manages liquidity risk by maintaining adequate reserves and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk analyses

Non-derivative financial liabilities

The following table details the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Trust can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liabilities on the statement of financial position:

	Weighted average effective interest rate %	On demand or less than 1 year \$'000	Between 1 to 5 years \$'000	Adjustment \$'000	Total \$'000
Group					
2010					
Non-interest bearing	-	<u>21,834</u>	<u>-</u>	<u>-</u>	<u>21,834</u>
2009					
Non-interest bearing	-	321,587	-	-	321,587
Fixed interest rate instrument	6.00	61,919	95,909	(12,028)	145,800
Total		<u>383,506</u>	<u>95,909</u>	<u>(12,028)</u>	<u>467,387</u>
Trust					
2010					
Non-interest bearing	-	<u>2,438</u>	<u>-</u>	<u>-</u>	<u>2,438</u>
2009					
Non-interest bearing	-	<u>317,219</u>	<u>-</u>	<u>-</u>	<u>317,219</u>

Notes to Financial Statements

4. Financial instruments, financial risks and capital risks management (continued)

Non-derivative financial assets

The following tables detail the weighted average effective interest rates and the expected maturity for non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Trust anticipates that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial assets on the statement of financial position.

	Weighted average effective interest rate %	On demand or less than 1 year \$'000	More than 1 year \$'000	Adjustment \$'000	Total \$'000
Group					
2010					
Non-interest bearing	-	19,710	-	-	19,710
Fixed interest rate instrument	0.18 to 0.26	83,317	-	(15)	83,302
Variable interest rate instrument	2.12 to 4.68	54,956	783,006	(195,658)	642,304
Total		<u>157,983</u>	<u>783,006</u>	<u>(195,673)</u>	<u>745,316</u>
2009					
Non-interest bearing	-	11,502	-	-	11,502
Variable interest rate instrument	1.67	38,636	471,473	(66,420)	443,689
Total		<u>50,138</u>	<u>471,473</u>	<u>(66,420)</u>	<u>455,191</u>
Trust					
2010					
Non-interest bearing	-	220	-	-	220
Fixed interest rate instrument	0.18 to 6.00	31,686	553,038	(262,902)	321,822
Total		<u>31,906</u>	<u>553,038</u>	<u>(262,902)</u>	<u>322,042</u>
2009					
Non-interest bearing	-	317,219	-	-	317,219

(v) Fair value of financial assets and financial liabilities

The Trustee-Manager considers that the carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

(c) Capital risk management policies and objectives

The Group and the Trust manages its capital to ensure that it will be able to continue as a going concern while maximising the return to its stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group and the Trust consists of unit attributable to unitholders of the Trust, comprising issued units and revenue reserves as disclosed in the notes to financial statements.

The Trustee-Manager reviews the capital structure on an annual basis. As a part of this review, the Trustee-Manager considers the cost of capital and the risks associated with each class of capital. The Trustee-Manager will evaluate its overall capital, distributions, new unit issues, obtain new borrowings or sell assets to reduce borrowings.

5. Related party and related companies transactions

a) Related Parties

Related parties are entities with common direct or indirect shareholders and or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the Group and the Trust's transactions and arrangements were with related parties and the effect of these, on the basis determined between the parties, were reflected in these financial statements. The balances are unsecured, repayable on demand and interest-free unless otherwise stated.

Significant transactions with related parties:

	Group	
	January 1, 2010 to December 31, 2010 \$'000	July 23, 2009 to December 31, 2009 \$'000
Interest income	(84)	-
Interest expense	6	-
Operation and maintenance expense	16,405	-
Construction expenses	15,709	-
Trustee-Manager's fee expense	2,305	-
Electricity expense	3,095	-

b) Trustee-Manager

The Trust Deed provides the following fees payable to the Trustee-Manager:

Management Fee and Performance Fee

The Trustee-Manager (in its personal capacity) is entitled under the Trust Deed to a Management Fee and a Performance Fee for its provision of services to the Trust. These fees are payable for each calendar quarter ending on March 31, June 30, September 30 and December 31 of each year (each referred to as a "Quarter").

The Management Fee comprises a fixed fee of \$2.0 million per annum and covers the on-going operating costs of the Trustee-Manager. To provide for inflation, the Management Fee is subject to increase each year by such percentage representing the percentage increase (if any) in the average of the monthly Singapore Consumer Price Index ("CPIS") for the 12 calendar months immediately preceding the beginning of each financial year ("FY") over the average of the monthly CPIS for FY2010.

The Performance Fee is calculated at 4.5% per annum of the sum of all cash inflow received by the Trust from subsidiaries, associates, sub-trusts and its investments (including but not limited to dividends, distributions, interest earned, revenues earned, principal repayment of debt securities and all other receipts).

The Management Fee and the Performance Fee will be payable to the Trustee-Manager quarterly in arrears, for each of the first three Quarters in a FY, within 55 calendar days after the end of that Quarter, and for the last Quarter in a FY, within 70 calendar days after the end of that Quarter.

The Trustee-Manager may elect for Units in lieu of all or a portion of the Management Fee and/or the Performance Fee payable in respect of the relevant Quarter and the Trustee-Manager shall be entitled to receive, such number of Units as may be purchased by the amount of such Management Fee and/or Performance Fee which the Trustee-Manager has elected to receive in Units at an issue price equal to the volume weighted average price of Units for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST over the last five Trading Days of that Quarter (rounded to the nearest cents). The volume weighted average trading price for the last five Trading Days in a Quarter shall be the total value of transactions in the Units (for each transaction, the Units price multiplied by the volume) for those five Trading Days divided by the total volume transacted for those five Trading Days.

5. Related party and related companies transactions (continued)

Other fees

In addition to the Management Fee and the Performance Fee, the Trustee-Manager (in its personal capacity) is also entitled to receive an Acquisition Fee in respect of any investment (other than the Plants) acquired by the Trust or any of the Trusts or such other special purpose vehicles holding or constituted to hold Trust's investment and a Divestment Fee in respect of any investment sold or divested by the Trust or a Trust's entity.

The Acquisition Fee will be calculated as follows:

- a) 0.5% (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of the Enterprise Value of any investment acquired, where the investment is acquired:
 - (i) from one or more Sponsor Group Entities (Keppel Integrated Engineering Group); or
 - (ii) partly from one or more Sponsor Group Entities and partly from one or more third parties, and the Sponsor Group Entity(ies) had in aggregate direct or indirect interests of more than 50.0% in such investment prior to the acquisition; and
- b) in all other cases, 1.0% (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of the Enterprise Value of such investment.

The Acquisition Fee is payable within 10 Business Days after the date of completion of the acquisition, and the Trustee-Manager may elect to receive all or part of the Acquisition Fee in Units instead of cash. When paid in the form of Units, the Trustee-Manager is entitled to receive the number of Units as may be purchased with the relevant portion of the Acquisition Fee at the issue price of Units issued to finance or part finance the acquisition in respect of which the Acquisition Fee is payable or, where Units are not issued to finance or part finance the acquisition, at the issue price equal to the volume weighted average price of Units for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST over the last five Trading Days prior to the date of completion of the acquisition. The volume weighted average trading price shall be the total value of transactions in the Units (for each transaction, the Unit price multiplied by the volume) for the five Trading Days divided by the total volume transacted for the five Trading Days.

The Divestment Fee is calculated at the rate of 0.5% (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of the Enterprise Value of any investment sold or divested by the Trust or a Trust's entity.

The Divestment Fee is payable within 10 Business Days after the date of completion of the sale or divestment, and the Trustee-Manager may elect to receive all or part of the Divestment Fee in Units instead of cash.

c) Former related companies

Prior to June 29, 2010, the Trust was a wholly-owned subsidiary of Keppel Integrated Engineering Limited (incorporated in the Republic of Singapore), which is a wholly-owned subsidiary of Keppel Corporation Limited (incorporated in the Republic of Singapore). Related companies in these financial statements refer to members of the former ultimate holding company's group of companies prior to June 29, 2010.

Prior to June 29, 2010, some of the Group and the Trust's transactions and arrangements were with members of the Group and the effect of these, on the basis determined between the parties, was reflected in these financial statements. The balances were unsecured, repayable on demand and interest-free unless otherwise stated.

Significant transactions with related companies:

	Group	
	January 1, 2010 to December 31, 2010 \$'000	July 23, 2009 to December 31, 2009 \$'000
Interest income	(2)	-
Interest expense	4,212	2,991
Operation and maintenance expense	9,924	6,699
Trustee's fee expense	-	7

6. Plant and equipment

	Machinery and equipment \$'000	Computer and office equipment \$'000	Total \$'000
Group			
Cost:			
At July 23, 2009 (date of constitution)	-	-	-
Additions	1,172	22	1,194
At December 31, 2009	1,172	22	1,194
Arising from acquisition of subsidiaries	-	11	11
Disposals	(9)	-	(9)
At December 31, 2010	1,163	33	1,196
Accumulated depreciation:			
At July 23, 2009 (date of constitution)	-	-	-
Depreciation	78	1	79
At December 31, 2009	78	1	79
Depreciation	235	9	244
Disposals	(3)	-	(3)
At December 31, 2010	310	10	320
Carrying amount:			
At December 31, 2010	853	23	876
At December 31, 2009	1,094	21	1,115

7. Subsidiaries

	Trust	
	2010 \$'000	2009 \$'000
Unquoted unit trusts, at cost	423,236	*
Less: Distribution received	(19,700)	-
Net	403,536	*

Distribution received pertains to cash distributions paid out of the Trust property of the subsidiaries. Such distributions are taken against the cost of the unquoted unit trusts as the subsidiaries may declare a cash distribution regardless of whether there are any profits or losses, retained earnings or accumulated losses in respect of a given period.

Notes to Financial Statements

7. Subsidiaries (continued)

The details of the subsidiaries are as follows:

Name of subsidiary	Country of constitution/ incorporation and operations	Proportion of ownership interest and voting power held		2010 \$'000	Cost 2009 \$'000	Principal activity
		2010 %	2009 %			
Senoko Trust	Singapore	100	100	331,404	*	Waste incineration and electricity generation
Tuas DBOO Trust **	Singapore	100	-	60,982	-	Waste incineration and electricity generation
Ulu Pandan Trust **	Singapore	100	-	30,848	-	Collection, purification and distribution of water
Senoko Waste-to-Energy Pte Ltd **	Singapore	100	-	*	-	Trustee of Senoko Trust
Keppel Seghers Tuas Waste-to-Energy Plant Pte Ltd **	Singapore	100	-	1	-	Trustee of Tuas DBOO Trust
Keppel Seghers NEWater Development Co Pte Ltd **	Singapore	100	-	1	-	Trustee of Ulu Pandan Trust
Total				<u>423,236</u>	<u>*</u>	

* Less than \$1,000.

** These subsidiaries which were acquired on June 29, 2010 contributed \$15,425,000 and \$5,565,000 to the Group's revenue and profit before tax respectively between the date of acquisition and December 31, 2010.

Had the business combination during the year been effected at January 1, 2010, the revenue of the Group would have been \$80,396,000, and the profit for the year would have been \$13,176,000.

Notes on Auditors:

The above subsidiaries are audited by the auditors of the Trust, Deloitte & Touche LLP, Singapore.

There were no payments for non-audit services in 2010 and 2009.

8. Service concession receivables

	Group	
	2010 \$'000	2009 \$'000
Service concession receivables	642,304	443,689
Less: Due within 12 months	(54,956)	(38,636)
Due after 12 months	<u>587,348</u>	<u>405,053</u>

This relates to service concession receivables from the following plants:

(a) Senoko Plant

A 15-year contract to own and operate an incinerator plant with a requirement to carry out the Flue Gas Treatment Upgrade, which has contracted incineration capacity of 2,100 tonnes per day with six incinerator-boiler units and two condensing turbine-generators with a power generation capacity of 2x28MW. The sub-trust has a contractual right under the concession arrangement to receive fixed and determinable amounts of payment during the concession period irrespective of usage of the plant.

(b) Tuas DBOO Plant

A 25-year Design-Build-Operate-Own ("DBOO") contract to build, design, own and operate a waste-to-energy plant, which has contracted incineration capacity of 800 tonnes per day with two incinerator-boiler units and one condensing turbine-generator with a power generation capacity of 22MW. The sub-trust has a contractual right under the concession arrangement to receive fixed and determinable amounts of payment during the concession period irrespective of usage of the plant.

(c) Ulu Pandan Plant

A 20-year DBOO contract to build, design, own and operate a water treatment plant, which has the capacity to produce 148,000m³ of NEWater daily. The sub-trust has a contractual right under the concession arrangement to receive fixed and determinable amounts of payment during the concession period irrespective of the output produced.

The Trustee-Manager is of the opinion that the carrying amount of the above approximates its fair value.

9. Notes receivable

Notes receivable of \$290,142,000 (2009 : \$Nil), represent the qualifying project debt securities ("QPDS") receivable from its subsidiaries by the Trust to finance the acquisition of the plants on June 29, 2010. The QPDS are unsecured, repayable between December 31, 2023 to 2028 and bear interest at 6% per annum, payable semi-annually in arrears.

The Trustee-Manager is of the opinion that the carrying amount of the above approximates its fair value.

10. Inventories

	Group	
	2010	2009
	\$'000	\$'000
Spare parts and consumables, at cost	15,159	11,454

Notes to Financial Statements

11. Trade and other receivables

	Group		Trust	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Trade receivables:				
Outside party	8,958	5,611	-	-
Unbilled revenue	8,521	5,298	-	-
	<u>17,479</u>	<u>10,909</u>	<u>-</u>	<u>-</u>
Other receivables:				
Goods and services tax	213	-	213	-
Other receivables	47	38	52	-
Prepayments	408	445	-	-
Deposits	19	-	-	-
Related party (Note 5)	437	-	1	-
Subsidiary (Note 7)	-	-	-	317,219
	<u>1,124</u>	<u>483</u>	<u>266</u>	<u>317,219</u>
Total	<u>18,603</u>	<u>11,392</u>	<u>266</u>	<u>317,219</u>

The average credit period is 45 days (2009 : 45 days). No interest is charged on the outstanding trade receivables.

In 2009, the amount due from subsidiary was unsecured and interest free.

12. Cash, bank and deposit balances

	Group		Trust	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Cash at banks and on hand	1,728	555	167	-
Deposits placed with a related party (Note 5)	83,302	-	31,680	-
Total	<u>85,030</u>	<u>555</u>	<u>31,847</u>	<u>-</u>

The deposits placed with a related party bear interest at 0.18% to 0.26% (2009 : Nil%) per annum for the Group and the Trust respectively and for a tenure of less than 3 months (2009 : Nil days).

13. Trade and other payables

	Group		Trust	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Current liabilities:				
Due to related parties (Note 5):				
Trade	10,694	-	-	-
Non-trade	1,823	-	1,822	-
	<u>12,517</u>	<u>-</u>	<u>1,822</u>	<u>-</u>
Other payables:				
Accrued expenses	8,544	2,785	616	-
Deposits received	51	-	-	-
Goods and services tax payable	662	790	9	-
Other payables	722	28	-	-
	<u>9,979</u>	<u>3,603</u>	<u>625</u>	<u>-</u>
Due to related companies (Note 5):				
Immediate holding company				
Loan	-	-	-	317,219
Non-trade	-	1,555	-	-
Related companies				
Short-term portion of loan	-	54,675	-	-
	<u>-</u>	<u>56,230</u>	<u>-</u>	<u>317,219</u>
Total current liabilities	<u>22,496</u>	<u>59,833</u>	<u>2,447</u>	<u>317,219</u>
Non-current liabilities:				
Due to related companies (Note 5):				
Immediate holding company - Loan	-	317,219	-	-
Related company – Loan	-	145,800	-	-
Total	<u>-</u>	<u>463,019</u>	<u>-</u>	<u>-</u>
Less: Amount included in current liabilities	<u>-</u>	<u>(54,675)</u>	<u>-</u>	<u>-</u>
Total non-current liabilities	<u>-</u>	<u>408,344</u>	<u>-</u>	<u>-</u>

In 2009, the loan payable to a related company amounting to \$145,800,000 was secured by the service concession receivables (Note 8) and bore interest at 6% per annum. The loan was repayable in 30 half yearly instalments commencing from September 2007. This loan was fully repaid in 2010.

14. Deferred tax liability

	Group	
	2010 \$'000	2009 \$'000
Arising during the year and balance at end of year (Note 19)	<u>147</u>	<u>-</u>

The balance comprises mainly the tax effect of the excess of tax over book depreciation of plant and equipment.

Notes to Financial Statements

15. Units in issue

	Group and Trust			
	2010 Number of Units	2009	2010 \$'000	2009 \$'000
As at beginning of year/date of constitution	1	-	-	-
Issue of units:				
- Incorporation of Trust	-	1	-	-
- Introduction of Trust	627,644,674	-	719,377	-
Issue costs	-	-	(2,542)	-
Trustee-Manager's fee paid in units	467,893	-	519	-
As at end of year	628,112,568	1	717,354	-

- a) Each unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:
- (i) Receive income and other distributions attributable to the units held.
 - (ii) Participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust; and
 - (iii) Receive audited accounts and the annual reports of the Trust.
- b) The restrictions of a Unitholder include the following:
- (i) a Unitholder has no right to request the Trustee-Manager to transfer to him any asset of the Trust; and
 - (ii) a Unitholder cannot give any directions to the Trustee-Manager (whether at a meeting of Unitholders or otherwise) if it would require the Trustee-Manager to do or omit doing anything which may result in:
 - the Trust ceasing to comply with applicable laws and regulations; or
 - the exercise of any discretion expressly conferred to the Trustee-Manager by the Trust Deed.
- c) A Unitholder's liability is limited to the amount paid or payable for any units in the Trust. The provisions of the Trust Deed provide that no Unitholders will be personally liable to indemnify the Trustee-Manager or any creditor of the Trustee-Manager in the event the liabilities of the Trust exceed its assets.
- d) In 2010, the units issue costs comprised costs directly attributable to the issuance of the units. These expenses are deducted directly against the unitholders' fund.
- e) In 2010, 467,893 units were issued to the Trustee-Manager as payment of the Trustee-Manager's fees for the period from June 29, 2010 to September 30, 2010 amounting to \$519,000, based on a unit price of \$1.11.

16. Earnings per unit

The calculation of basic earnings per unit is based on the weighted average number of units as at end of the year.

	Private Trust January 1, 2010 to June 28, 2010	Public Trust June 29, 2010 to December 31, 2010	Total January 1, 2010 to December 31, 2010	Private Trust July 23, 2009 to December 31, 2009
Group				
Earnings for the purposes of basic earnings per unit (\$'000)	<u>847</u>	<u>8,726</u>	<u>9,573</u>	<u>19</u>
Weighted average number of units: for the purposes of basic earnings per unit ('000)	<u>N.M.</u>	<u>627,745</u>	<u>627,745</u>	<u>N.M.</u>
Earnings per unit (cents) – basic:	<u>N.M.</u>	<u>1.39</u>	<u>1.53</u>	<u>N.M.</u>

The weighted average number of units is based on the period from June 29, 2010 to December 31, 2010 only.

Diluted earnings per unit is the same as the basic earnings per unit as there is no dilutive instruments in issue during the year.

17. Revenue

	Group			
	Private Trust January 1, 2010 to June 28, 2010 \$'000	Public Trust June 29, 2010 to December 31, 2010 \$'000	Total January 1, 2010 to December 31, 2010 \$'000	Private Trust July 23, 2009 to December 31, 2009 \$'000
Construction revenue	-	16,463	16,463	-
Finance income	4,444	9,586	14,030	2,528
Operation and maintenance income	12,078	23,238	35,316	8,084
Total	<u>16,522</u>	<u>49,287</u>	<u>65,809</u>	<u>10,612</u>

18. Net interest (expense) income

	Group			
	Private Trust January 1, 2010 to June 28, 2010 \$'000	Public Trust June 29, 2010 to December 31, 2010 \$'000	Total January 1, 2010 to December 31, 2010 \$'000	Private Trust July 23, 2009 to December 31, 2009 \$'000
Interest income:				
Related party (Note 5)	-	84	84	-
Related companies (Note 5)	2	-	2	-
Interest expense:				
Related party (Note 5)	-	(6)	(6)	-
Related companies (Note 5)	(4,212)	-	(4,212)	(2,991)
Net	<u>(4,210)</u>	<u>78</u>	<u>(4,132)</u>	<u>(2,991)</u>

Notes to Financial Statements

19. Income tax expense

	Group			
	Private Trust January 1, 2010 to June 28, 2010 \$'000	Public Trust June 29, 2010 to December 31, 2010 \$'000	Total January 1, 2010 to December 31, 2010 \$'000	Private Trust July 23, 2009 to December 31, 2009 \$'000
Current tax	179	414	593	9
Deferred tax (Note 14)	-	147	147	-
Income tax expense	179	561	740	9

Domestic income tax is calculated at 17% (2009 : 17%) of the estimated for the year/period. Tax for the year can be reconciled to the accounting profit as follows:

	Group			
	Private Trust January 1, 2010 to June 28, 2010 \$'000	Public Trust June 29, 2010 to December 31, 2010 \$'000	Total January 1, 2010 to December 31, 2010 \$'000	Private Trust July 23, 2009 to December 31, 2009 \$'000
Profit before income tax	1,026	9,287	10,313	28
Tax at the domestic income tax rate of 17% (2009 : 17%)	174	1,579	1,753	5
Tax effect of disallowable expense	5	57	62	4
Tax effect of exempt income	-	(1,075)	(1,075)	-
Income tax expense	179	561	740	9

20. Commitment

	Group	
	2010 \$'000	2009 \$'000
Capital expenditure contracted but not provided for	31,894	-

This is in respect of a contract placed for the construction of the flue gas treatment of a waste-to-energy plant.

21. Operating segments

The Group determines its operating segments based on internal reports of segment profit or loss about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

The Group is organised into business units based on their services on which information is prepared and reportable to the Group's chief operating decision maker for the purposes of resources allocation and assessment of performance.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2 to the financial statements.

	Waste Management \$'000	Water and Wastewater Treatment \$'000	Total \$'000
December 31, 2010			
Revenue	<u>58,042</u>	<u>7,767</u>	<u>65,809</u>
Result:			
Operating profit	15,286	2,045	17,331
Interest income	63	18	81
Interest expense	<u>(4,218)</u>	<u>-</u>	<u>(4,218)</u>
Profit before tax	11,131	2,063	13,194
Income tax expense	<u>(630)</u>	<u>(110)</u>	<u>(740)</u>
Segment profit	<u>10,501</u>	<u>1,953</u>	<u>12,454</u>
Trustee-Manager's fees			(2,305)
Interest income			5
Trust expenses			<u>(581)</u>
			<u>9,573</u>
Other information:			
Additions to non-current assets	16,463	-	16,463
Depreciation	<u>241</u>	<u>3</u>	<u>244</u>

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 the Trust by the subsidiaries.

Additions to non-current assets relate to construction revenue recognised as service concession receivables at the end of the reporting period under INT FRS 112 – *Service Concession Arrangements*.

The period before June 29, 2010 where the Trust was held as a private trust before listing includes only the results of Senoko Plant which is in the Waste Management segment and thus not separately disclosed.

Notes to Financial Statements

22. Distribution per unit

- a) During the financial year, a tax exempt one-tier interim dividend totalling \$866,000 was paid in respect of the period from January 1, 2010 to June 28, 2010 when the Trust was held as a private trust.

	June 29, 2010 to December 31, 2010
b) Distribution per unit (cents)	<u>4.31</u>
Based on total issued units ('000) (including new units issued for Trustee-Manager's fees payable in units)	<u>629,781</u>

Distribution payable to unitholders is derived from ⁽¹⁾:

	\$'000
Interest received from subsidiaries ⁽²⁾	8,871
Distribution received from subsidiaries	19,700
Cash paid or provided for trust expenses	(581)
Residual cash flow of Trust	27,990
Cash set aside for working capital requirements	(847)
Total distribution to unitholders	<u>27,143</u>

(1) Distribution by Trust will be paid from its residual cash flows in accordance with "Distributions" set out in page 34 of the Introductory Document.

(2) This pertains to interest received by the Trust pursuant to the notes receivable 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.

Total annual distribution:

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

* Distribution 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.

23. Comparative figures

In 2010, the financial statements cover the financial year from January 1, 2010 to December 31, 2010. The breakdown of the 2010 financial information in the Consolidated Statement of Comprehensive Income and the related notes into (a) Period from January 1 to June 28, 2010 under the Private Trust and (b) Period from June 29 to December 31, 2010 under the Public Trust, is shown for information purpose only.

The comparative figures of the Trust covered the financial period from July 23, 2009 (date of constitution) to December 31, 2009.

The comparative figures of the Group incorporated the separate audited financial statements of the Trust and Senoko Trust (which was constituted on July 23, 2009) respectively and are shown in the above accompanying financial statements for information purpose only. During the previous financial year, the Trust did not issue any consolidated financial statements as the Trust itself was a wholly-owned subsidiary of Keppel Integrated Engineering Limited which in turn is a wholly-owned subsidiary of Keppel Corporation Limited, and prepared publicly available consolidated financial statements.

Notice of Annual General Meeting



(Registration No. 2010002)
(Constituted in the Republic of Singapore as a business trust
pursuant to a trust deed dated 23 July 2009 (as amended))

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the holders of units of K-Green Trust ("**KGT**", and the holders of units of KGT, "**Unitholders**") will be held at InterContinental Singapore, Bugis Grand Ballroom, Level 2, 80 Middle Road, Singapore 188966 on Friday, 15 April 2011 at 3.00 p.m. to transact the following business:

(A) AS ORDINARY BUSINESS

1. To receive and adopt the Report of the Trustee-Manager, the Statement by the Trustee-Manager and the Audited Financial Statements of KGT for the year ended 31 December 2010 and the Independent Auditors' Report thereon.
2. To re-appoint Messrs Deloitte & Touche LLP as Auditors of KGT to hold office until the conclusion of the next AGM of KGT, and to authorise the Trustee-Manager to fix their remuneration.

Ordinary Resolution 1

Ordinary Resolution 2

(B) AS SPECIAL BUSINESS

To consider, and, if thought fit, to pass with or without any modifications, the following resolutions as Ordinary Resolutions:

3. That pursuant to Clause 6.1 of the trust deed constituting KGT executed by the Trustee-Manager on 23 July 2009 (as amended) (the "Trust Deed"), Section 36 of the Business Trusts Act (Chapter 31A of Singapore) (the "Business Trusts Act") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Trustee-Manager be authorised and empowered to:
 - (a) (i) issue units in KGT ("Units") whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, "Instruments") that would or might require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, options, warrants, debentures or other instruments convertible into Units,at any time and on such terms and conditions and for such purposes and to such persons as the Trustee-Manager may in its absolute discretion deem fit; and
- (b) issue Units in pursuance of any Instrument made or granted by the Trustee-Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

Ordinary Resolution 3

Notice of Annual General Meeting

provided that:

- (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued on a non pro rata basis to Unitholders (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed twenty per cent. (20%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);
- (2) subject to such manner of calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units, if any) shall be calculated based on the total number of issued Units (excluding treasury Units, if any) at the time this Resolution is passed, after adjusting for:
 - (a) any new Units arising from the conversion or exercise of any Instruments which are outstanding or subsisting at the time this Resolution is passed; and
 - (b) any subsequent bonus issue, consolidation or subdivision of Units;
- (3) in exercising the authority conferred by this Resolution, the Trustee-Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), the Trust Deed and the Business Trusts Act;
- (4) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution shall continue in force until (a) the conclusion of the next AGM of KGT or (b) the date by which the next AGM of KGT is required by applicable regulations to be held, whichever is earlier;
- (5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Trustee-Manager is authorised to issue additional Instruments or Units pursuant to such adjustment, notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and
- (6) the Trustee-Manager and any of its Directors be and are hereby severally authorised to complete and do all such acts and things (including executing, as the case may be, all such documents as may be required) as the Trustee-Manager or, as the case may be, the Director may consider expedient or necessary or in the interest of KGT to give effect to the authority conferred by this Resolution.

(Please see Explanatory Note 1)

4. That:

Ordinary Resolution 4

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("Chapter 9") of the SGX-ST, for KGT, its subsidiaries and associated companies that are "entities at risk" (as defined under Chapter 9), or any of these entities, to enter into any of the transactions falling within the types of interested person transactions, described in the Appendix accompanying this Notice dated 24 March 2011 (the "Appendix") issued by the Trustee-Manager, with any party who is of the class of interested persons described in the Appendix, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions (the "Unitholders' Mandate");
- (b) the Unitholders' Mandate shall, unless revoked or varied by the Unitholders in a general meeting, continue in force until the date that the next AGM of KGT is held or is required by law to be held, whichever is earlier; and
- (c) the Trustee-Manager and any of its Directors be and are hereby severally authorised to complete and do all such acts and things (including, executing, as the case may be, all such documents as may be required) as the Trustee-Manager or, as the case may be, the Director may consider expedient or necessary or in the interest of KGT to give effect to the Unitholders' Mandate and/or this Resolution.

(Please see Explanatory Note 2)

(C) AS OTHER BUSINESS

5. To transact such other business as may be transacted at an AGM of KGT.

BY ORDER OF THE BOARD

Keppel Infrastructure Fund Management Pte. Ltd.

(Company Registration No. 200803959H)

as Trustee-Manager of K-Green Trust



Joseph Ng/Ng Wai Hong

Company Secretaries

Singapore

24 March 2011

Notice of Annual General Meeting

Explanatory notes:

1. Ordinary Resolution 3

Ordinary Resolution 3 above, if passed, will empower the Trustee-Manager from the date of the AGM until (i) the conclusion of the next AGM of KGT, (ii) the date by which the next AGM of KGT is required by law to be held, or (iii) the date on which such authority is revoked or varied by the Unitholders in a general meeting, whichever is the earliest, to issue Units, to make or grant Instruments and to issue Units pursuant to such Instruments, up to a number not exceeding 50% of the total number of issued Units, of which up to 20% may be issued on a non pro rata basis to Unitholders (in each case, excluding treasury Units, if any).

For determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the issued Units at the time Ordinary Resolution 3 above is passed, after adjusting for new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Ordinary Resolution 3 above, if passed, will empower the Trustee-Manager from the date of this AGM until the date of the next AGM of KGT, to allot and issue Units to itself instead of cash in the event the Trustee-Manager elects in accordance with Clause 12 of the Trust Deed to receive all or any part of the fees due and payable to it in Units, provided that such allotment and issue shall be in accordance with the provisions of the Trust Deed, the Business Trusts Act and applicable regulations.

2. Ordinary Resolution 4

Ordinary Resolution 4 relates to the renewal of a mandate given by the Unitholders on 24 May 2010 approving KGT, its subsidiaries and associated companies that are “entities at risk” (as that term is used in Chapter 9), or any of these entities, to enter into transactions falling within the types of interested person transactions described as Mandated Transactions (as defined in the introductory document of KGT dated 31 May 2010 (the “Introductory Document”)), with any party who is of the class of interested persons described in KGT’s Introductory Document. Please refer to the Appendix of this Notice of Annual General Meeting for details.

Notes:

1. A Unitholder entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder.
2. In any case where a proxy form appoints more than one proxy, the proportion of the holding (expressed as a percentage of the whole) of Units concerned to be represented by each proxy shall be specified in the proxy form.
3. The proxy form must be deposited at the registered office of the Trustee-Manager at 1 HarbourFront Avenue, #18-01, Keppel Bay Tower, Singapore 098632 not less than 48 hours before the time fixed for the AGM.

Proxy Form

K-GREENtrust

(Registration No. 2010002)

(Constituted in the Republic of Singapore as a business trust pursuant to a trust deed dated 23 July 2009 (as amended))

IMPORTANT

1. For CPF investors who hold units in K-Green Trust, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR THEIR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
3. CPF investors who wish to attend the Annual General Meeting as observers have to submit their requests through their CPF Approved Nominees so that their CPF Approved Nominees may register, within the specified timeframe, with K-Green Trust's Unit Registrar. CPF Approved Nominees, please refer to Note 15 on the reverse side of the Proxy Form for further details.
4. CPF Investors who wish to vote must submit their voting instructions to their CPF Approved Nominees to enable them to vote on their behalf.

5. PLEASE READ THE NOTES TO THE PROXY FORM.

ANNUAL GENERAL MEETING

I/We _____
(Name(s) and NRIC Number(s)/Passport Number(s)/Company Registration Number)
of _____ (address)
being a Unitholder/Unitholders of K-Green Trust ("KGT") hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Unitholdings	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of Unitholdings	
			No. of Units	%

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and if necessary, to demand a poll, at the Annual General Meeting of KGT ("AGM") to be held at InterContinental Singapore, Bugis Grand Ballroom, Level 2, 80 Middle Road, Singapore 188966 on Friday, 15 April 2011 at 3.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the AGM.

No.	Ordinary Resolutions	To be used on a show of hands		To be used in the event of a poll	
		For*	Against*	Number of Votes For**	Number of Votes Against**
	Ordinary Business				
1.	To receive and adopt the Report of the Trustee-Manager, the Statement by the Trustee-Manager and the Audited Financial Statements of KGT for the year ended 31 December 2010.				
2.	To re-appoint Messrs Deloitte & Touche LLP as Auditors of KGT and authorise the Trustee-Manager to fix the Auditors' remuneration.				
	Special Business				
3.	To authorise the Trustee-Manager to issue Units and to make or grant convertible instruments.				
4.	To authorise the renewal of the Unitholders' Mandate.				
	Other Business				
5.	To transact any other business as may be transacted at an AGM.				

* Please indicate your votes "For" or "Against" with a tick (✓) within the box provided.

** If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2011

Total Number of Units held	
-------------------------------	--

Signature(s) of Unitholder(s)/Common Seal of Corporate Unitholder

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Notes to proxy form:

1. A Unitholder of KGT ("Unitholder") entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint one or two proxies to attend and vote in his/her stead.
2. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.
3. A proxy need not be a Unitholder.
4. A Unitholder should insert the total number of units in KGT ("Units") held. If the Unitholder has Units entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited ("CDP"), he/she should insert that number of Units. If the Unitholder has Units registered in his/her name in the Register of Unitholders of KGT, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders, he/she should insert the aggregate number of Units. If no number is inserted, this Proxy Form (as defined in note 5 below) will be deemed to relate to all the Units held by the Unitholder.
5. The instrument appointing a proxy or proxies (the "Proxy Form") must be deposited at the registered office of the Trustee-Manager at 1 HarbourFront Avenue, #18-01, Keppel Bay Tower, Singapore 098632 not less than 48 hours before the time appointed for the AGM.
6. Completion and return of the Proxy Form shall not preclude a Unitholder from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the AGM in person, and in such event, the Trustee-Manager reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the AGM.
7. The Proxy Form shall be in writing, under the hand of the appointor or of his/her attorney duly authorised in writing or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised. The Trustee-Manager shall have the right to reject a Proxy Form which has not been properly completed. In determining the rights to vote and other matters in respect of a completed Proxy Form submitted to it, the Trustee-Manager shall have regard to any instructions and/or notes set out in the Proxy Form.
8. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority must (failing previous registration with the Trustee-Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

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Affix
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Stamp

The Company Secretary
Keppel Infrastructure Fund Management Pte. Ltd.
(as Trustee-Manager of K-Green Trust)
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632

Fold along this line (1)

9. The Proxy Form and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at such place as the Trustee-Manager may in the notice convening the meeting direct, or if no such place is appointed, then at the registered office of the Trustee-Manager not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the person named in the Proxy Form proposes to vote and in default the Proxy Form shall not be treated as valid. No Proxy Form shall be valid after the expiration of 12 months from the date named in it as the date of its execution.
10. A Unitholder entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote at the same meeting, provided that, in the case of Units entered in the Depository Register, the Trustee-Manager shall be entitled and bound:
 - (a) to reject any Proxy Form lodged if the Unitholder, being the appointer, is not shown to have any Units entered against his name in the Depository Register as at 48 hours before the time of the relevant meeting as certified by CDP to KGT; and
 - (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Unitholder is or are able to cast on a poll a number which is the number of Units entered against the name of that Unitholder in the Depository Register as at 48 hours before the time of the relevant meeting as certified by CDP to KGT, whether that number is greater or smaller than the number specified in any Proxy Form executed by or on behalf of that Unitholder.
11. In any case where a Proxy Form appoints more than one proxy, the proportion of the holding of Units concerned to be represented by each proxy shall be specified in the Proxy Form.
12. All Unitholders will be bound by the outcome of the AGM regardless of whether they have attended or voted at the AGM.
13. A resolution put to the vote of the AGM shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded (a) by the Chairman; (b) by five or more Unitholders having the right to vote at the AGM (provided that in the event there is only one Unitholder, such sole Unitholder shall be entitled to demand a poll); or (c) by Unitholder(s) representing not less than 10% of the total voting rights of all the Unitholders having the right to vote at the AGM. Unless a poll is so demanded, a declaration by the Chairman that such a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
14. On a show of hands, every Unitholder who (being an individual) is present in person or by proxy or (being a corporation) is present by one of its officers as its proxy shall have one vote. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he/she is the Unitholder. A person entitled to more than one vote need not use all his/her votes or cast them the same way.
15. CPF Approved Nominees acting on the request of the CPF investors who wish to attend the Annual General Meeting as observers are requested to submit in writing, a list with details of the CPF investors' names, NRIC/Passport numbers, addresses and number of Units held. The list (to be signed by an authorised signatory of the CPF Approved Nominee) should reach KGT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower Singapore 048623 not less than 48 hours before the time fixed for the AGM.

Request Form



(Registration No. 2010002)

[Constituted in the Republic of Singapore as a business trust pursuant to a trust deed dated 23 July 2009 (as amended)]

24 March 2011

Dear Unitholder,

We are providing a copy of the following documents in digital format in the enclosed CD:

- (a) Report of the Trustee-Manager, Statement by the Trustee-Manager and the Audited Financial Statements of K-Green Trust for year ended 31 December 2010 ("FY 2010") and the Independent Auditors' Report (collectively referred to as "Annual Report");
- (b) Appendix to the Notice of Annual General Meeting dated 24 March 2011 ("**Appendix**"); and
- (c) Audited Financial Statements of Keppel Infrastructure Fund Management Pte. Ltd. prepared in accordance with section 201 of the Companies Act (Cap 50) ("**TM's Accounts**", and together with the Appendix, the "**Documents**").

In line with the Trustee-Manager's commitment towards sustainable development and "green" practices, we encourage you to read the Annual Report and the Documents from the CD or online from K-Green Trust's website at <http://www.kgreentrust.com/publications.html>. By doing so, you are helping us to be environmentally-friendly.

In addition to the enclosed CD, we are providing Unitholders with the option of receiving a printed copy (a "**Print Copy**") of the Annual Report for FY 2010 and the Documents, at no cost upon request.

Please indicate your preference by ticking the appropriate box in the request form below and returning it to us **by 31 March 2011**. If we do not receive your request form by such date, you will be taken to have indicated that you do not wish to receive a Print Copy of the Annual Report for FY 2010 or the annual reports for future financial years, for as long as you are a Unitholder.

Yours faithfully

For and on behalf of Keppel Infrastructure Fund Management Pte. Ltd.
(as Trustee-Manager of K-Green Trust)

Ng Wai Hong/Joseph Ng
Company Secretaries

REQUEST FORM

To: Keppel Infrastructure Fund Management Pte. Ltd.

NB. Please tick only one box. Incomplete or incorrectly completed forms will not be processed.

[] I/We wish to receive a Print Copy of the Annual Report FY 2010 and the Documents contained in the CD. (**CPFIS Unitholders can only choose this option**)

[] I/We wish to receive a Print Copy of the Annual Report FY 2010, the Documents in the CD and all subsequent annual reports and documents for future financial years for as long as I/we am/are a Unitholder/s of K-Green Trust.

Name(s) of Unitholder(s): _____ *NRIC/Passport Number(s): _____

The shares are held by me under or through: ☐ CDP Securities Account No.

1	6	8	1	-					-				
---	---	---	---	---	--	--	--	--	---	--	--	--	--

☐ CPFIS Account

☐ Physical Scrips

Address: _____ Singapore _____

Signature(s): _____ Date: _____

* delete where inapplicable

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The Company Secretary
Keppel Infrastructure Fund Management Pte. Ltd.
(as Trustee-Manager of K-Green Trust)
C/o The Central Depository (Pte) Limited
4 Shenton Way #02-01
SGX Centre 2
Singapore 068807

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Notes

This annual report is printed on Meridien Brilliance, Eco-Frontier and Excel Satin. These papers are environmentally-friendly and are produced with a minimum content of 51% recycled paper.

Edited and Compiled by

Group Corporate Communications, Keppel Corporation

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