

## Joint Media Release

### Keppel Infrastructure Trust to acquire additional 39% stake in Keppel Merlimau Cogen Plant from Keppel Core Infrastructure Fund

**Singapore, 4 May 2026** – Keppel Infrastructure Fund Management Pte. Ltd. (KIFM), as Trustee-Manager of Keppel Infrastructure Trust (KIT), is pleased to announce that it has entered into an agreement with a wholly-owned subsidiary of Keppel Core Infrastructure Fund, LP (KCIF) to acquire KCIF's entire 39% stake in Keppel Merlimau Cogen Plant (KMC)<sup>1</sup> for up to approximately \$128.1 million<sup>2</sup>. Post-transaction, KIT will hold, directly and indirectly, an aggregated 90% stake in KMC, with the remaining 10% retained by Keppel Ltd.'s Infrastructure Division.

Leveraging the Trustee-Manager's deep knowledge of KMC, which is already a cornerstone asset in KIT's portfolio, the acquisition is expected to be accretive<sup>3</sup> to KIT Unitholders and will reinforce the Trustee-Manager's strategy of acquiring high-quality, essential infrastructure assets that deliver stable and predictable cash flows to KIT. KMC's robust long-term contract with Keppel's Infrastructure Division provides strong and stable cash flow generation with well-mitigated risks, further enhancing its position as a strong and stable contributor to KIT's portfolio. Additionally, the increased stake will expand KIT's exposure to essential infrastructure that plays a vital role in supporting Singapore's long-term energy security.

For Keppel, the proposed divestment will crystallise value, as well as enable capital recycling, which enables Keppel to allocate capital to investments with higher returns.

KMC is a highly attractive, strategic and cash flow defensive asset. With a capacity of 1,300 MW, this combined-cycle gas turbine power plant on Jurong Island supplies more than 10% of Singapore's electricity. Since its launch as Singapore's first independent power project in 2007, KMC has built a stellar track record of operational excellence, efficiency, and reliability.

KMC is one of Singapore's most efficient power plants and has been progressively upgraded and enhanced over the years. This includes significant upgrades of two of its gas turbines in the past four years, which have significantly improved operational efficiency, reduced emissions, and prepared KMC for future shifts in energy production, including hydrogen compatibility. These upgrades not only enhance KMC's longevity and relevance but also support the growing focus on sustainability and decarbonisation.

Mr Jopy Chiang, Deputy CIO of Keppel and CIO of Infrastructure, Keppel, said, "The proposed sale of KCIF's stake in Keppel Merlimau Cogen Plant to KIT reflects our ability to create value for multiple stakeholders by leveraging Keppel's power generation capabilities. Supported by a long term capacity tolling agreement with Keppel's Infrastructure Division through 2040, KMC is well positioned to deliver stable yields for KIT's unitholders. In addition, as the operator of KMC, Keppel remains committed to maintaining a high level of operational

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<sup>1</sup> KIT will acquire KCIF's 39% stake in KMC through the 100% acquisition of Kindle Energy Pte. Ltd., which is a holding special purpose vehicle for KCIF's investment in KMC, with no other operating activities.

<sup>2</sup> The purchase consideration of up to approximately \$128.1 million comprises the base purchase price of approximately \$120.9 million and a ticking fee of up to approximately \$7.2 million calculated on the basis that completion occurs on the long stop date of 30 September 2026. As the ticking fee will vary depending on the date of completion, it will be reduced if completion occurs prior to the long stop date. Based on the current transaction timeline, if completion were to occur on 30 June 2026, the ticking fee would be approximately \$4.8 million, resulting in a purchase consideration of \$125.7 million.

<sup>3</sup> The Proposed Transaction is expected to support the overall Funds From Operations (FFO) and Distribution per Unit (DPU) accretion to Unitholders with an increase in pro forma FFO by approximately 8% and pro forma DPU by approximately 6%.

efficiency, which not only allows us to achieve quality returns but also contribute to Singapore's energy resilience."

Mr Kevin Neo, CEO of KIFM, Trustee-Manager of KIT, said, "KMC is a critical and well-proven asset that has consistently demonstrated efficiency, reliability, and strategic importance in supporting Singapore's power system. By increasing KIT's stake in KMC, we reinforce our commitment to investing in essential infrastructure that underpins Singapore's long-term energy security, particularly amid today's volatile energy landscape. This proposed acquisition will generate stable and predictable cash flows to KIT, strengthen KIT's position as a trusted infrastructure asset manager and enhance its ability to deliver sustainable returns for our unitholders."

If the proposed acquisition had been completed on 1 January 2025, and KIT held the interests acquired pursuant to the proposed acquisition through to 31 December 2025, the DPU would have increased to 4.18 cents, representing an 6% uplift over the actual DPU of 3.94 cents for FY 2025.

The Trustee-Manager intends to fund the purchase consideration with a combination of internal sources of funds and/or external borrowings of KIT.

The proposed acquisition of KCIF's 39% stake in KMC is subject to the fulfilment of certain conditions precedent, including the obtaining of regulatory approvals and approval of the unitholders of KIT at an extraordinary general meeting (EGM) of KIT. The circular containing the notice of the EGM and further details of the proposed transaction will be despatched to KIT's unitholders in due course.

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## **About Keppel**

Keppel Ltd. (SGX:BN4) is a global asset manager and operator with strong expertise in sustainability-related solutions spanning the areas of infrastructure, real estate and connectivity. Headquartered in Singapore, Keppel operates in more than 20 countries worldwide, providing critical infrastructure and services for renewables, clean energy, decarbonisation, sustainable urban renewal and digital connectivity. Keppel creates value for investors and stakeholders through its quality investment platforms and diverse asset portfolios, including private funds and listed real estate and business trusts.

## **About Keppel Infrastructure Trust**

Keppel Infrastructure Trust (KIT) is a diversified business trust listed on the Singapore Exchange (SGX-ST) with approximately S\$9.1 billion in assets under management. Its goal is to deliver sustainable and growing returns to Unitholders, through a combination of recurring distributions and capital growth.

KIT's portfolio of strategic infrastructure businesses and assets provide essential products and services to a wide array of customers including government agencies, multinational corporations, commercial and industrial enterprises as well as retail consumers.

The Trustee-Manager for KIT is Keppel Infrastructure Fund Management Pte. Ltd. (KIFM). KIT is sponsored by Keppel, which invests in, owns and operates competitive energy and infrastructure solutions and services.

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