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MEDIA RELEASE

Keppel awarded contract to design, build, own and operate large-scale District Cooling System in Jurong Lake District
Contract expected to generate total value of $950 million for Keppel over 30 years

Singapore, 20 June 2023 – Keppel Corporation Limited (Keppel), through its Infrastructure Division, has been awarded a contract by the Urban Redevelopment Authority (URA) of Singapore to design, build, own and operate a new large-scale district cooling system (DCS) plant for 30 years located in the Jurong Lake District (JLD). The contract is expected to generate about $950 million for Keppel, comprising payments from real estate developers, owners and occupants for the design and building of the DCS, as well as the supply of chilled water and operations and maintenance of the DCS over 30 years.

The DCS will have a design capacity of 29,000 Refrigeration Tonnes (RT) to supply chilled water and related services to an estimated 1.4 million square metre gross floor area (sqm GFA) and is intended to serve future developments in JLD, including office, business park, residential, retail, hotel and institutional uses. The DCS will be operational in tandem with the completion of future developments in the district.

Through state-of-the-art technology and proven operating know-how, Keppel's DCS solution for JLD can achieve superior efficiency levels which are over 30% higher than conventional in-building systems and 18% higher than the National Environmental Agency's Minimum Energy Efficiency Standards (MEES), as well as garner significant cost savings of up to 30% compared to conventional systems. With best-in-class design and operations, the JLD DCS plant is estimated to be able to abate over 145,000 tonnes of carbon emissions over the 30-year operating period, compared to the industry benchmark. This is equivalent to the carbon abatement of planting 100,000 trees.

Ms Cindy Lim, CEO, Infrastructure Division of Keppel, said, "Keppel is pleased to be selected as the preferred district-wide smart and sustainable cooling solutions provider and operator for Jurong Lake District, a key growth area of Singapore. It is a testament not just to our strong track record, but Keppel's proprietary know-how that harnesses state-of-the-art technology, such as AI and digital twin in our Operations Nerve Centre as well as innovative use of 'thermal energy battery', to deliver reliable and superior energy efficiency and carbon emissions reduction.

"The large-scale 29,000 RT district cooling system for Jurong Lake District is scalable in phases over the 30-year contract and brings Keppel's total district cooling capacity to 208,000 RT in Singapore and abroad. This project will not only add to Keppel's long-term, recurring operating income but also provide Keppel with a strong foothold to bring in other Energy-as-a-Service offerings, such as sales of electricity, solar photovoltaic systems, and EV charging solutions to businesses, communities and users in Singapore's West region, further augmenting our position as a leading sustainability-centric asset manager and operator."

Mr Lim Eng Hwee, CEO, URA said, “The award of this contract to Keppel to build and operate the DCS is an important step forward in realising our vision for Jurong Lake District as a model sustainability district that is anchored by innovative infrastructure and smart urban solutions. This not only contributes to more environmentally-friendly places to live, work and play in, but also drives our ambition for new developments in JLD to achieve net zero emissions by around 2045, five years ahead of the national target of 2050.”

The West region of Singapore is the country’s largest manufacturing hub, with three new business and employment areas — JLD, Jurong Innovation District (JID) and Tuas Port. JLD and JID serve as testbeds for new urban solutions and infrastructure to create more pleasant working and living environments.

JLD is planned by URA to be the largest business district outside the city centre in Singapore and is positioned as a world class sustainability district. Envisaged to be a model district for urban sustainability under the Singapore Green Plan 2030, the vision for JLD supports Singapore’s ambition to be a carbon services hub and a leading centre for green finance in Asia and globally.

Keppel was also previously awarded, at end-2020, the build-own-operate contract for a new DCS plant for Phase 1 of Bulim precinct in the 600-hectare JID. The DCS plant will have a cooling capacity of up to 14,000 RT serving the needs of high-specification industrial-use buildings in Bulim.

Keppel Corporation Limited does not expect the abovementioned contract to have any material impact on its earnings per share and net tangible asset per share for the company’s current financial year.

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About Keppel Corporation
Keppel Corporation 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. Through its quality investment platforms and asset portfolios, Keppel contributes to advancing sustainable development, the energy transition and the digital economy, while creating enduring value for stakeholders.

Keppel is the first and largest DCS provider in Singapore with design cooling capacity of more than 170,000 RT, including projects under development, servicing four operational plants in Changi Business Park, one-north (Biopolis and Mediapolis), Woodlands Wafer Fab Park and a new plant set to be operational in 2024 in Jurong Innovation District. Keppel also provides retail cooling to standalone buildings outside of our district cooling zones in Singapore, with a cooling capacity that exceeds 20,000 RT.

Overseas, Keppel is also rapidly growing its portfolio of DCS projects. This includes providing district cooling for the iconic Sam Yan Smart City, Bangkok, that is expected to commence operations in 2024 with a projected cooling load of 18,000 RT.

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