JOINT MEDIA RELEASE

Keppel Infrastructure Trust, Keppel Asia Infrastructure Fund and Keppel Infrastructure expand into South Korea with joint acquisition of a leading waste management services player

Singapore, 8 August 2022 – Keppel Infrastructure Fund Management Pte Ltd (KIFM), the Trustee-Manager of Keppel Infrastructure Trust (KIT), Keppel Asia Infrastructure Fund LP (together with a co-investor) (KAIF) and Keppel Infrastructure Holdings Pte Ltd (KI), wholly owned subsidiary of Keppel Corporation and sponsor of KIT, are pleased to announce that they are jointly acquiring, through a special purpose vehicle (SPV) to be established, a 100% stake in South Korean waste management company, Eco Management Korea Holdings Co., Ltd.(EMK) for ₩626.1 billion (approximately S$666.1 million)[1]. It is intended that KIT will hold a 52% interest in the SPV, while KAIF and KI will hold a 30% and 18% interest respectively.

EMK is a leading integrated waste management services player in South Korea, serving the national market. Operating six waste-to-energy (WTE) plants and five sludge drying facilities, EMK has the third largest incineration capacity (404 tonnes per day) in the nation. It is also the largest waste oil refiner (154 tonnes per day) in South Korea and manages and owns a landfill, which has the fourth largest capacity in the nation (1.5 million m^3).

Waste management is an essential service for sustainable urbanisation and achieving liveable cities. According to a World Bank report, the current trajectory for global waste generation shows that it will grow from 2.24 billion tonnes in 2020 to nearly 3.88 billion tonnes by 2050[2]. This rapid growth in waste generation underscores the urgency and the high demand for sustainable waste management solutions. South Korea also has been implementing more stringent environmental regulations, which drives the growth in demand for more waste management solutions.

Mr Jopy Chiang, CEO of KIFM, said, “With the increased emphasis on promoting a circular economy, South Korea is primed for companies which can support their vision of sustainable urbanisation. Therefore, the acquisition of a majority stake in EMK is in line with KIT’s strategy of investing in good quality environmental businesses that generate long-term stable cash flows with the potential for growth, given the positive sectorial tailwinds for waste management in South Korea. The strategic addition of this waste management platform will enable KIT to grow its income base and improve portfolio resiliency with an evergreen business. In addition, the proposed acquisition will also diversify KIT’s income geographically, enhancing the resilience of our portfolio.”

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[1] Based on an exchange rate of S$1 : ₩940. The purchase consideration of KRW 626.1 billion (approximately S$666.1 million) was arrived at on a willing buyer-willing seller basis and after arm's-length negotiations with the seller through a bid process, taking into consideration, among others, the business plan of EMK, its defensive and growth characteristics, as well as the benefits of the proposed acquisition.

[2] https://www.worldbank.org/en/topic/urbandevelopment/publication/more-growth-less-garbage

Ms Christina Tan, CEO of Keppel Capital, the parent company of the manager of KAIF said, "We are pleased to tap on the Keppel Group's collective strengths to acquire KAIF's first environmental investment since the Fund's launch in January 2020. As a leader in the South Korean waste management market, EMK will be a strong addition to our portfolio. We are confident that EMK, a company providing essential services, will deliver strong and sustainable returns to our investors."

Ms Cindy Lim, CEO of Keppel Infrastructure, said, "Keppel Infrastructure's co-investment with KIT and KAIF in EMK is a prime example of how we can collaborate and unlock value as OneKeppel to grow our sustainable infrastructure business using an asset-light model, in line with Keppel's Vision 2030. We hope to not only leverage EMK's scale, expertise and leadership position in South Korea to grow our environmental as well as energy-as-a-service business in the region, but also synergise with EMK, through Keppel Seghers' leading WTE technology, to complement its growth in the South Korean market."

The proposed acquisition is expected to be completed by 2H 2022. KIT, KAIF and KI will fund the proposed acquisition in proportion to their shareholdings in the SPV. KIFM intends to fund the investment with an optimum combination of internal sources of funds, equity and/or debt capital market issuances and/or external borrowings. Upon completion of the proposed acquisition, KIT's assets under management is expected to grow from approximately S$4.7 billion as at 30 June 2022 to approximately S$5.3 billion[3].

This proposed acquisition is expected to support KIT's overall distributable income per unit accretion[4]. The above development is not expected to have any material impact on the net tangible assets per share or earnings per share of Keppel Corporation, the parent company of Keppel Capital and KI for the current financial year.

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[3] On a pro-forma basis that KIT consolidates the financials of the SPV and EMK and its subsidiaries

[4] Based on pro forma analysis for the financial year ended 31 December 2021.

About Keppel Infrastructure Trust

Keppel Infrastructure Trust (KIT) is a diversified business trust listed on the Singapore Exchange with approximately S$4.7 billion in assets under management as at 30 June 2022**.** 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., a wholly-owned subsidiary of Keppel Capital Holdings Pte. Ltd., a premier asset manager with a diversified portfolio in real estate, infrastructure, data centres and alternative assets in key global markets. KIT is sponsored by Keppel Infrastructure Holdings Pte. Ltd., which invests in, owns and operates competitive energy and infrastructure solutions and services.

About Keppel Capital

Keppel Capital is a premier asset manager in Asia. It is the asset management arm of Keppel Corporation Limited, a multi-business company providing solutions for sustainable urbanisation, to meet the growing need for energy, infrastructure, clean environments, high quality homes and offices, and connectivity.

With assets under management of approximately S$42 billion as at end-2021, Keppel Capital has a diversified portfolio that includes real estate, infrastructure and data centre assets in key global markets.

Keppel Capital aims to create value and deliver sustainable returns for institutional and retail investors through a range of products including listed REITs, business trusts, private funds, separate accounts and pooled investment vehicles.

About Keppel Infrastructure

Keppel Infrastructure (KI) is a wholly-owned subsidiary of Keppel Corporation, a Singapore flagship multinational company providing solutions for sustainable urbanisation. KI provides solutions for some of the world’s most pressing challenges through its power & renewables, environment and new energy businesses by leveraging its proprietary technology, strong technical expertise and proven operating capabilities.

KI has a track record of developing energy and environmental infrastructure end-to-end, including power generation assets, waste-to-energy (WTE) facilities, large-scale district cooling systems, as well as NEWater and desalination plants. In Singapore, it operates a 1,300-megawatt high efficiency gas-fired combined cycle power plant and a utility pipe rack and pipeline network in Jurong Island. It is also Singapore’s leading electricity retailer, and the first and largest district cooling systems developer and service provider. Globally, through Keppel Seghers, it is one of the leading WTE technology providers with more than 100 project references in 20 countries.

KI is expanding its presence, in Singapore and overseas, in areas such as power generation, waste management, district cooling, renewables and energy storage, electric vehicle charging infrastructure and other clean energy opportunities.

IMPORTANT NOTICE

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, KIFM or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request KIFM to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units. The past performance of KIT is not necessarily indicative of the future performance of KIT. This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the KIFM's current view on future events.