

## MEDIA RELEASE

### **Keppel Seghers and Zhen Hua awarded contract worth HKD 31 billion (approx. SGD 5.3 billion) for Hong Kong's first integrated Waste Management Facility**

*The integrated facility will be built on a reclaimed island off the coast of Shek Kwu Chau*

**SINGAPORE, 1 December 2017** – Keppel Infrastructure Holdings Pte Ltd (Keppel Infrastructure) and China Harbour Engineering Company Limited, through their respective subsidiaries, Keppel Seghers Hong Kong Limited (Keppel Seghers HK) and Zhen Hua Engineering Co. Ltd. (Zhen Hua) have secured a project to design, build and operate an Integrated Waste Management Facility (IWMF) off the coast of Shek Kwu Chau, which is to the south of Lantau Island, Hong Kong. The contract was awarded via a competitive international tender called by the Environmental Protection Department (EPD) of the Government of the Hong Kong Special Administrative Region.

The project will bring together the strengths of two leading companies in their respective fields to deliver a world class waste management project.

The Engineering, Procurement and Construction (EPC) phase will be undertaken by Zhen Hua, one of the biggest construction and reclamation companies in Hong Kong with strong civil and marine works experience. The EPC phase will involve the reclamation of an area of about 16 ha, design, engineering and construction of breakwaters, as well as of the IWMF, and its related port facilities on the reclaimed island.

During the EPC phase of the contract, Keppel Seghers<sup>1</sup> will provide its proprietary waste-to-energy (WTE) technology, which has been successfully deployed for over 100 WTE projects around the world, as well as WTE project implementation and execution of the mechanical treatment plant, power island and desalination facilities.

Subsequently, Keppel Infrastructure Services<sup>2</sup> will undertake the Operations and Maintenance (O&M) of the facility for 15 years after it is completed in 2024. For its roles in the EPC and O&M phases, Keppel Infrastructure's share of the total contract is approximately HKD 11.3 billion (or approx. S\$1.95 billion), with up to an additional HKD 9.6 billion (or approx. S\$1.7 billion) for escalation provisions and other contingencies.

Dr Ong Tiong Guan, CEO of Keppel Infrastructure, said, "Keppel is honoured to be able to contribute to Hong Kong's sustainable urbanisation through this iconic project, which reinforces Keppel's leadership for world class WTE technology and operations. We are proud that our WTE technology has been implemented around the world, building on our proven track record as a competitive and reliable waste management solution provider."

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<sup>1</sup> Keppel Seghers refers to a group of companies wholly owned by Keppel Infrastructure, a leading provider of comprehensive environmental solutions.

<sup>2</sup> Keppel Infrastructure Services is a division of Keppel Infrastructure that houses the technical support and Operations & Maintenance (O&M) capabilities within the Keppel Infrastructure group.

### A landmark project for HK's waste management

The IWMF is Hong Kong's first integrated waste management facility for municipal solid waste. As a key part of Hong Kong's waste management strategy, it is able to reduce the total volume of waste treated at the facility by more than 90%, thus extending the lifespan of landfills. Currently, Hong Kong landfills its non-recycled waste.

The IWMF comprises a WTE Plant, a mechanical treatment plant and ancillary facilities, which include an administration building, visitor centre, port handling facilities, as well as desalination and wastewater treatment plants.

Contracted to treat about 3,000 tonnes per day of mixed municipal solid waste, the WTE Plant will feature Keppel Seghers' proven WTE technology with its air-cooled grate, boiler design, and advanced combustion control system. In addition, the WTE Plant will also use Keppel Seghers' flue gas cleaning system, ensuring that the plant's emissions will comply with Hong Kong and EU standards, which are amongst the most stringent international standards available.

Capable of producing approximately 480 million kilowatt-hours (kWh) of gross electricity per year, the surplus electricity beyond plant consumption will be exported into the grid. The exported green energy will power up to 100,000 households and help reduce 0.44 million tonnes of carbon dioxide per year.

The IWMF will also feature a 200 tonnes per day mechanical treatment plant for sorting and recycling of glass, plastics, and metals. The separated materials will be transported back to Hong Kong for further processing into end products.

The onsite desalination plant will supply process water for the IWMF and the wastewater treatment plant will ensure that all effluents are treated and reused as process water in either the WTE or mechanical treatment plant or for general washing and landscape irrigation within the IWMF.

The IWMF will have extensive greening that will integrate it seamlessly with its natural surroundings. As part of Hong Kong Government's holistic approach, the IWMF will also feature a visitor gallery for environmental education, to raise awareness and drive towards a greener Hong Kong.

### Providing solutions for sustainable urbanisation

"The IWMF project reflects the Hong Kong government's foresight and resolve to effectively and holistically address waste management. Advanced waste incineration technology is able to meet stringent environmental standards and is hence one of the most widely accepted methods of waste management in developed markets," added Dr Ong.

Keppel Seghers' WTE technology has been implemented in many landmark waste management projects around the world. Notably, its reliable WTE technology has been deployed in countries, such as:

- a) Qatar's Domestic Solid Waste Management Centre, the largest operating WTE facility in the Middle East;
- b) UK's Greater Manchester Energy-from-Waste Plant, which is one of the largest and most efficient in Europe;
- c) Poland's Bialystok WTE plant, which is among the first WTE plants in Poland to achieve commercial operations;

- d) China's Baoan WTE plants, in Shenzhen, Guangdong, which when fully completed, will be the world's largest WTE facility; and
- e) Singapore's Keppel Seghers Tuas WTE Plant, which is Singapore's first WTE plant under the Public Private Partnership scheme.

Keppel Infrastructure will draw on the experiences of these landmark WTE projects around the world to ensure the successful delivery and operation of the IWMF.

Keppel Infrastructure is a wholly-owned subsidiary of Keppel Corporation Limited. The above transactions are not expected to have any significant impact on the earnings per share and net tangible asset per share of Keppel Corporation Limited for the current financial year.

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### **About Keppel Infrastructure**

Keppel Infrastructure is a wholly owned subsidiary of Keppel Corporation Limited, a leading company listed on the Singapore Exchange. It drives the Keppel Group's strategy to invest in, own and operate competitive energy and environmental infrastructure solutions and services.

Keppel Seghers is a leading provider of comprehensive environmental solutions, and provides consultancy, design and engineering, technology development and construction of large-scale environmental projects.

Keppel Infrastructure Services houses the technical support and Operations & Maintenance (O&M) capabilities within the Keppel Infrastructure group. It operates energy and environmental related infrastructure facilities globally.

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*This media release is also available on the following websites: [www.kepcorp.com](http://www.kepcorp.com), [www.kepinfra.com](http://www.kepinfra.com), [www.keppelseghers.com](http://www.keppelseghers.com).*

**Annex – Location of the IWMF**

