

Media Release

Keppel Infrastructure Trust to acquire remaining 30% stake of SingSpring Desalination Plant

Singapore, 7 July 2021 – Keppel Infrastructure Fund Management Pte Ltd (KIFM), the trustee-manager of Keppel Infrastructure Trust (KIT), has entered into a conditional sale and purchase agreement with Hyflux Ltd, through its Judicial Manager, to acquire the remaining 30% stake in SingSpring Desalination Plant for \$12 million. Currently, KIT owns the other 70% stake.

Located in Tuas, SingSpring Desalination Plant is Singapore's first large-scale seawater desalination plant and is capable of supplying up to 136,380 m³ of desalinated potable water per day. SingSpring Desalination Plant commenced commercial operations in December 2005 and utilises cost and energy-efficient reverse osmosis technology. At the time of its completion, it was the largest membrane-based seawater desalination plant in the world with one of the largest reverse osmosis trains.

Mr Jopy Chiang, CEO-Designate of KIFM, said, "The strategic acquisition of the remaining 30% stake in SingSpring Desalination Plant will enhance the operational and business continuity of the asset, and also strengthen the cash flow stability of the asset. This is an opportunity to increase our stake in a stable asset at a level which is expected to be accretive to distribution per Unit and offer an attractive risk-adjusted return for KIT."

To further enhance the operational stability of the SingSpring Desalination Plant, NewSpring O&M Pte. Ltd, a subsidiary of Keppel Infrastructure Holdings Pte. Ltd (KI), the Sponsor of KIT, will take over the provision of operation and maintenance services to the SingSpring Desalination Plant upon completion of the acquisition. To facilitate smooth transition, the current operations and maintenance team will be offered to continue their roles and duties at SingSpring Desalination Plant with NewSpring O&M Pte. Ltd., on terms to be agreed.

The acquisition is subject to approvals from PUB, Singapore's National Water Agency and the lenders under the term loan facility taken up by SingSpring Pte Ltd (in its capacity as trustee for the SingSpring Trust) being obtained.

The above-mentioned acquisition is not expected to have any material financial impact on the distribution per unit of KIT for the financial year ending 31 December 2021.

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About Keppel Infrastructure Trust

Keppel Infrastructure Trust (KIT) is a diversified business trust listed on the Singapore Exchange with approximately \$5 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. Its assets are segmented into the three core sectors of Distribution & Network, Energy and Waste & Water.

Businesses and assets in the Distribution & Network segment provide essential products and services in the areas of gas production, manufacturing and distribution of essential chemicals, storage of petroleum products, as well as telecoms and electricity transmission. These businesses and assets are well-positioned to deliver resilient cash flows with potential for growth that is supported by favourable market dynamics and demand over the long term.

The Energy and Waste & Water segments comprise assets that are integral to the provision of power, waste treatment and water purification. The contract terms for these assets are backed by recurring fixed capacity or availability payments, providing KIT with stable cash flows.

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.

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, shifts in expected levels of occupancy rate, property rental income, charge out collections, 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.