



KEPPEL INFRASTRUCTURE TRUST AND KEPPEL ENERGY SECURE SINGAPORE'S FIRST SUSTAINABILITY-LINKED LOAN IN THE ENERGY SECTOR FROM DBS BANK AND OCBC BANK

*S\$700 million sustainability-linked loan is
one of the largest in Singapore to date*

Singapore, 24 June 2020 – Keppel Infrastructure Trust (“KIT”) and Keppel Energy Pte. Ltd. (“KE”), through a joint venture¹, have secured a 7-year S\$700 million sustainability-linked loan from DBS Bank and OCBC Bank for its jointly owned gas-fired co-generation plant, Keppel Merlimau Cogen Plant.

One of the largest sustainability-linked loans in Singapore, the transaction also marks KIT and KE’s maiden sustainability-linked loan and is the first such loan for Singapore’s energy sector to date.

DBS Bank and OCBC Bank acted as joint lenders and sustainability coordinators for this transaction.

The loan is linked to carbon emission targets for Keppel Merlimau Cogen Plant. These targets include benchmarking of the plant’s carbon emissions intensity against national indices, as well as demonstrating continuous improvement in the plant’s carbon emissions intensity. If these pre-set targets are met, the interest rate on the facility will be subsequently reduced on a tiered basis.

This strengthens KIT’s sustainability efforts, where many of the Trust’s businesses and assets across its portfolio have already incorporated best-in-class technologies to support sustainable urban infrastructure. Key

¹ The joint venture is Keppel Merlimau Cogen Pte Ltd, which is owned by KIT and Keppel Energy Pte. Ltd. in the proportion of 51% and 49% respectively.

initiatives include the implementation of a water management plan at City Gas that reduced water consumption by up to 13% in 2019, the introduction of the use of drones for equipment inspection at selected Ixom HoldCo Pty Ltd (Ixom) facilities, improving efficiency and safety levels, and the development of a smart chemical handling system at Keppel Merlimau Cogen Plant, which reduced staff exposure to chemicals.

Mr Matthew Pollard, CEO of Keppel Infrastructure Fund Management, the Trustee-Manager of KIT, said, “Sustainability is an essential part of the Trust’s strategy and operations. Beyond adopting high environmental, health and safety standards for the businesses and assets in our portfolio, we are also strengthening our commitment to sustainability through financing. This loan facility will help us to proactively drive best-in-class practices and support the performance of Keppel Merlimau Cogen Plant as we build a sustainable future together with our stakeholders.”

Ms Janice Bong, General Manager (Energy Infrastructure) of Keppel Infrastructure, the parent company of KE, said, “Keppel is committed to reducing our environmental impact by focusing on enhancing efficiency and reducing the carbon footprint of our operations. As owners and operators of Keppel Merlimau Cogen, we are constantly looking for ways to optimise operations so that the plant minimises its carbon emissions, while ensuring reliable power generation for Singaporeans.”

Ms Elaine Lam, Head, Global Corporate Banking, OCBC Bank, said, “We are proud to support Keppel Infrastructure Trust and Keppel Energy on its maiden sustainability-linked loan, which is ground-breaking on many fronts. Not only is it one of the largest sustainability-linked loan to date, but it is also the first for Singapore’s energy sector. We are excited by the growing interest in sustainable finance from increasingly diverse industries. With Keppel Infrastructure Trust’s strong leadership in the energy sector and commitment to continuously improve the efficiency of their existing infrastructure, we are confident that this transaction will pave the way for more energy players to step forward.”

Mr Hong Teck Khiam, Head of Power and Utilities, Institutional Banking, DBS Bank, said, “With responsible banking as one of the key tenets of our

sustainability strategy, DBS is heartened to support Keppel Infrastructure Trust and Keppel Energy in this landmark transaction which demonstrates the Singapore energy sector's transition towards a low-carbon economy. The transaction also marks an important step towards building a clean, affordable and reliable energy future in Singapore by providing interest savings when pre-agreed ESG targets are met, while financing the development and implementation of less carbon intensive energy solutions.”

The above transaction is not expected to have a material impact on the net tangible assets or earnings per share of Keppel Corporation Limited and Keppel Infrastructure Trust for the current financial year.

About Keppel Infrastructure Trust

Keppel Infrastructure Trust (KIT) is a diversified business trust listed on the Singapore Exchange with approximately S\$5 billion in assets under management. Its goal is to deliver sustainable returns to Unitholders, through a combination of recurring distributions and capital growth over the long term.

KIT's portfolio of strategic infrastructure businesses and assets provides 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.

The Trustee-Manager for KIT is Keppel Infrastructure Fund Management, a wholly-owned subsidiary of Keppel Capital Holdings Pte. Ltd., a premier asset manager in Asia. KIT is sponsored by Keppel Infrastructure Holdings Pte. Ltd., which invests in, owns and operates competitive energy and infrastructure solutions and services.

For more information please visit KIT's website at www.kepinfratrust.com

About Keppel Energy

Keppel Energy is a wholly-owned subsidiary of Keppel Infrastructure Holdings Pte Ltd., which in turn is a wholly-owned subsidiary of Keppel Corporation Limited, a multi-business company providing solutions for sustainable urbanisation. Keppel Infrastructure drives the Keppel Group's strategy to invest in, own and operate competitive energy and infrastructure solutions and services. While tapping the expertise of its environmental engineering and technology, Keppel Infrastructure will continue growing its integrated power and gas business as well as its environmental and energy efficiency businesses.

For more information please visit KI's website at www.kepinfra.com

About DBS

DBS is a leading financial services group in Asia with a presence in 18 markets. Headquartered and listed in Singapore, DBS is in the three key Asian axes of growth: Greater China, Southeast Asia and South Asia. The bank's "AA-" and "Aa1" credit ratings are among the highest in the world.

Recognised for its global leadership, DBS has been named "[World's Best Bank](#)" by Euromoney, "[Global Bank of the Year](#)" by The Banker and "[Best Bank in the World](#)" by Global Finance. The bank is at the forefront of leveraging digital technology to shape the future of banking, having been named "[World's Best Digital Bank](#)" by Euromoney. In addition, DBS has been accorded the "[Safest Bank in Asia](#)" award by Global Finance for 11 consecutive years from 2009 to 2019.

DBS provides a full range of services in consumer, SME and corporate banking. As a bank born and bred in Asia, DBS understands the intricacies of doing business in the region's most dynamic markets. DBS is committed to building lasting relationships with customers, and positively impacting communities through supporting social enterprises, as it banks the Asian way. It has also established a SGD 50 million foundation to strengthen its corporate social responsibility efforts in Singapore and across Asia.

With its extensive network of operations in Asia and emphasis on engaging and empowering its staff, DBS presents exciting career opportunities. The bank acknowledges the passion, commitment and can-do spirit in all our 28,000 staff, representing over 40 nationalities. For more information, please visit www.dbs.com.

About OCBC Bank

OCBC Bank is the longest established Singapore bank, formed in 1932 from the merger of three local banks, the oldest of which was founded in 1912. It is now the second largest financial services group in Southeast Asia by assets and one of the world's most highly-rated banks, with an Aa1 rating from Moody's. Recognised for its financial strength and stability, OCBC Bank is consistently ranked among the World's Top 50 Safest Banks by Global Finance and has been named Best Managed Bank in Singapore by The Asian Banker.

OCBC Bank and its subsidiaries offer a broad array of commercial banking, specialist financial and wealth management services, ranging from consumer, corporate, investment, private and transaction banking to treasury, insurance, asset management and stockbroking services.

OCBC Bank's key markets are Singapore, Malaysia, Indonesia and Greater China. It has about 530 branches and representative offices in 19 countries and regions. These include over 260 branches and offices in Indonesia under subsidiary Bank OCBC NISP, and over 80 branches and offices in Mainland China, Hong Kong SAR and Macau SAR under OCBC Wing Hang.

OCBC Bank's private banking services are provided by its wholly-owned subsidiary Bank of Singapore, which operates on a unique open-architecture product platform to source for the best-in-class products to meet its clients' goals.

OCBC Bank's insurance subsidiary, Great Eastern Holdings, is the oldest and most established life insurance group in Singapore and Malaysia. Its asset management subsidiary, Lion Global Investors, is one of the largest private sector asset management companies in Southeast Asia.

For more information, please visit www.ocbc.com.

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