

News Release

DAIKIN AND SP GROUP FORM NEW JOINT VENTURE TO BUILD SINGAPORE'S LARGEST INDUSTRIAL DISTRICT COOLING SYSTEM

Singapore, 18 May 2022 – Daikin Singapore ("Daikin") and SP Group ("SP") announced the formation of a new joint venture (JV), in conjunction with an earlier announcement by STMicroelectronics (ST) and SP to establish Singapore's largest industrial district cooling system for ST's Ang Mo Kio TechnoPark. The JV will build the district cooling system (DCS) which will have a cooling capacity of up to 36,000 refrigerant tonnes (RT). When completed in 2025, it will help ST achieve 20 per cent savings in cooling-related electricity consumption annually and support ST's target of achieving carbon neutrality by 2027.

Daikin and SP also signed a separate Memorandum of Understanding (MOU) to explore the potential of district cooling in other Southeast Asian countries, starting with Indonesia. Under the MOU, Daikin and SP will combine their expertise, experience and resources to bring this sustainable cooling solution to the various markets to help lower their energy consumption and reduce their carbon footprint.

The expanded collaboration between both companies signifies their commitment to empower smart, low-carbon cities across the region, and to support Singapore's sustainability ambitions under the Singapore Green Plan 2030¹.

"We are excited to collaborate with SP Group, and we look forward to working together closely towards greater environmental sustainability", said Mr Yoshihiro Mineno, Daikin Industries, Ltd.

¹ <https://www.greenplan.gov.sg/splash>

Moving towards a greener, cleaner future

This project aligns with Daikin's mission to build upon Singapore's ongoing roadmap for greener buildings as well as the longer-term vision for a Singapore Smart-city that includes sustainability in its advocacy.

The JV will be 70 percent owned by SP and 30 percent by Daikin. It will build the new district cooling plant for ST Ang Mo Kio (AMK) Technology Park. By centralising chilled water production, the new facility is designed to optimise chiller efficiency and deliver a 24/7 chilled water supply to meet ST's wafer fabrication needs. In addition, Daikin will be deploying one of its most efficient 2,000-tonne HFO Chiller for this project. HFO or Hydrofluoro-Olefins is the new generation of synthetic refrigerants with zero ozone depletion effect and is designed to significantly reduce the Global Warming Potential².

Group Chief Executive Officer of SP Group, Stanley Huang, said, "We are honoured to partner Daikin in this joint venture to provide district cooling to STMicroelectronics at AMK TechnoPark. We look forward to a broader collaboration in Southeast Asia with Daikin."

Reducing carbon footprint and moving towards sustainability

In line with the nation's green vision, Daikin hopes to achieve net-zero by the year 2050 by reducing greenhouse gas emissions and is constantly working towards this goal. The company plans on achieving this by making conscious changes in its entire value chain: life cycle of products, manufacturing, work processes through solution propositions, innovative technologies, and the use of IoT and AI. The ultimate goal here is to contribute toward a cleaner, safer environment to combat climate change issues and move towards a sustainable future.

Daikin Singapore has been working with a keen focus on lowering its carbon footprint. As such, the company plans on leveraging its latest chiller software and optimisation expertise

² <https://iopscience.iop.org/article/10.1088/1757-899X/905/1/012070/pdf>

³for this project. Daikin is also planning to launch other green initiatives, including a solution that uses chemical-free water treatment ⁴that leverages applied electrochemistry and an intelligent controller to enhance system performance, providing a sustainable and scalable solution to large building HVAC systems and industrial chiller circuits, but also saves energy, water, maintenance and chemical costs in cooling water management.

Daikin fully supports our national directions and is keen to play an active role in this journey, especially in going Green, Smart and Sustainable in the Living Environment. With this project, we are excited to take another step towards our goals for a sustainable smart nation,” said Mr Liu Shaw Jiun, Daikin Airconditioning Singapore Pte Ltd.

Daikin and SP first collaborated back in 2020 to bring Singapore’s first large-scale residential centralised cooling system to the upcoming Tengah HDB Town. Both companies will continue to explore future opportunities to help create energy-saving models and help Singapore and the rest of Southeast Asia move towards a resilient, sustainable future.

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³ <https://www.daikin.com.sg/building-solutions/bms/water-sideoptimisation>

⁴ <https://www.daikin.com.sg/building-solutions/environmental-solutions/chemical-free-water-treatment>

About SP Group

SP Group is a leading utilities group in the Asia Pacific, empowering the future of energy with low-carbon, smart energy solutions for its customers. It owns and operates electricity and gas transmission and distribution businesses in Singapore and Australia, and sustainable energy solutions in Singapore, China and Vietnam.

As Singapore's national grid operator, about 1.6 million industrial, commercial and residential customers benefit from its world-class transmission, distribution and market support services. These networks are amongst the most reliable and cost-effective world-wide.

Beyond traditional utilities services, SP Group provides a suite of sustainable and renewable energy solutions such as microgrids, cooling and heating systems for business districts and residential townships, solar energy solutions, electric vehicle fast charging and digital energy solutions for customers in Singapore and the region.

For more information, please visit spgroup.com.sg or for follow us on Facebook at fb.com/SPGroupSG, on LinkedIn at spgrp.sg/linkedin and on Twitter @SPGroupSG.

About Daikin Singapore

In the beginning, Daikin Singapore has placed its strategic focus on HDB, building a stronger sales channel by developing Daikin Proshop and thereby differentiating itself from its competitors. With more than 50 years of history in Singapore, Daikin also drove expansion by launching differentiated products such as Remote Monitoring System (RMS), which provides energy optimization and predictive analytics. In Applied Product equipment (AP), which is mainly used in the commercial or industrial sector, it expanded sales by focusing on highly efficient products like magnetic-chiller products and airside using EC motors. Its services business was solely related to the repair and supply of spare parts and since with the acquisition of BMS Engineering, the company has started to focus on Indoor Air Quality (IAQ) and Eco-Friendly Maintenance, where it aims to support green building projects. Daikin will then optimize AC equipment and other building equipment implementation before moving towards providing a full suite of services by adding Energy Management to its portfolio to manage equipment for the whole building. The expansion of Daikin technology and know-how in the cooling industry has enabled Daikin to scale up their green projects to build District Cooling Networks for Tengah and now STMicroelectronics

Website: <https://www.daikin.com.sg>