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ANNOUNCEMENT

LAUNCH OF FULLY UNDERWRITTEN PREFERENTIAL OFFERING TO RAISE GROSS PROCEEDS OF APPROXIMATELY S$279.5 MILLION

1. INTRODUCTION

Keppel DC REIT Management Pte. Ltd., in its capacity as manager of Keppel DC REIT (the "**Manager**"), wishes to announce the proposed fully underwritten, pro-rata and non-renounceable preferential offering of 241,988,877 new units in Keppel DC REIT (the "**New Units**") on the basis of 274 New Units for every 1,000 existing units in Keppel DC REIT (the "**Units**") held as at 5.00 p.m. on Tuesday, 25 October 2016 (the "**Preferential Offering Books Closure Date**") to Entitled Unitholders (as defined herein) (fractions of a New Unit to be disregarded) at an issue price of S$1.155 per New Unit (the "**Issue Price**") to raise gross proceeds of approximately S$279.5 million (the "**Preferential Offering**").

The Issue Price of S$1.155 per New Unit represents a discount of approximately 5.0% to the volume weighted average price of S$1.2154 per Unit for trades in the Units done on

DBS Bank Ltd. and Standard Chartered Securities (Singapore) Pte. Limited are the Joint Financial Advisers and Issue Managers to the initial public offering of Keppel DC REIT (the "**Offering**"). DBS Bank Ltd., Standard Chartered Securities (Singapore) Pte. Limited and Credit Suisse (Singapore) Limited are the Joint Global Coordinators to the Offering. DBS Bank Ltd., Standard Chartered Securities (Singapore) Pte. Limited, Credit Suisse (Singapore) Limited, Deutsche Bank AG, Singapore Branch and Goldman Sachs (Singapore) Pte. are the Joint Bookrunners and Underwriters to the Offering (collectively, the "**Joint Bookrunners**").

The Joint Bookrunners for the Offering assume no responsibility for the contents of this announcement.

Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the full Market Day[1] on 17 October 2016.

Each of Keppel DC Investment Holdings Pte. Ltd. ("**KDCIH**") and DC REIT Holdings Pte. Ltd. ("**DCRH**") has provided an irrevocable undertaking to the Manager (collectively, the "**Undertakings**") that it will accept, subscribe and pay in full its total provisional allotment of New Units under the Preferential Offering, the details of which are set out in paragraph 3 below.

2. DETAILS OF THE PREFERENTIAL OFFERING

The Manager, Citigroup Global Markets Singapore Pte. Ltd. ("**Citi**"), DBS Bank Ltd. ("**DBS**") and UBS AG, Singapore Branch ("**UBS**" together with Citi and DBS, the "**Joint Lead Managers and Underwriters**") have today entered into an underwriting agreement (the "**Underwriting Agreement**") in relation to the Preferential Offering. Pursuant to the Underwriting Agreement, each of the Joint Lead Managers and Underwriters has agreed to procure subscriptions for, and failing which, to subscribe and pay for, the New Units (excluding such number of New Units undertaken to be accepted, subscribed and paid for pursuant to the Undertakings at the issue price per New Unit. Subject to the Undertakings, the Preferential Offering is fully underwritten by the Joint Lead Managers and Underwriters and shall be subject to certain conditions precedent set out in the Underwriting Agreement.

As the Preferential Offering is made on a non-renounceable basis, the provisional allotment of New Units cannot be renounced in favour of a third party or traded on the SGX-ST. Each Entitled Unitholder will be provisionally allotted the New Units under the Preferential Offering on the basis of their unitholdings in Keppel DC REIT as at the Preferential Offering Books Closure Date (fractions of a New Unit to be disregarded).

Entitled Unitholders are at liberty to accept or decline, in part or in full, their provisional allotments of New Units and are eligible to apply for additional New Units in excess of their provisional allotments under the Preferential Offering ("**Excess New Units**"). Entitled Unitholders are prohibited from trading, transferring, assigning or otherwise dealing with (in full or in part) their (i) provisional allotments of New Units or (ii) eligibility to apply for Excess New Units.

The New Units under the Preferential Offering represented by the provisional allotments of (i) Entitled Unitholders who decline or do not accept, in full or in part, their provisional allotments of New Units under the Preferential Offering and/or (ii) ineligible Unitholders, may be issued to satisfy applications for Excess New Units as the Manager may, in its absolute discretion, deem fit.

In the allotment of Excess New Units, preference will be given to the rounding of odd lots. Applications by directors of the Manager and substantial unitholders of Keppel DC REIT who have control or influence over Keppel DC REIT or the Manager in connection with the day-to-day affairs of Keppel DC REIT or the terms of the Preferential Offering, or have representation (direct or through a nominee) on the board of directors of the Manager, will rank last in priority for the rounding of odd lots and allotment of Excess New Units.

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1 "**Market Day**" refers to a day on which the SGX-ST is open for securities trading.

3. COMMITMENT BY KDCIH AND DCRH

To demonstrate its support for Keppel DC REIT's long-term growth and the Preferential Offering, the Keppel Group has, through KDCIH (which owns 30.1% of the existing Units) and DCRH (which owns 4.9% of the existing Units), provided the Undertakings to subscribe for the pro-rata entitlement of KDCIH and DCRH under the Preferential Offering.

4. USE OF PROCEEDS

Subject to relevant laws and regulations, the Manager intends to use the gross proceeds of approximately S$279.5 million from the Preferential Offering in the following manner:

(i) approximately S$208.6 million (which is equivalent to 74.6% of the gross proceeds of the Preferential Offering) to fully fund the proposed acquisition by Keppel DC REIT of 90 ordinary shares being 90.0% of the issued share capital in Keppel DC Singapore 3 Pte. Ltd. ("**KDCS3PL**"), which holds Keppel DC Singapore 3 (also known as "**KDC SGP 3**") (the "**Proposed Acquisition**"), which also includes the equity injection to repay the existing loans of KDCS3PL;

(ii) up to approximately S$33.4 million (which is equivalent to 11.9% of the gross proceeds of the Preferential Offering) to repay the loan taken up to finance the acquisition of Intellicentre 2;

(iii) up to approximately S$33.3 million (which is equivalent to 11.9% of the gross proceeds of the Preferential Offering) to repay loans, for capital expenditure purposes and/or for future acquisitions; and

(iv) up to approximately S$4.2 million (which is equivalent to 1.5% of the gross proceeds of the Preferential Offering) to pay the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by Keppel DC REIT in connection with the Preferential Offering,

with the balance of the gross proceeds of the Preferential Offering, if any, to be used for general corporate and/or working capital purposes.

The Proposed Acquisition will be subject to the approval of Unitholders (as defined below) to be sought at an extraordinary general meeting of Unitholders. In the event that Keppel DC REIT does not proceed with the Proposed Acquisition, the proceeds from the Preferential Offering shall be re-deployed to fund future investments and/or to pare down debt.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, use the net proceeds from the Preferential Offering of approximately S$275.3 million at its absolute discretion for other purposes, including, without limitation, to repay existing indebtedness.

Pending the deployment of the net proceeds from the Preferential Offering, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions or used to repay outstanding borrowings or for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Preferential Offering via SGXNET as and when such funds are materially utilised and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. Where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

5. RATIONALE FOR THE PREFERENTIAL OFFERING

The Manager believes that the Preferential Offering will bring the following key benefits to unitholders of Keppel DC REIT ("**Unitholders**"):

5.1 Benefits of the Proposed Acquisition

The Manager intends to use part of the net proceeds from the Preferential Offering towards the Proposed Acquisition. A circular is expected to be issued to Unitholders in due course (the "**Circular**"), together with a notice of extraordinary general meeting, for the purpose of seeking the approval of Unitholders for the Proposed Acquisition. Please refer to the Circular for further details of the benefits of the Proposed Acquisition to Keppel DC REIT and its Unitholders. A summary of these benefits are as follows:

- Distribution per Unit ("**DPU**") accretive acquisition consistent with Keppel DC REIT's investment strategy;
- Strengthening of foothold in Singapore;
- Greater income resilience through exposure to a larger portfolio;
- Improvement in portfolio occupancy and lease profile; and
- Expanded portfolio creates a stronger platform for growth.

5.2 Alignment of Interests with the Preferential Offering

Keppel DC REIT is funding the total acquisition cost of the Proposed Acquisition via the Preferential Offering and the issue of Units amounting to approximately S$2.0 million as acquisition fee to the Manager. After taking into consideration, *inter alia*, Keppel DC REIT's current aggregate leverage and its objective of maintaining a prudent capital structure, the Manager believes the Preferential Offering is an efficient and overall beneficial method of raising funds to finance the Proposed Acquisition.

The Manager believes that the recent acquisitions of the Milan Data Centre, Cardiff Data Centre as well as the Proposed Acquisition will result in long-term increase in the yield of Keppel DC REIT. The Preferential Offering provides Unitholders the opportunity to increase their investments in Keppel DC REIT at an attractive issue price and participate in its future growth.

The Undertakings will also enable the Keppel Group to maintain its unitholding interest in Keppel DC REIT through KDCIH and DCRH, and serve to align the interests of the Keppel Group with that of Keppel DC REIT and its Unitholders.

The New Units to be issued pursuant to the Preferential Offering will increase the number of Units in issue by 241,988,877 Units which represents an increase of 27.4% of the total number of Units currently in issue. This increase in the total number of Units in issue may improve the trading liquidity of the Units.

6. AUTHORITY TO ISSUE NEW UNITS

The New Units will be issued pursuant to a general mandate (the "**General Mandate**") given to the Manager at the annual general meeting ("**AGM**") held on 14 April 2016, pursuant to which the Manager may, during the period from 14 April 2016 to (i) the conclusion of the next AGM of Keppel DC REIT or (ii) the date by which the next AGM of Keppel DC REIT is required by applicable regulations to be held, whichever is earlier, issue new Units and/or securities, warrants, options, debentures or other instruments convertible into Units ("**Convertible Securities**") such that the number of new Units (and/or Units into which the Convertible Securities may be converted) does not exceed 50.0% of the total number of Units in issue as at 14 April 2016 (the "**Base Figure**"), of which the aggregate number of new Units (and/or Units into which the Convertible Securities may be converted) issued other than on a pro-rata basis to existing Unitholders, shall not be more than 20.0% of the Base Figure.

As at 14 April 2016, the number of Units in issue was 883,060,013.

The number of Units that can be issued under the General Mandate is 441,530,006 Units, of which no more than 176,612,002 Units may be issued on a non pro-rata basis. The Manager has issued 111,073 Units since 14 April 2016 on a non pro-rata basis.

241,988,877 New Units to be issued pursuant to the Preferential Offering would constitute 27.4% of the Base Figure, which is within the 50.0% limit for issue of new Units. Accordingly, the prior approval of the Unitholders is not required for the issue of the New Units under the Preferential Offering.

7. ELIGIBILITY TO PARTICIPATE IN THE PREFERENTIAL OFFERING

Entitled Unitholders. Only Entitled Depositors (as defined herein) and Entitled QIBs (as defined below) are eligible to participate in the Preferential Offering.

Entitled Depositors. Unitholders with Units standing to the credit of their respective securities accounts with The Central Depository (Pte) Limited ("**CDP**") as at the Preferential Offering Books Closure Date ("**Depositors**") will be provisionally allotted with New Units under the Preferential Offering on the basis of 274 New Unit for every 1,000 Units then standing to the credit of their securities accounts with CDP (fractions of a New Unit to be disregarded).

To be "**Entitled Depositors**", Depositors (a) must have registered addresses in Singapore with CDP as at the Preferential Offering Books Closure Date or, (b) if they have addresses outside Singapore, must provide CDP with a address in Singapore for the service of notices and documents at least three Market Days prior to the Preferential Offering Books Closure Date (subject to certain exceptions where a Unitholder located, resident or with a registered address out of Singapore may still receive his provisional allotment of New Units under the Preferential Offering), in order to receive their provisional allotment of New Units under the Preferential Offering.

Entitled QIBs. "**Entitled QIBs**" are beneficial holders of Units who the Manager reasonably believes are both (a) "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) and (b) institutional "accredited investors" as defined in Rule

501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act that meet certain requirements which will be specified in the Instructions Booklet (as defined below).

Foreign Unitholders. The making of the Preferential Offering may be prohibited or restricted in certain jurisdictions under their relevant securities laws. Thus, for practical reasons and in order to avoid any violation of the securities legislation applicable in countries (other than Singapore) where Unitholders may have as their addresses registered with CDP, the Preferential Offering will not be extended to Unitholders, (a) whose registered addresses with CDP are outside Singapore, and (b) who have not, at least three Market Days prior to the Preferential Offering Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents, but will, subject to certain exceptions, be extended to certain Unitholders located, resident or with a registered address out of Singapore. Unitholders whose registered addresses with CDP are outside Singapore and who wish to participate in the Preferential Offering will have to provide CDP with addresses in Singapore for the service of notices and documents at least three Market Days prior to the Preferential Offering Books Closure Date. Details of the Preferential Offering and procedures for acceptance of and payment and excess application for New Units under the Preferential Offering by Entitled Unitholders will be set out in an instructions booklet to be despatched to Entitled Unitholders in due course (the "**Instructions Booklet**"). A further announcement on the despatch will be made by the Manager at the appropriate time.

For the avoidance of doubt, even if a Unitholder has provided a Singapore address as aforesaid, the offer of New Units under the Preferential Offering to him will be subject to compliance with applicable securities laws outside Singapore.

The Manager, along with the Joint Lead Managers and Underwriters, reserve the absolute discretion in determining whether to allow such participation as well as the persons who may be allowed to do so.

The New Units to be offered under the Preferential Offering have not been and will not be registered under the Securities Act or the securities laws of any state or jurisdiction of the United States, or under the securities laws of any other jurisdiction, and may not be offered, sold, resold, granted, delivered, allotted, taken up or transferred, directly or indirectly, in the United States, except pursuant to an exemption from the registration requirements of the Securities Act and in compliance with applicable state laws.

The Manager further reserves the right to reject any acceptances of the Preferential Offering and any application for Excess New Units under the Preferential Offering where it believes, or has reason to believe, that such acceptances or applications may violate the applicable laws of any jurisdiction.

8. STATUS OF NEW UNITS

The New Units issued pursuant to the Preferential Offering will, upon issue, rank *pari passu* in all respects with the Units in issue on the day immediately prior to the date on which the New Units are issued pursuant to the Preferential Offering, including the right to Keppel DC REIT's distributable income from 1 July 2016 up to the day immediately prior to the date on which the New Units are issued pursuant to the Preferential Offering as well as all distributions thereafter.

9. APPROVAL IN-PRINCIPLE

Approval in-principle for the New Units has been obtained from the SGX-ST.

The SGX-ST's approval in-principle is not to be taken as an indication of the merits of the Preferential Offering, the New Units, Keppel DC REIT and/or its subsidiaries.

The SGX-ST's approval in-principle is subject to:

(i) compliance with the SGX-ST's listing requirements;

(ii) the Preferential Offering will not be priced at more than 10% discount to the volume weighted average price for trades done on the SGX-ST for the full market day on which the Preferential Offering is announced; and

(ii) submission of:

(a) a written undertaking from the Manager that it will comply with Rule 704(30), Rule 815 and Rule 1207(20) of the Listing Manual in relation to the use of the proceeds from the Preferential Offering and where proceeds are to be used for working capital purposes, the Manager will disclose a breakdown with specific details on the use of proceeds for working capital in Keppel DC REIT's announcements on use of proceeds and in its annual report

(b) a written undertaking from the Manager that it will comply with the confirmation given in accordance with Rule 877(10) of the Listing Manual with regard to the allotment of any excess New Units; and

(c) a written confirmation from financial institutions that the Unitholders who have given irrevocable undertakings to subscribe for the New Units have sufficient financial resources to fulfil their obligation as required under Rule 877(9) of the Listing Manual.

10. INDICATIVE TIMETABLE FOR THE PREFERENTIAL OFFERING

Event	**Date and Time**
Preferential Offering Books Closure Date	25 October 2016 at 5.00 p.m.
Despatch of Instructions Booklet (together with the ARE [1]) to Entitled Unitholders	28 October 2016
Opening date and time for the Preferential Offering	28 October 2016 at 9.00 a.m. via ARE and ATMs
Last date and time for acceptance, application (if applicable) and payment	7 November 2016 at 5.00 p.m. via ARE 7 November 2016 at 9.30 p.m. via ATMs

1 "**ARE**" refers to the acceptance form for New Units provisionally allotted to Entitled Unitholders under the Preferential Offering and application form for Excess New Units.

for provisional allotments of New Units and Excess New Units	
Listing of the New Units pursuant to the Preferential Offering	15 November 2016 at 9.00 a.m.

By Order of the Board
Keppel DC REIT Management Pte. Ltd.
(Company Registration No. 199508930C)
as manager of Keppel DC REIT

Kelvin Chua / Maritz bin Mansor
Joint Company Secretaries
Singapore
17 October 2016

Important Notice:

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units.

This announcement may contain forward-looking statements that involve 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 companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, 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. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events. The past performance of Keppel DC REIT and the Manager are not necessarily indicative of the future performance of any of them.

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, the Manager, 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 the Manager to redeem their Units while the Units are listed and quoted on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). It is intended that Unitholders may only deal in their Units through trading on. Listing and quotation of the Units on the SGX-ST does not guarantee that a trading market for the New Units will develop or, if a market does develop, the liquidity of that market for the New and existing Units.

Before deciding to invest in the Units, prospective investors should seek professional advice from their relevant advisers about their particular circumstances. None of the Joint Lead Managers or Underwriters will be liable for any loss suffered from investing in the Units.