NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES, EU MEMBER STATES, CANADA OR JAPAN, NOTHING IN THIS ANNOUNCEMENT CONSTITUTES AN OFFER TO BUY, OR A SOLICITATION OF AN OFFER TO SELL, SECURITIES IN THE UNITED STATES OR ANY OTHER JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL. SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION PURSUANT TO THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR AN EXEMPTION FROM REGISTRATION. ACCORDINGLY, THE SECURITIES REFERRED TO IN THIS ANNOUNCEMENT WILL BE OFFERED AND SOLD (I) OUTSIDE THE UNITED STATES ONLY IN "OFFSHORE TRANSACTIONS" (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S") IN ACCORDANCE WITH REGULATION S AND (II) WITHIN THE UNITED STATES ONLY TO ENTITLED QIBS (AS DEFINED HEREIN) PURSUANT TO SECTION 4(A)(2) OF THE SECURITIES ACT.

Keppel DC REIT Management Pte. Ltd.
(Co Reg No. 199508930C)
18 Cross Street #10-10
China Square Central
Singapore 048423
Tel: (65) 6535 5665
Fax: (65) 6535 0660

ANNOUNCEMENT

(1) COMPLETION OF ACQUISITION OF 90.0% INTEREST IN KEPPEL DC SINGAPORE 3 (FORMERLY KNOWN AS T27 OR KEPPEL DATAHUB 2) BY WAY OF ACQUIRING 90.0% INTEREST IN KEPPEL DC SINGAPORE 3 PTE. LTD. (FORMERLY KNOWN AS KEPPEL DATAHUB 2 PTE. LTD.)
(2) UPDATE ON USE OF PROCEEDS

*Capitalised terms used herein, unless otherwise defined, shall have the meanings ascribed to them in the announcement of Keppel DC REIT dated 17 October 2016 titled "Proposed Acquisition of 90.0% Interest in Keppel DC Singapore 3 (formerly known as T27 or Keppel Datahub 2) by way of Acquiring 90.0% Interest in Keppel DC Singapore 3 Pte. Ltd. (formerly known as Keppel Datahub 2 Pte. Ltd.)" (the "**Acquisition Announcement**").*

Further to the Acquisition Announcement, Keppel DC REIT Management Pte. Ltd., in its capacity as manager of Keppel DC REIT (the "**Manager**"), is pleased to announce that Keppel DC REIT has today completed the Proposed Acquisition.

In connection with the Proposed Acquisition, the Target Entity has also today entered into:

(i) the Keppel Lease Agreement with the Keppel Lessee in relation to the lease of the Property to the Keppel Lessee for a term of ten years with an option to renew for a further term of five years;

(ii) the Facility Management Agreement with the Facility Manager where the Facility Manager will be appointed to provide the Facility Services to the Property; and

(iii) the Business Transfer Agreement with the Facility Manager to transfer the employees, contracts and certain assets (assets for the purpose of providing facility management services) of the Target Entity to Facility Manager.

In connection with the Proposed Acquisition, the Trustee has also entered into an agreement with the Vendor to vary the arrangements set out in the Share Purchase Agreement, so that the rights and obligations of KDCS3PL attributable to the 90 ordinary shares acquired by the Trustee shall pass to the Trustee as if Completion had occurred on 1 December 2016, notwithstanding that

Completion has occurred today.

Further to the announcement dated 15 November 2016 titled "Use of Proceeds", the Manager wishes to update on the use of the net proceeds raised from the Preferential Offering.

As at the date of this announcement, approximately S$145.2 million of the net proceeds of approximately S$275.3 million from the Preferential Offering (the "**Net Proceeds**") has been used to partially fund the Proposed Acquisition and S$30.2 million of the Net Proceeds has been used to partially repay the loan taken up to finance the acquisition of Intellicentre 2. Such use is in line with the stated use of proceeds of the Preferential Offering.

The Manager also wishes to announce that approximately S$5.9 million of the Net Proceeds has been reallocated from the initial intended use of repaying loans, for capital expenditure purposes and/or for future acquisitions and used instead as settlement of purchase price adjustments due to related corporations, arising from revisions to property tax payable on Keppel DC Singapore 1 and Keppel DC Singapore 2, based on indemnities provided by the relevant sale and purchase agreements. The Manager is of the view that this would be a more efficient use of the Net Proceeds.

As at the date of this announcement, details of the use of Net Proceeds from the Preferential Offering are as follows:

Intended use of Net Proceeds	**Announced use of Net Proceeds**	**Reallocation of the use of Net Proceeds**	**Actual use of Net Proceeds**	**Balance of Net Proceeds**
	(S$' million)	**(S$' million)**	**(S$' million)**	**(S$' million)**
To fully fund the Proposed Acquisition	**208.6**	-	(145.2)	**63.4**
To repay the loan taken up to finance the acquisition of Intellicentre 2	**33.4**	-	(30.2)	**3.2**
To repay loans, for capital expenditure purposes and/or for future acquisitions	**33.3**	(5.9)[1]	-	**27.4**
As settlement of purchase price adjustments due to related corporations, arising from revisions to property tax payable on Keppel DC Singapore 1 and Keppel DC Singapore 2, based on indemnities provided by the relevant sale and purchase agreements.	**-**	5.9[1]	(5.9)	**-**
Total	**275.3**	**-**	**(181.3)**	**94.0**

Note:

(1) Approximately S$5.9 million has been reallocated from the initial intended use of repaying loans, for capital expenditure purposes and/or for future acquisitions and used instead as settlement of purchase price adjustments due to related corporations, arising from revisions to property tax payable on Keppel DC Singapore 1 and Keppel DC Singapore 2, based on indemnities provided by the relevant sale and purchase agreements.

The Manager will make further announcements on the utilisation of the remaining Net Proceeds as and when such funds are materially utilised.

Shortly following Completion, KDCS3PL is expected to be converted into a limited liability partnership, KDCS3LLP, pursuant to Section 21 of the Limited Liability Partnerships Act (Chapter 163A of Singapore). In connection with this, the Manager would like to inform Unitholders that Keppel DC REIT has been granted tax transparency treatment for its share of the taxable income of KDCS3LLP, similar to that which was granted for its two existing Singapore properties.

BY ORDER OF THE BOARD
Keppel DC REIT Management Pte. Ltd.
(Company Registration No. 199508930C)
(as manager of Keppel DC REIT)

Kelvin Chua
Company Secretary
20 January 2017

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. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.