CIRCULAR DATED 8 OCTOBER 2019

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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If you have sold or transferred all your units in Keppel DC REIT ("**Units**"), you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form in this Circular, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Keppel DC REIT

(Constituted in the Republic of Singapore pursuant to a trust deed dated 17 March 2011 (as amended))

MANAGED BY

KEPPEL DC REIT MANAGEMENT PTE. LTD.

CIRCULAR TO UNITHOLDERS

IN RELATION TO

THE FOLLOWING INTERESTED PERSON TRANSACTIONS:

(1) THE PROPOSED ACQUISITION OF 99.0% INTEREST IN THE COMPANY WHICH HOLDS KEPPEL DC SINGAPORE 4 ("KDC SGP 4") AND THE ENTRY INTO THE KEPPEL LEASE AGREEMENT, THE FACILITY MANAGEMENT AGREEMENT AND THE LLP AGREEMENT; AND

(2) THE PROPOSED ACQUISITION OF 100.0% INTEREST IN THE COMPANY WHICH HOLDS THE DATA CENTRE LOCATED AT 18 RIVERSIDE ROAD, SINGAPORE ("DC1").

Independent Financial Adviser to the Independent Directors and Audit and Risk Committee of Keppel DC REIT Management Pte. Ltd. and the Trustee

KPMG

KPMG Corporate Finance Pte Ltd
(Company Registration Number 198500417D)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES FOR UNITHOLDERS

Last date and time for lodgement of Proxy Forms	:	20 October 2019 at 2.00 p.m.
Date and time of Extraordinary General Meeting ("**EGM**")	:	23 October 2019 at 2.00 p.m.
Place of EGM	:	Level 3, Hibiscus Ballroom 3601A-4 & 3701A-4 Sands Expo and Convention Centre 10 Bayfront Avenue Singapore 018956

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CORPORATE INFORMATION

Directors of Keppel DC REIT Management Pte. Ltd. (as manager of Keppel DC REIT) (the "Manager")	:	Ms Christina Tan (Chairman of the Board and Non-Executive Director) Mr Lee Chiang Huat (Independent Director and Chairman of the Audit and Risk Committee) Dr Tan Tin Wee (Independent Director and Chairman of the Nominating and Remuneration Committee) Mr Dileep Nair (Independent Director) Mr Low Huan Ping (Independent Director) Mr Kenny Kwan Yew Kwong (Independent Director) Mr Thomas Pang Thieng Hwi (Non-Executive Director)
Registered Office of the Manager	:	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632
Trustee of Keppel DC REIT (the "Trustee")	:	Perpetual (Asia) Limited 8 Marina Boulevard #05-02 Marina Bay Financial Centre Singapore 018981
Legal Adviser for the Proposed Transactions and to the Manager	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to the Trustee	:	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
Unit Registrar and Unit Transfer Office	:	Boardroom Corporate & Advisory Services Pte. Ltd. (a member of Boardroom Limited) 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Independent Financial Adviser to the Independent Directors and Audit and Risk Committee of the Manager and the Trustee (the "IFA")	:	KPMG Corporate Finance Pte Ltd 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581

Independent Valuers	:	**For KDC SGP 4:** • Cushman & Wakefield VHS Pte. Ltd. 3 Church Street #09-03 Singapore 049483 (appointed by the Manager) • Savills Valuation And Professional Services (S) Pte Ltd 30 Cecil Street #20-03 Prudential Tower Singapore 049712 (appointed by the Trustee) **For DC1:** • Knight Frank Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315 (appointed by the Manager) • Edmund Tie & Company (SEA) Pte Ltd 5 Shenton Way #13-05 UIC Building Singapore 068808 (appointed by the Trustee)

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OVERVIEW

The following overview is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 46 to 56 of this Circular.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

OVERVIEW

Overview of Keppel DC REIT

Listed on 12 December 2014, Keppel DC REIT is the first pure-play data centre real estate investment trust ("**REIT**") in Asia listed on the SGX-ST. Keppel DC REIT's investment strategy is to principally invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets which are used primarily for data centre purposes, as well as real estate related assets.

As at 30 June 2019, Keppel DC REIT has a market capitalisation of approximately S$2.26 billion. The Existing Portfolio (as defined herein) is valued at approximately S$1.98 billion[1]. Keppel DC REIT's Existing Portfolio comprises 15 high-quality data centres strategically located in key data centre hubs globally. With an aggregate lettable area of approximately 1,112,983 square feet ("**sq ft**"), the Existing Portfolio spans ten cities in eight countries across Asia Pacific and Europe.

Keppel DC REIT's data centre properties in Asia Pacific include (i) Keppel DC Singapore 1 ("**KDC SGP 1**") in Singapore; (ii) Keppel DC Singapore 2 ("**KDC SGP 2**") in Singapore; (iii) a 90.0% interest in Keppel DC Singapore 3 ("**KDC SGP 3 Interest**") in Singapore; (iv) a 99.0% interest in Keppel DC Singapore 5 ("**KDC SGP 5 Interest**") in Singapore; (v) a 99.0% interest in Basis Bay Data Centre (the "**Basis Bay DC Interest**") in Cyberjaya, Malaysia; (vi) Intellicentre 2 Data Centre ("**IC2 DC**") in Sydney, Australia; (vii) Gore Hill Data Centre ("**Gore Hill DC**") in Sydney, Australia; and (viii) iseek Data Centre ("**iseek DC**") in Brisbane, Australia.

In Europe, Keppel DC REIT owns (i) GV7 Data Centre ("**GV7 DC**") in London, United Kingdom; (ii) Keppel DC Dublin 1 ("**KDC DUB 1**") in Dublin, Ireland; (iii) Keppel DC Dublin 2 ("**KDC DUB 2**") in Dublin, Ireland; (iv) Almere Data Centre ("**Almere DC**") in Almere, the Netherlands; (v) Cardiff Data Centre ("**Cardiff DC**") in Cardiff, United Kingdom; (vi) Milan Data Centre ("**Milan DC**") in Milan, Italy; and (vii) maincubes Data Centre ("**maincubes DC**") in Offenbach am Main, Germany.

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1 This refers to the assets under management ("**AUM**") of Keppel DC REIT and excludes Intellicentre 3 East Data Centre ("**IC3 East DC**"), which is being developed and is expected to be completed in 2020.

Overview of the Proposed Transactions

KDC SGP 4

On 16 September 2019, the Trustee entered into a conditional share purchase agreement with Thorium DC Pte. Ltd. (the "**KDC SGP 4 Vendor**" or "**Thorium DCPL**") to acquire 9,900,000 ordinary shares being 99.0% of the issued share capital in Keppel DC Singapore 4 Pte. Ltd. ("**KDCS4PL**"[1] and the proposed acquisition of 99.0% of the issued share capital in the KDC SGP 4 Target Entity, the "**Proposed KDC SGP 4 Acquisition**"), which holds KDC SGP 4 ("**KDC SGP 4 Share Purchase Agreement**") for an estimated purchase consideration of S$378.9 million[2] ("**KDC SGP 4 Purchase Consideration**"). The remaining 1.0% of the issued share capital in the KDC SGP 4 Target Entity will be acquired by Keppel Data Centres Holding Pte Ltd ("**KDCH**"), which is an indirect subsidiary of Keppel Corporation Limited ("**KCL**"). The rationale for having KDCH hold 1.0% interest in the KDC SGP 4 Target Entity is to have KDCH as a partner following the conversion of KDC SGP 4 Target Entity to a limited liability partnership ("**LLP**") and to align KDCH's interest as shareholder of the Facility Manager (as defined herein) with Keppel DC REIT, thus providing assurance to clients. This structure is similar to the other Singapore data centres that Keppel DC REIT holds through an LLP structure, namely KDC SGP 3 and KDC SGP 5.

Following the completion of the Proposed KDC SGP 4 Acquisition, the KDC SGP 4 Target Entity will enter into a business transfer agreement with Keppel DC Singapore 2 Pte. Ltd. ("**KDCS2PL**" or the "**Facility Manager**" or the "**Keppel Lessee**") to transfer the relevant assets[3] and contracts of the KDC SGP 4 Target Entity for a nominal consideration of S$1.00. The Keppel Lessee is a subsidiary of KDCH. The rationale for the entry into the business transfer agreement is because as a REIT, Keppel DC REIT should be a passive vehicle and should not be actively running a business. The current proposed structure where the Keppel Lessee contracts with the clients is the same as that for all the other Singapore data centres that Keppel DC REIT holds.

In connection with the Proposed KDC SGP 4 Acquisition, the KDC SGP 4 Target Entity will also enter into (i) the Keppel Lease Agreement (as defined herein) with the Keppel Lessee in relation to the Keppel Lease (as defined herein) and (ii) the Facility Management Agreement (as defined herein) with the Facility Manager in relation to the Facility Services (as defined herein).

Following the KDC SGP 4 Completion, and subject to receiving the necessary approvals and tax rulings, KDCS4PL will be converted to an LLP, Keppel DC Singapore 4 LLP, pursuant to Section 21 of the Limited Liability Partnerships Act (Chapter 163A of Singapore).

DC1[4]

On 16 September 2019, the Trustee entered into a conditional share purchase agreement with CityDC Pte. Ltd. ("**CityDC**") and WDC Development Pte. Ltd. ("**WDCD**") (collectively, the "**DC1 Vendors**") to acquire 1,000,000 ordinary shares being 100.0% of the issued share capital in DataCentre One Pte. Ltd. ("**DC1PL**", and the proposed acquisition of 100.0% of the issued share capital in DC1PL, the "**Proposed DC1 Acquisition**"), which holds DC1 for an estimated purchase consideration of S$201.8 million[5] ("**DC1 Purchase Consideration**") ("**DC1 Share Purchase Agreement**").

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1 KDCS4PL and, following the conversion into an LLP, Keppel DC Singapore 4 LLP ("**KDCS4LLP**") shall be referred to as the "**KDC SGP 4 Target Entity**", where "**KDC SGP 4 Target Entity**" may refer to either KDCS4PL, or as the case may be, KDCS4LLP.

2 The actual amount of the KDC SGP 4 Purchase Consideration payable to the KDC SGP 4 Vendor will only be determined after the KDC SGP 4 Completion Date.

3 These include security deposits from customers, computers and any cash associated with such relevant assets.

4 Going forward, the term "**DC1**" will be used to refer to the data centre located at 18 Riverside Road, Singapore instead of the terminology used in Keppel DC REIT's announcement dated 16 September 2019.

5 The actual amount of the DC1 Purchase Consideration payable to the DC1 Vendors will only be determined after the DC1PL Completion Date.

For the purposes of this Circular:

"**Existing Portfolio**" comprises (i) KDC SGP 1; (ii) KDC SGP 2; (iii) the KDC SGP 3 Interest; (iv) the KDC SGP 5 Interest; (v) the Basis Bay DC Interest; (vi) IC2 DC; (vii) Gore Hill DC; (viii) iseek DC; (ix) GV7 DC; (x) KDC DUB 1; (xi) KDC DUB 2; (xii) Almere DC; (xiii) Cardiff DC; (xiv) Milan DC; and (xv) maincubes DC. It excludes IC3 East DC[1].

"**Enlarged Portfolio**" comprises (i) the Existing Portfolio; (ii) the KDC SGP 4 Interest and (iii) DC1.

"**KDC SGP 4 Interest**" means the 99.0% interest in the company which holds KDC SGP 4.

"**Proposed Acquisitions**" comprises the Proposed KDC SGP 4 Acquisition and the Proposed DC1 Acquisition.

"**Target Properties**" comprises KDC SGP 4 and DC1.

The property information contained in this Circular on the Existing Portfolio and the Enlarged Portfolio is as at 30 June 2019, unless otherwise stated.

SUMMARY OF APPROVALS SOUGHT

The Manager seeks approval from Unitholders by way of Ordinary Resolutions[2] in respect of:

(i) the Proposed KDC SGP 4 Acquisition and the entry into a lease agreement (the "**Keppel Lease Agreement**") in relation to the lease of KDC SGP 4 to the Keppel Lessee for a term of 10 years with an option to renew for a further term of five years (the "**Keppel Lease**"), a facility management agreement (the "**Facility Management Agreement**") with the Facility Manager where the Facility Manager will be appointed to provide certain facilities management and maintenance services (the "**Facility Services**"), and entry into a limited liability partnership agreement (the "**LLP Agreement**") in relation to the conversion of KDCS4PL into an LLP on KDC SGP 4 Completion (collectively, the "**Proposed KDC SGP 4 Transaction**"); and

(ii) the Proposed DC1 Acquisition

(collectively, the "**Proposed Transactions**").

Ordinary Resolution (1) (*The Proposed Acquisition of 99.0% Interest in the Company which holds KDC SGP 4, the Entry into the Keppel Lease Agreement, the Facility Management Agreement and the LLP Agreement*) and Ordinary Resolution (2) (*The Proposed Acquisition of 100.0% Interest in the Company which holds DC1*) are **NOT** inter-conditional, and in the event Unitholders do not approve any one of the Resolutions, the Manager will still proceed with the other Resolution.

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1 IC3 East DC is being developed and is expected to be completed in 2020.

2 "**Ordinary Resolution**" means a resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed.

Description of the Properties

KDC SGP 4

KDC SGP 4, located at 20 Tampines Street 92, Singapore 528875, is a five-storey carrier-neutral and purpose-built colocation data centre facility, with a net lettable area ("**NLA**") of approximately 84,544 sq ft. Completed in 2017, KDC SGP 4 was designed and constructed incorporating environmentally-friendly features. In recognition of its green efforts, the facility received the BCA-IMDA Green Mark Award (Platinum) for New Data Centres and the BCA Green Mark Award (Platinum) for New Building for Non-Residential Buildings.

The facility manager of KDC SGP 4 will be KDCS2PL, which is a subsidiary of KDCH, a data centre solutions provider in Singapore. KDCH offers a comprehensive range of colocation services to end-users. It enters into colocation service arrangements with, and manages data centre facilities for end-users. KDCH is a subsidiary of Keppel Telecommunications & Transportation Ltd ("**Keppel T&T**" or the "**Sponsor**"), which has more than a decade of experience in designing, building and managing data centres, and is an indirect subsidiary of KCL. KDCH, being a subsidiary of a "controlling Unitholder" and a "controlling shareholder" of the Manager is an "interested person" (for the purposes of the Listing Manual of the SGX-ST (the "**Listing Manual**")) and an "interested party" (for the purposes of Appendix 6 of the Code on Collective Investment Schemes (the "**Property Funds Appendix**")) of Keppel DC REIT.

The KDC SGP 4 Vendor is a joint venture company held by Alpha DC Fund Private Limited and KDCH in the proportion of 70.0% and 30.0% respectively. KDCH holds a 65.3% interest in Alpha DC Fund Private Limited.

DC1

DC1, located at 18 Riverside Road, Singapore 739088, is a purpose-built five-storey data centre facility featuring approximately 213,815 sq ft of floor area across four floors of data centre halls and one floor of office and ancillary space. DC1 was completed in 2016. It is currently on a triple-net master lease with approximately 17 years remaining, with an option to renew for another 7.6 years. The rental payable is approximately S$17.0 million to S$21.0 million yearly, with the rental payable monthly. Under the triple-net master lease, the lessee pays for rent and the following property-related expenses: (i) property tax, (ii) day-to-day repair and maintenance expenses, (iii) utilities and (iv) certain insurance relating to the property. This master lease was entered into on 12 April 2016 and would continue following DC1PL Completion, and by approving the Proposed DC1 Acquisition, Unitholders will be deemed to have also approved the master lease. The master lessee, 1-Net Singapore Pte. Ltd. ("**1-Net Singapore**"), is an interested person of Keppel DC REIT as it is a wholly-owned subsidiary of Temasek Holdings (Private) Limited ("**THPL**"). For the avoidance of doubt, KCL has no interest in the master lessee.

This is an existing master lease entered into by DC1PL and not an additional or new transaction to be entered into. Keppel DC REIT will be taking over the master lease as purchaser of the shares in DC1PL, and no new agreement will be entered into with 1-Net Singapore.

The DC1 Vendors comprise CityDC, which is wholly-owned by Keppel Infrastructure Trust ("**KIT**"), and WDCD, which is wholly-owned by Shimizu Corporation. CityDC and WDCD own 51.0% and 49.0% of DC1PL, respectively. KIT is a business trust listed on the SGX-ST. KIT is an associate of THPL under both the Listing Manual and the Property Funds Appendix and is accordingly an "interested person" (for the purposes of the Listing Manual) and an "interested party" (for the purposes of the Property Funds Appendix) of Keppel DC REIT. See paragraph 4.2.3 of the Letter to Unitholders for more details.

(See **Appendix A** of this Circular for further details.)

Purchase Consideration

KDC SGP 4

The KDC SGP 4 Purchase Consideration is based on the adjusted net asset value ("**NAV**") of the KDC SGP 4 Target Entity as at the date of completion of the Proposed KDC SGP 4 Acquisition ("**KDC SGP 4 Completion**", and the date of KDC SGP 4 Completion, the "**KDC SGP 4 Completion Date**"). The estimated KDC SGP 4 Purchase Consideration payable on the KDC SGP 4 Completion Date is S$378.9 million[1] and is derived from:

(i) S$384.9 million, being 99.0% of the agreed value of KDC SGP 4 (the "**KDC SGP 4 Agreed Value**"); less

(ii) S$86.7 million, being 99.0% of the adjustments for KDC SGP 4 Target Entity's adjusted net liabilities (excluding the carrying value of KDC SGP 4) as at the KDC SGP 4 Completion Date; plus

(iii) S$80.7 million, being 99.0% of the existing shareholder's loan owed by the KDC SGP 4 Target Entity to the KDC SGP 4 Vendor (the "**KDCS4PL Shareholder Loan**").

A deposit of S$1.0 million has been paid in full to the KDC SGP 4 Vendor. The deposit is refundable, save for where the termination or non-completion of the KDC SGP 4 Share Purchase Agreement arises out of the fault of Keppel DC REIT.

DC1

The DC1 Purchase Consideration is based on the adjusted NAV of DC1PL as at the date of completion of the Proposed DC1 Acquisition ("**DC1PL Completion**", and the date of Completion, the "**DC1PL Completion Date**"). The estimated DC1 Purchase Consideration payable on the DC1PL Completion Date is S$201.8 million[2] and is derived from:

(i) S$200.2 million, being the agreed value of DC1 (the "**DC1 Agreed Value**"); less

(ii) S$32.2 million, being the adjustments for D1CPL's adjusted net liabilities (excluding the carrying value of DC1) as at the DC1PL Completion Date[3]; plus

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1 The actual amount of the KDC SGP 4 Purchase Consideration payable to the KDC SGP 4 Vendor will only be determined after the KDC SGP 4 Completion Date.

2 The actual amount of the DC1PL Purchase Consideration payable to the DC1 Vendors will only be determined after the DC1PL Completion Date.

3 For avoidance of doubt, DC1PL is in a net asset position if the carrying value of DC1 is included in the adjusted net liabilities.

(iii) the existing shareholders' loan of S$33.8 million owed by DC1PL to the DC1 Vendors (the "**DC1PL Shareholder Loan**").

A deposit of S$1.0 million has been paid in full to the DC1 Vendors. The deposit is refundable, save for where the termination or non-completion of the DC1 Share Purchase Agreement arises out of the fault of Keppel DC REIT.

VALUATION

The KDC SGP 4 Agreed Value and the DC1 Agreed Value were each negotiated on a willing-buyer and willing-seller basis taking into account the independent valuations of the Target Properties. The KDC SGP 4 Agreed Value and the DC1 Agreed Value are S$384.9 million and S$200.2 million respectively.

The following independent valuers have been commissioned by the Manager and the Trustee to value the Target Properties:

	KDC SGP 4	DC1
Independent valuer commissioned by the Manager	Cushman & Wakefield VHS Pte. Ltd. ("**Cushman & Wakefield**")	Knight Frank Pte Ltd ("**Knight Frank**")
Independent valuer commissioned by the Trustee	Savills Valuation And Professional Services (S) Pte Ltd ("**Savills**")	Edmund Tie & Company (SEA) Pte Ltd ("**Edmund Tie**")

(Cushman & Wakefield, Savills, Knight Frank and Edmund Tie, each an "**Independent Valuer**" and together the "**Independent Valuers**".)

The open market values ("**OMV**") of the Target Properties as stated by the Independent Valuers are summarised in the tables below:

KDC SGP 4

Independent Valuer	Date of Valuation	Methods of valuation	OMV of KDC SGP 4 Interest (with Rental Support)	OMV of KDC SGP 4 Interest (without Rental Support)
Cushman & Wakefield	10 September 2019	Discounted cash flow analysis method and the income capitalisation method	S$385.1 million	S$377.9 million
Savills	10 September 2019	Discounted cash flow analysis method and the income capitalisation method	S$385.1 million	S$378.2 million

DC1

Independent Valuer	Date of Valuation	Methods of valuation	OMV of DC1
Knight Frank	15 August 2019	Discounted cash flow analysis method and the income capitalisation method	S$200.5 million
Edmund Tie	31 August 2019	Discounted cash flow analysis method and the income capitalisation method	S$201.5 million

Total Acquisition Cost

KDC SGP 4

The acquisition cost for the Proposed KDC SGP 4 Transaction ("**KDC SGP 4 Acquisition Cost**") is estimated to be approximately S$392.3 million, comprising:

(i) the estimated KDC SGP 4 Purchase Consideration of approximately S$378.9 million[1];

(ii) the estimated upfront land premium of approximately S$5.2 million payable to JTC Corporation ("**JTC**") in connection with the Proposed KDC SGP 4 Acquisition;

(iii) the acquisition fee (the "**KDC SGP 4 Acquisition Fee**") payable in Units to the Manager for the Proposed KDC SGP 4 Acquisition (the "**KDC SGP 4 Acquisition Fee Units**") of approximately S$3.9 million[2] (being 1.0% of the KDC SGP 4 Agreed Value); and

(iv) the estimated stamp duty, professional and other fees and expenses of approximately S$4.3 million incurred or to be incurred by Keppel DC REIT in connection with the Proposed KDC SGP 4 Transaction.

DC1

The acquisition cost for the Proposed DC1 Acquisition ("**DC1 Acquisition Cost**") is estimated to be approximately S$207.2 million, comprising:

(i) the estimated DC1 Purchase Consideration of approximately S$201.8 million[3];

(ii) the acquisition fee (the "**DC1 Acquisition Fee**") payable in Units to the Manager for the Proposed DC1 Acquisition (the "**DC1 Acquisition Fee Units**" and together with the KDC SGP 4 Acquisition Fee Units, the "**Acquisition Fee Units**") of approximately S$2.0 million[4] (being 1.0% of the DC1 Agreed Value); and

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1 The actual amount of the KDC SGP 4 Purchase Consideration payable to the KDC SGP 4 Vendor will only be determined after the KDC SGP 4 Completion Date.

2 As the Proposed Transactions constitute an "**interested party transaction**" under the Property Funds Appendix issued by the Monetary Authority of Singapore ("**MAS**"), the Acquisition Fee will be in the form of Acquisition Fee Units which shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

3 The actual amount of the DC1 Purchase Consideration payable to the DC1 Vendors will only be determined after the DC1PL Completion Date.

4 As the Proposed Transactions constitute an "**interested party transaction**" under the Property Funds Appendix issued by the MAS, the Acquisition Fee will be in the form of Acquisition Fee Units which shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

(iii) the estimated stamp duty, professional and other fees and expenses of approximately S$3.4 million incurred or to be incurred by Keppel DC REIT in connection with the Proposed DC1 Acquisition.

Therefore, if the Proposed Transactions are approved, the total acquisition cost for the Proposed Transactions (the "**Total Acquisition Cost**") is estimated to be approximately S$599.5 million, comprising the KDC SGP 4 Acquisition Cost and DC1 Acquisition Cost.

Method of Financing

The Manager intends to finance the Total Acquisition Cost with (i) approximately S$438.6 million, being part of the net proceeds from the issuance of 276,989,617 new Units (the "**New Units**") which was announced on 16 September 2019 (the "**Equity Fund Raising**"), (ii) drawdown from debt facilities and (iii) the issue of the Acquisition Fee Units amounting to approximately S$5.9 million to the Manager.

The gross proceeds of the fully underwritten Equity Fund Raising consists of:

(i) the placement of 135,000,000 New Units (equivalent to approximately 10.0% of the total number of Units in issue prior to the Equity Fund Raising) for approximately S$235.4 million ("**Placement**"); and

(ii) the preferential offering of 141,989,617 New Units (equivalent to approximately 10.5% of the total number of Units in issue prior to the Equity Fund Raising) for approximately S$242.8 million ("**Preferential Offering**").

Interested Person Transaction and Interested Party Transaction

Proposed KDC SGP 4 Transaction

As at 25 September 2019, being the latest practicable date prior to the printing of this Circular (the "**Latest Practicable Date**"), KCL, through Keppel T&T and Keppel Capital Holdings Pte. Ltd. ("**Keppel Capital**"), holds an aggregate interest in 340,976,639 Units, which is equivalent to approximately 22.9% of the total number of Units in issue, and is therefore regarded as a "controlling Unitholder" of Keppel DC REIT under both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is owned by (i) Keppel T&T through Keppel Data Centres Pte. Ltd. ("**KDCPL**") and (ii) Keppel Capital in equal proportions, which are in turn subsidiaries of KCL, KCL is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

The KDC SGP 4 Vendor is a joint venture company held by Alpha DC Fund Private Limited and KDCH in the proportion of 70.0% and 30.0% respectively. KDCH also holds a 65.3% interest in Alpha DC Fund Private Limited. As KDCH is an indirect subsidiary of KCL, the KDC SGP 4 Vendor is also an indirect subsidiary of KCL. Additionally, as the Keppel Lessee is a subsidiary of KDCH, the Keppel Lessee is an indirect subsidiary of KCL. Accordingly, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the KDC SGP 4 Vendor (being a subsidiary of a "controlling Unitholder" and a "controlling shareholder" of the Manager) is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of Keppel DC REIT.

Therefore, the Proposed KDC SGP 4 Acquisition will constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the approval of Unitholders is required. The entry into the Keppel Lease Agreement, the Facility Management Agreement and the LLP Agreement will also constitute an "interested person transaction" under Chapter 9 of the Listing Manual.

Given that the KDC SGP 4 Purchase Consideration is approximately S$378.9 million, the value of the Keppel Lease Agreement is approximately S$355.8 million (being 99.0% of the estimated total amount payable over the term of the Keppel Lease), and the value of the Facility Management Agreement is S$11.1 million (being 99.0% of the estimated total amount payable over the term of the Facility Management Agreement) (which in aggregate is 50.7% and 50.5% of the latest audited net tangible asset value ("**NTA**") and the NAV of Keppel DC REIT as at 31 December 2018 respectively), the value of the Proposed KDC SGP 4 Transaction exceeds 5.0% of the NTA and the NAV of Keppel DC REIT. Accordingly, the Manager is seeking the approval of Unitholders by way of an Ordinary Resolution of the Unitholders for the Proposed KDC SGP 4 Transaction.

Unitholders should note that by approving the Proposed KDC SGP 4 Transaction, they would also be approving the entry into the Keppel Lease Agreement, the Facility Management Agreement, the LLP Agreement and any document required to give effect to the Proposed KDC SGP 4 Transaction.

Proposed DC1 Acquisition

As at the Latest Practicable Date, THPL holds an aggregate interest in 349,833,399 Units, which is equivalent to approximately 23.52% of the total number of Units in issue, and is therefore regarded as a "controlling Unitholder" of Keppel DC REIT under both the Listing Manual and the Property Funds Appendix. In addition, by virtue of its approximately 21.74% interest in KCL, THPL is a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

One of the DC1 Vendors, CityDC, is wholly-owned by KIT, which is an associate of THPL under both the Listing Manual and the Property Funds Appendix. THPL, through KCL and its other subsidiaries and associated companies, is deemed interested in approximately 31.89% of KIT. KCL, through its wholly-owned subsidiary Keppel Infrastructure Holdings Pte. Ltd., holds an aggregate interest in 909,048,658 units in KIT, which is equivalent to approximately 18.20% of the total number of KIT units in issue.

Accordingly, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, CityDC (being an associate of a "controlling Unitholder" and a "controlling shareholder" of the Manager) is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of Keppel DC REIT.

Given that the DC1 Purchase Consideration is approximately S$201.8 million, (which is 13.7% of both the latest audited NTA and the NAV of Keppel DC REIT as at 31 December 2018), the value of the Proposed DC1 Acquisition exceeds 5.0% of the NTA and the NAV of Keppel DC REIT. Accordingly, the Manager is seeking the approval of Unitholders by way of an Ordinary Resolution of the Unitholders for the Proposed DC1 Acquisition.

(See paragraph 4.2.3 of the Letter to Unitholders for further details.)

RATIONALE FOR AND BENEFITS OF THE PROPOSED TRANSACTIONS

The Manager believes that the Proposed Transactions will bring the following key benefits to Unitholders:

- Distribution per Unit ("**DPU**") accretive acquisitions consistent with Keppel DC REIT's investment strategy;
- Strengthening foothold in Singapore;
- Greater income resilience through exposure to a larger portfolio;
- Improvement in portfolio occupancy and lease profile;
- Enlarged portfolio creates a stronger platform for growth;
- Greater leasing synergies and operational efficiency; and
- Alignment of interests with the fully underwritten preferential offering as part of funding for the Proposed Acquisitions.

RATIONALE FOR THE EQUITY FUND RAISING

Keppel DC REIT is funding the Total Acquisition Cost with (i) approximately S$438.6 million, being part of the net proceeds from the Equity Fund Raising, (ii) drawdown from debt facilities and (iii) the issue of Acquisition Fee Units amounting to approximately S$5.9 million 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 Equity Fund Raising is a beneficial method of raising funds to finance the Proposed Acquisitions and it allows existing Unitholders to participate in the capital raising. The Equity Fund Raising is fully underwritten (taking into account the irrevocable undertakings).

To demonstrate support for Keppel DC REIT's long-term growth and the Equity Fund Raising, Keppel DC Investment Holdings Pte. Ltd. and Keppel DC REIT Management Pte. Ltd. (each in its own capacity), have each provided an undertaking to the Manager that it will accept, subscribe and pay in full for, its provisional allotment of New Units under the Preferential Offering based on its entitlement. This will also enable the Keppel Group to maintain its unitholding interest in Keppel DC REIT and serve to align the interest of the Keppel Group with that of Keppel DC REIT and its Unitholders.

The New Units to be issued pursuant to the Equity Fund Raising will increase the number of Units in issue by 276,989,617 Units which represents an increase of approximately 20.5% of the total number of Units in issue prior to the Equity Fund Raising. This increase in the total number of Units in issue may improve the trading liquidity of the Units.

INDICATIVE TIMETABLE

The timetable for the events which are scheduled to take place after the EGM is indicative only and is subject to change at the Manager's absolute discretion. Any changes (including any determination of the relevant dates) to the timetable below will be announced.

Event		Date and Time
Last date and time for lodgement of Proxy Forms	:	20 October 2019 at 2.00 p.m.
Date and time of the EGM	:	23 October 2019 at 2.00 p.m.
If approvals for the Proposed Transactions are obtained at the EGM:		
Target date for Completion	:	By the end of 4Q 2019

Keppel DC REIT

(Constituted in the Republic of Singapore
pursuant to a trust deed dated 17 March 2011 (as amended))

Directors of the Manager

Ms Christina Tan (Chairman of the Board and Non-Executive Director)
Mr Lee Chiang Huat (Independent Director and Chairman of the Audit and Risk Committee)
Dr Tan Tin Wee (Independent Director and Chairman of the Nominating and Remuneration Committee)
Mr Dileep Nair (Independent Director)
Mr Low Huan Ping (Independent Director)
Mr Kenny Kwan Yew Kwong (Independent Director)
Mr Thomas Pang Thieng Hwi (Non-Executive Director)

Registered Office

1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632

8 October 2019

To: Unitholders of Keppel DC REIT

Dear Sir/Madam

1. SUMMARY OF APPROVALS SOUGHT

The Manager is convening the EGM to seek the approval from Unitholders by way of Ordinary Resolutions[1] for the Proposed Transactions which involves (i) the Proposed KDC SGP 4 Acquisition, the entry into the Keppel Lease Agreement, the Facility Management Agreement and the LLP Agreement and (ii) the Proposed DC1 Acquisition.

2. THE PROPOSED TRANSACTIONS

2.1 Description of the Target Properties

2.1.1 KDC SGP 4

KDC SGP 4, located at 20 Tampines Street 92, Singapore 528875, is a five-storey carrier-neutral and purpose-built colocation data centre facility, with a NLA of approximately 84,544 sq ft. Completed in 2017, KDC SGP 4 was designed and constructed incorporating environmentally-friendly features. In recognition of its green efforts, the facility received the BCA-IMDA Green Mark Award (Platinum) for New Data Centres and the BCA Green Mark Award (Platinum) for New Building for Non-Residential Buildings.

1 "**Ordinary Resolution**" means a resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed.

The facility manager of KDC SGP 4 will be KDCS2PL, which is a subsidiary of KDCH, a data centre solutions provider in Singapore. KDCH offers a comprehensive range of colocation services to end-users. It enters into colocation service arrangements, and manages data centre facilities for the end-users. KDCH is a subsidiary of Keppel T&T, which has more than a decade of experience in designing, building and managing data centres, and is an indirect subsidiary of KCL. KDCH being a subsidiary of a "controlling Unitholder" and a "controlling shareholder" of the Manager is an "interested person" (for the purposes of the Listing Manual) and an "interested party" (for the purposes of the Property Funds Appendix) of Keppel DC REIT.

The KDC SGP 4 Vendor is a joint venture company held by Alpha DC Fund Private Limited and KDCH in the proportion of 70.0% and 30.0% respectively. KDCH holds 65.3% interest in Alpha DC Fund Private Limited.

2.1.2 DC1

DC1, located at 18 Riverside Road, Singapore 739088, is a purpose-built five-storey data centre facility featuring approximately 213,815 sq ft of floor area across four floors of data centre halls and one floor of office and ancillary space. DC1 was completed in 2016. It is currently on a triple-net master lease with approximately 17 years remaining, with an option to renew for another 7.6 years. The rental payable is approximately S$17.0 million to S$21.0 million yearly, with the rental payable monthly. Under the triple-net master lease, the lessee pays for rent and the following property-related expenses: (i) property tax, (ii) day-to-day repair and maintenance expenses, (iii) utilities and (iv) certain insurance relating to the property. This master lease was entered into on 12 April 2016 and would continue following DC1PL Completion, and by approving the Proposed DC1 Acquisition, Unitholders will be deemed to have also approved the master lease. The master lessee, 1-Net Singapore, is an interested person of Keppel DC REIT as it is a wholly-owned subsidiary of THPL. For the avoidance of doubt, KCL has no interest in the master lessee.

This is an existing master lease entered into by DC1PL and not an additional or new transaction to be entered into. Keppel DC REIT will be taking over the master lease as purchaser of the shares in DC1PL, and no new agreement will be entered into with 1-Net Singapore.

The DC1 Vendors, comprise CityDC, which is wholly-owned by KIT, and WDCD, which is wholly-owned by Shimizu Corporation. CityDC and WDCD own 51.0% and 49.0% of DC1PL respectively. KIT is a business trust listed on the SGX-ST. KIT is an associate of THPL under both the Listing Manual and the Property Funds Appendix and is accordingly an "interested person" (for the purposes of the Listing Manual) and an "interested party" (for the purposes of the Property Funds Appendix) of Keppel DC REIT. See paragraph 4.2.3 below for more details.

(See **Appendix A** of this Circular for further details.)

2.2 Structure of the Proposed Acquisitions

2.2.1 KDC SGP 4

On 16 September 2019, the Trustee entered into the KDC SGP 4 Share Purchase Agreement with the KDC SGP 4 Vendor to acquire 9,900,000 ordinary shares being 99.0% of the issued share capital of the KDC SGP 4 Target Entity. The remaining 1.0% of the issued share capital of the KDC SGP 4 Target Entity will be acquired by KDCH, which is an indirect subsidiary of KCL. The rationale for having KDCH hold 1.0% interest in the KDC SGP 4 Target Entity is to have KDCH as a partner following the conversion of KDC SGP 4 Target Entity to an LLP and to align KDCH's interest as shareholder of the Facility Manager with Keppel DC REIT, thus providing assurance to clients. This structure is similar to the other Singapore data centres that Keppel DC REIT holds through an LLP structure, namely KDC SGP 3 and KDC SGP 5.

The KDC SGP 4 Purchase Consideration is based on the adjusted NAV of the KDC SGP 4 Target Entity as at the KDC SGP 4 Completion Date.

The estimated KDC SGP 4 Purchase Consideration payable on the KDC SGP 4 Completion Date is S$378.9 million[1] and is derived from:

(i) S$384.9 million, being 99.0% of the KDC SGP 4 Agreed Value; less

(ii) S$86.7 million, being 99.0% of the adjustments for the KDC SGP 4 Target Entity's adjusted net liabilities (excluding the carrying value of KDC SGP 4) as at the KDC SGP 4 Completion Date; plus

(iii) S$80.7 million, being 99.0% of the KDCS4PL Shareholder Loan owed by the KDC SGP 4 Target Entity to the KDC SGP 4 Vendor.

A deposit of S$1.0 million has been paid in full to the KDC SGP 4 Vendor. The deposit is refundable, save for where the termination or non-completion of the KDC SGP 4 Share Purchase Agreement arises out of the fault of Keppel DC REIT.

As the commercial intention is for Keppel DC REIT to acquire KDC SGP 4 through the KDC SGP 4 Target Entity, the business of the KDC SGP 4 Target Entity (comprising certain assets and contracts with the clients) would be transferred to the Facility Manager for a nominal consideration of S$1.00 immediately following KDC SGP 4 Completion through a business transfer agreement. The rationale for the entry into the business transfer agreement is because as a REIT, Keppel DC REIT should be a passive vehicle and should not be actively running a business. The current proposed structure where the Keppel Lessee contracts with the clients is the same as that for all the other Singapore data centres that Keppel DC REIT holds. The Facility Manager, KDCS2PL, is a subsidiary of KDCH, which in turn is an indirect subsidiary of KCL. KCL is a "controlling Unitholder" of Keppel DC REIT and a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

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1 The actual amount of the KDC SGP 4 Purchase Consideration payable to the KDC SGP 4 Vendor will only be determined after the KDC SGP 4 Completion Date.

2.2.2 DC1

On 16 September 2019, the Trustee entered into the DC1 Share Purchase Agreement with the DC1 Vendors to acquire 1,000,000 ordinary shares being 100.0% of the issued share capital of DC1PL.

The DC1 Purchase Consideration is based on the adjusted NAV of DC1PL as at the DC1PL Completion Date.

The estimated DC1 Purchase Consideration payable on the DC1PL Completion Date is S$201.8 million[1] and is derived from:

(i) S$200.2 million, being the DC1 Agreed Value; less

(ii) S$32.2 million, being the adjustments for DC1PL's adjusted net liabilities (excluding the carrying value of DC1) as at the DC1PL Completion Date[2]; plus

(iii) the DC1PL Shareholder Loan of S$33.8 million owed by DC1PL to the DC1 Vendors.

A deposit of S$1.0 million has been paid in full to the DC1 Vendors. The deposit is refundable, save for where the termination or non-completion of the DC1 Share Purchase Agreement arises out of the fault of Keppel DC REIT.

2.3 Independent Valuations for KDC SGP 4 and DC1

The KDC SGP 4 Agreed Value and the DC1 Agreed Value were each negotiated on a willing-buyer and willing-seller basis taking into account the independent valuations of the Target Properties. The KDC SGP 4 Agreed Value and DC1 Agreed Value are S$384.9 million and S$200.2 million respectively.

The following independent valuers have been commissioned by the Manager and the Trustee to value the Target Properties:

	KDC SGP 4	DC1
Independent valuer commissioned by the Manager	Cushman & Wakefield	Knight Frank
Independent valuer commissioned by the Trustee	Savills	Edmund Tie

1 The actual amount of the DC1 Purchase Consideration payable to the DC1 Vendors will only be determined after the DC1PL Completion Date.

2 For avoidance of doubt, DC1PL is in a net asset position if the carrying value of DC1 is included in the adjusted net liabilities.

The OMV of the Target Properties as stated by the Independent Valuers are summarised in the tables below:

KDC SGP 4

Independent Valuer	Date of Valuation	Methods of valuation	OMV of KDC SGP 4 Interest (with Rental Support)	OMV of KDC SGP 4 Interest (without Rental Support)
Cushman & Wakefield	10 September 2019	Discounted cash flow analysis method and the income capitalisation method	S$385.1 million	S$377.9 million
Savills	10 September 2019	Discounted cash flow analysis method and the income capitalisation method	S$385.1 million	S$378.2 million

DC1

Independent Valuer	Date of Valuation	Methods of valuation	OMV of DC1
Knight Frank	15 August 2019	Discounted cash flow analysis method and the income capitalisation method	S$200.5 million
Edmund Tie	31 August 2019	Discounted cash flow analysis method and the income capitalisation method	S$201.5 million

2.4 Total Acquisition Cost

As Ordinary Resolution (1) *(The Proposed Acquisition of 99.0% Interest in the Company which holds KDC SGP 4, the Entry into the Keppel Lease Agreement, the Facility Management Agreement and the LLP Agreement)* and Ordinary Resolution (2) *(The Proposed Acquisition of 100.0% Interest in the Company which holds DC1)* are not inter-conditional, and in the event Unitholders do not approve any one of the Resolutions, the Manager will still proceed with the other Resolution, the following sections are prepared based on the following scenarios:

(i) **Scenario 1**: Approval of Ordinary Resolution (1) only ("**Scenario 1**");

(ii) **Scenario 2**: Approval of Ordinary Resolution (2) only ("**Scenario 2**"); and

(iii) **Scenario 3**: Approval of Ordinary Resolution (1) and Ordinary Resolution (2) ("**Scenario 3**")

Scenario 1: Approval of Ordinary Resolution (1) only

The KDC SGP 4 Acquisition Cost is estimated to be approximately S$392.3 million, comprising:

(i) the estimated KDC SGP 4 Purchase Consideration of approximately S$378.9 million[1];

(ii) the estimated upfront land premium of approximately S$5.2 million payable to JTC in connection with the Proposed KDC SGP 4 Acquisition;

(iii) the KDC SGP 4 Acquisition Fee payable in KDC SGP 4 Acquisition Fee Units to the Manager of approximately S$3.9 million[2] (being 1.0% of the KDC SGP 4 Agreed Value); and

(iv) the estimated stamp duty, professional and other fees and expenses of approximately S$4.3 million incurred or to be incurred by Keppel DC REIT in connection with the Proposed KDC SGP 4 Transaction.

Scenario 2: Approval of Ordinary Resolution (2) only

The DC1 Acquisition Cost is estimated to be approximately S$207.2 million, comprising:

(i) the estimated DC1 Purchase Consideration of approximately S$201.8 million[3];

(ii) the DC1 Acquisition Fee payable in DC1 Acquisition Fee Units to the Manager of approximately S$2.0 million[1] (being 1.0% of the DC1 Agreed Value); and

(iii) the estimated stamp duty, professional and other fees and expenses of approximately S$3.4 million incurred or to be incurred by Keppel DC REIT in connection with the Proposed DC1 Acquisition.

Scenario 3: Approval of Ordinary Resolution (1) and Ordinary Resolution (2)

If the Proposed Transactions are approved, the Total Acquisition Cost is estimated to be approximately S$599.5 million, comprising the KDC SGP 4 Acquisition Cost and DC1 Acquisition Cost.

2.5 Method of Financing

The Manager intends to finance the Total Acquisition Cost with (i) approximately S$438.6 million, being part of the net proceeds from the Equity Fund Raising, (ii) drawdown from debt facilities and (iii) the issue of the Acquisition Fee Units amounting to approximately S$5.9 million to the Manager.

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1 The actual amount of the KDC SGP 4 Purchase Consideration payable to the KDC SGP 4 Vendor will only be determined after the KDC SGP 4 Completion Date.

2 As the Proposed Transactions will constitute an "**interested party transaction**" under the Property Funds Appendix issued by the MAS, the Acquisition Fee will be in the form of Acquisition Fee Units, which shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

3 The actual amount of the DC1 Purchase Consideration payable to the DC1 Vendors will only be determined after the DC1PL Completion Date.

The gross proceeds of the fully underwritten Equity Fund Raising consists of:

(i) the Placement of approximately S$235.4 million; and

(ii) the Preferential Offering of approximately S$242.8 million.

The part funding of the Total Acquisition Cost via equity raised from the Equity Fund Raising will reduce Keppel DC REIT's aggregate leverage[1] ratio post-Completion. This will increase Keppel DC REIT's debt headroom to pursue further growth opportunities.

Under Scenario 1 and Scenario 2, Keppel DC REIT's aggregate leverage ratio post-KDC SGP 4 Completion and post-DC1PL Completion is expected to reduce to approximately 31.0% and 31.3% respectively from approximately 31.9% as at 30 June 2019.

Under Scenario 3, Keppel DC REIT's aggregate leverage ratio post-Completion is expected to reduce from approximately 31.9% to approximately 30.6% as at 30 June 2019.

Post-KDC SGP 4 Completion, post-DC1PL Completion and post-Equity Fund Raising, Keppel DC REIT's aggregate leverage ratio would be approximately 30.3%[2] as at 30 June 2019.

The Property Funds Appendix provides that the aggregate leverage of Keppel DC REIT may not exceed 45.0% of the value of the Deposited Property of Keppel DC REIT.

Post-Completion, the Enlarged Portfolio under Scenario 1, Scenario 2 and Scenario 3 remains unencumbered.

2.6 Rental Support for KDC SGP 4

2.6.1 Terms of the Rental Support

As part of the terms for the Proposed KDC SGP 4 Acquisition, the KDC SGP 4 Vendor will provide a rental support arrangement ("**Rental Support**") for the period commencing from the KDC SGP 4 Completion Date and ending 24 months after the KDC SGP 4 Completion Date ("**Rental Support Period**").

The Rental Support amount of approximately S$8.8 million (for the 100.0% share) (the "**Total Rental Support Amount**") was negotiated to provide a rental top-up during the initial period post acquisition where clients will be progressively powering up their racks and income will also progressively increase.

For each quarterly period, where it is determined that the quarterly adjusted net property income (for the 100.0% share) is likely to be less than S$29.4 million for each 12-month period (the "**Threshold Income Amount**") corresponding to such period, an amount equal to the difference between the adjusted net property income and the Threshold Income Amount will be made up for as a top-up payment ("**Top-Up Payment**") by the KDC SGP 4 Vendor (see paragraph 2.6.2 below). The adjusted net property income is calculated by taking the revenue of KDC SGP 4 and deducting certain expenses as commercially agreed between the KDC SGP 4 Vendor and the Trustee in accordance with the KDC SGP 4 Share Purchase Agreement.

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1 "**Aggregate leverage**" refers to the ratio of the value of borrowings (inclusive of proportionate share of borrowings of jointly-controlled entities) and deferred payments (if any) to the value of the gross assets of Keppel DC REIT, including all its authorised investments held or deemed to be held upon the trust under the Trust Deed (the "**Deposited Property**"), without considering lease liabilities pertaining to the land rent commitments for iseek DC and KDC DUB 1.

2 The aggregate leverage ratio of approximately 30.3% includes funds raised for capital expenditures in the Equity Fund Raising.

The aggregate of all Rental Support payments payable to Keppel DC REIT during the Rental Support Period shall not exceed S$8.712 million (for its 99.0% share).

2.6.2 Safeguards

As a safeguard against the ability of the KDC SGP 4 Vendor to make the Rental Support payments, on KDC SGP 4 Completion, an amount equal to 99.0% the Total Rental Support Amount shall be deducted from the KDC SGP 4 Purchase Consideration and deposited into a designated account of the Trustee ("**Designated Account**"), from which Top-Up Payments shall be withdrawn and paid to Keppel DC REIT.

Any amount not withdrawn in the Designated Account for Top-Up Payments will be refunded to the KDC SGP 4 Vendor after the Rental Support Period. The Trustee will provide the KDC SGP 4 Vendor with a statement once every financial year containing details of the amounts which have been withdrawn from the Designated Account.

2.6.3 Independent Valuers' Opinion

The Independent Valuers are of the opinion that the Threshold Income Amount would result in KDC SGP 4 having an initial net property yield which is within the market rates of comparable buildings taking into account prevailing and forecasted market conditions.

2.6.4 Directors' Opinion

The Independent Directors are of the view that the Rental Support is on normal commercial terms and is not prejudicial to the interests of Keppel DC REIT and its minority Unitholders. This view is premised on the Independent Valuers' opinion as set out in paragraph 2.6.3 above that the Threshold Income Amount would result in KDC SGP 4 having an initial net property yield which is within the market rates of comparable buildings taking into account prevailing and forecasted market conditions.

2.7 Certain Terms and Conditions of the KDC SGP 4 Share Purchase Agreement

The principal terms of the KDC SGP 4 Share Purchase Agreement include, among others, the following conditions precedent:

2.7.1 the Proposed KDC SGP 4 Acquisition having been approved by the Unitholders of Keppel DC REIT at the EGM;

2.7.2 the obtaining of the relevant third party consents or waivers under the contracts and maintenance contracts (where applicable) for (a) the Proposed KDC SGP 4 Acquisition and (b) (if required) the assignment or novation of such contracts and maintenance contracts to KDCS2PL and (c) the entry into the relevant agreements to remove KDCS4PL as a party to certain agreements with Client X ("**Client X Contract**")[1];

1 The intention is to remove KDCS4PL from the Client X Contract, given that KDCS2PL, as Keppel Lessee and Facility Manager, will be the party responsible for the obligations under the Client X Contract following the KDC SGP 4 Completion.

2.7.3 there being no resolution, proposal, scheme or order for the compulsory acquisition or intended acquisition by the Singapore Government of KDC SGP 4 or 4.0% or more of the land area of KDC SGP 4 on or before the date fixed for KDC SGP 4 Completion;

2.7.4 there being no material damage to KDC SGP 4 and/or the Mechanical and Electrical Equipment on or before KDC SGP 4 Completion;

2.7.5 obtaining the KDC SGP 4 JTC Consent on terms which are not materially adverse to either party, and there being no revocation or amendment (which is materially adverse to either party) to the KDC SGP 4 JTC Consent; and

2.7.6 there being no condition imposed by the JTC requiring the payment of the upfront land premium before KDC SGP 4 Completion.

If any of the conditions precedent is not satisfied on or before 5.00 p.m. (Singapore time) on the immediate business day falling four months after the date of the KDC SGP 4 Share Purchase Agreement (or such other date as may be agreed between the parties), the KDC SGP 4 Share Purchase Agreement shall lapse and the Trustee shall be entitled to the refund of the deposit.

At KDC SGP 4 Completion, the KDC SGP 4 Vendor will novate all rights and obligations in relation to 99.0% of the KDCS4PL Shareholder Loan to the Trustee in accordance with a deed of novation to be entered into between the KDC SGP 4 Vendor, the Trustee and KDCS4PL.

KDC SGP 4 Completion is scheduled to take place on a date being the immediate business day falling 14 calendar days after the date when both the notice of fulfilment of the conditions precedent have been issued by the KDC SGP 4 Vendor and Trustee (or such other date as may be agreed by the parties) and where the fulfilment notice by the KDC SGP 4 Vendor and the fulfilment notice by the Trustee are issued on different dates, KDC SGP 4 Completion Date shall be the immediate business day falling 14 calendar days after the later fulfilment notice provided that KDC SGP 4 Completion shall take place no earlier than 25 October 2019.

The Trustee or the KDC SGP 4 Vendor shall not be obliged to perform any of its obligations on KDC SGP 4 Completion unless the completion of the sale and purchase of the remaining 1.0% of the issued share capital in the KDC SGP 4 Target Entity between the KDC SGP 4 Vendor and KDCH ("**Other KDC SGP 4 Share Purchase**") in accordance with the terms and conditions of its sale and purchase agreement ("**Other KDC SGP 4 Share Purchase Agreement**") takes place simultaneously with the KDC SGP 4 Completion. Pursuant to the foregoing, the KDC SGP 4 Vendor shall not be entitled to require the Trustee to complete the Proposed KDC SGP 4 Acquisition unless the KDC SGP 4 Vendor is ready, able and willing to complete the Other KDC SGP 4 Share Purchase in accordance with the provisions of the Other KDC SGP 4 Share Purchase Agreement.

2.8 Certain Terms and Conditions of the DC1 Share Purchase Agreement

The principal terms of the DC1 Share Purchase Agreement include, among others, the following conditions precedent:

2.8.1 the Proposed DC1 Acquisition having been approved by the unitholders of KIT at the meeting of the unitholders of KIT;

2.8.2 the obtaining of the DC1 JTC Consent, if required, on terms which are not materially adverse to either party of the DC1 Share Purchase Agreement, and there being no revocation of or amendment (which is materially adverse to either party) to the DC1 JTC Consent; and

2.8.3 the Proposed DC1 Acquisition having been approved by the Unitholders of Keppel DC REIT at the EGM.

If any of the conditions precedent is not satisfied on or before 21 November 2019, the Trustee or the DC1 Vendors may, in its or their sole discretion, terminate the DC1 Share Purchase Agreement.

The DC1 Vendors and Trustee also agree that any sale levy, consent fee or other similar charge imposed on the DC1 Vendors or DC1PL as a term and/or condition for granting the DC1 JTC Consent shall be borne by the DC1 Vendors. If any of the terms and conditions of the DC1 JTC Consent include the imposition of a sale levy, consent fee or other similar charge on the DC1 Vendors or DC1PL which exceeds the sum of S$6,050,000 (excluding GST), the DC1 Vendors shall be entitled to determine if such term and/or condition is acceptable, and if such term and/or condition is unacceptable to the DC1 Vendors, the DC1 Vendors shall serve on the Trustee, on or before the date falling three business days after the date of the DC1 JTC Consent, a written notice to terminate the DC1 Share Purchase Agreement.

For the avoidance of doubt, if the sale levy, consent fee or other similar charge on the DC1 Vendors or on DC1PL is equal to or less than the sum of S$6,050,000, the DC1 Vendors do not have a right to terminate the DC1 Share Purchase Agreement.

At DC1PL Completion, the DC1 Vendors shall assign and transfer the rights, title and interest in the DC1PL Shareholder Loan free from all encumbrances, and the Trustee shall accept the assignment and transfer of the rights, title and interest in the DC1PL Shareholder Loan, in accordance with a deed of assignment to be entered into between each DC1 Vendor and the Trustee.

DC1PL Completion is scheduled to take place on a date being ten business days after which notice for the satisfaction of the conditions precedent contained in the DC1 Share Purchase Agreement is provided, save that the DC1PL Completion shall take place no later than 16 December 2019 (or such subsequent date as may be agreed between the Trustee and the DC1 Vendors in writing provided that such subsequent date shall not be later than 30 December 2019).

In addition, save in certain circumstances set out in the DC1 Share Purchase Agreement (for instance, if there is any compulsory acquisition or intended compulsory acquisition for the acquisition of 5.0 per cent. or more of the land area of the DC1 or if any material damage occurs), neither the DC1 Vendors nor the Trustee is entitled to terminate or rescind (as the case may be) the DC1 Share Purchase Agreement. Following such termination or rescission (as the case may be), save in certain circumstances set out in the DC1 Share Purchase Agreement, the Trustee will be entitled to the refund of the entire deposit paid.

The Trustee may nominate an entity which is wholly-owned by Keppel DC REIT to acquire some of the shares in DC1PL, with Keppel DC REIT acquiring the balance of the shares of DC1PL.

2.9 Principal Terms and Conditions of the Keppel Lease Agreement

The Keppel Lease is essentially a pass-through arrangement whereby a significant portion of the rent payable to the KDC SGP 4 Target Entity by the Keppel Lessee is made up of variable rent based on the earnings before interest, taxes, depreciation and amortisation ("**EBITDA**") (after deducting the fixed rent and operating expenses) derived from the underlying end-users (being the clients) who have entered into colocation arrangements. However, due to the pass-through arrangement of the Keppel Lease, the KDC SGP 4 Target Entity will substantially enjoy the benefits and assume the liabilities of the colocation arrangements entered into by the Keppel Lessee with the underlying end-users (being the clients). The Keppel Lease arrangement is similar to the arrangements which were entered into for KDC SGP 1 and KDC SGP 2 at the time of the initial public offering of Keppel DC REIT, as well as the arrangements which were entered into for KDC SGP 3 and KDC SGP 5. Accordingly, there is no deposit or banker's guarantee provided in relation to the Keppel Lease Agreement.

The Keppel Lease Agreement will commence on the KDC SGP 4 Completion Date and will be for a term of ten years with an option to renew for a further term of five years.

The principal terms of the Keppel Lease Agreement include, among others, the following:

2.9.1 the term of the Keppel Lease Agreement is for ten years commencing from (and including) the Commencement Date, and the Keppel Lessee will be given an option to renew the Keppel Lease Agreement for a further term of five years, subject to JTC's consent and the compliance of any regulatory requirement by the KDC SGP 4 Target Entity and at such revised rent and on terms and conditions as may be mutually agreed between the parties;

2.9.2 the Keppel Lessee is required to pay rent on a quarterly basis, in arrears, on the date falling 14 days after the end of each quarterly period. Such rent shall comprise:

(i) a fixed rent as set out below:

Year	Total Rent (S$) per annum
First Year	4,800,000
Second Year	7,000,000
Third Year	8,000,000
Fourth Year	8,240,000
Fifth Year	8,487,200
Sixth Year	8,741,816
Seventh Year	9,004,070
Eighth Year	9,274,193
Ninth Year	9,552,418
Tenth Year	9,838,991

(ii) a variable rent computed in respect of each Financial Year, based on an amount equivalent to 99.0% of the Cash EBITDA Amount[1] in respect of each Financial Year (or such larger amount as the parties may agree in writing). For avoidance of doubt, the variable rent is determined on a quarterly basis and adjusted at the end of each Financial Year in accordance with paragraph 2.9.4 below;

2.9.3 the Cash EBITDA Amount for each Financial Year will be computed based on the total cash revenue received by the Keppel Lessee from the clients or licensees under the licences and colocation agreements during such Financial Year, less all the operating cash expenses paid by the Keppel Lessee and the facility manager in the maintenance, management, operation and marketing of KDC SGP 4 as well as provision of turnkey facility management services in respect of KDC SGP 4, less the fixed rent for that Financial Year. For the avoidance of doubt, save for the amount of the fixed rent which has been predetermined, such expenses are variable expenses;

2.9.4 the quantum of the variable rent will be adjusted at the end of each Financial Year based on the agreed computation of the variable rent or an expert's determination on the Cash EBITDA Amount for that Financial Year;

2.9.5 in the event the Cash EBITDA Amount for each Financial Year (before deducting the fixed rent for that Financial Year) is a negative amount, the KDC SGP 4 Target Entity will reimburse the Keppel Lessee an amount equivalent to such negative amount;

2.9.6 the KDC SGP 4 Target Entity will provide to the Keppel Lessee certain services, including (a) the provision of data centre infrastructure to support the KDC SGP 4 for the permitted use; (b) facility management, maintenance services and routine preventive maintenance in respect of the Mechanical and Electrical Equipment; (c) maintenance of equipment owned by the Keppel Lessee to keep it in good working order and condition and be responsible for all repair, maintenance, replacements or overhauls thereof; and (d) the provision of certain reports including safety and incident report. In the provision of these services to the Keppel Lessee and its clients and licensees, the KDC SGP 4 Target Entity may appoint a facility manager to carry out and perform such services or any part thereof on the KDC SGP 4 Target Entity's behalf and the facility manager may provide these services directly to the Keppel Lessee;

2.9.7 the Keppel Lessee shall obtain the KDC SGP 4 Target Entity's prior written consent before the Keppel Lessee enters into any licence, colocation agreement or occupation agreement (collectively, "**Contracts**") with the clients. Where the term (including any option to renew) of a proposed new (or renewal) Contract expires beyond the term of the Keppel Lease Agreement, Contract must be assignable to the KDC SGP 4 Target Entity;

2.9.8 the KDC SGP 4 Target Entity shall pay the property tax including all increases thereof (whether retrospective or otherwise) imposed by the relevant authority on KDC SGP 4 and land rent (including all increases thereof) charged by JTC or other competent authority in respect of any period during the term of the Keppel Lease Agreement;

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1 "**Cash EBITDA Amount**" refers to the total cash revenue received by the Keppel Lessee in a Financial Year less operating expenses less the fixed rent for KDC SGP 4 in a Financial Year.

2.9.9 the KDC SGP 4 Target Entity is responsible for maintaining in good and tenantable repair and condition (fair wear and tear excepted) the structural parts of the building on KDC SGP 4 and the capital expenditure relating to KDC SGP 4, including the Mechanical and Electrical Equipment;

2.9.10 the KDC SGP 4 Target Entity shall indemnify the Keppel Lessee from and against all losses, damages, claims, demands, proceedings, actions, costs, expenses, interest, liabilities and penalties suffered or incurred by the Keppel Lessee under or in respect of the Contracts (including without limitation any liabilities incurred by the Keppel Lessee under the Contracts as a result of an early termination of the Keppel Lease Agreement due to a government acquisition, termination by JTC of the JTC Lease or due to the KDC SGP 4 Target Entity deciding not to rebuild KDC SGP 4 in the event KDC SGP 4 is destroyed or damaged): (i) except to the extent that such losses, damages, claims, demands, proceedings, actions, costs, expenses, interest, liabilities and penalties result from or is caused by the wilful default or gross negligence of the Keppel Lessee, its employees or agents in complying with the provisions of the Keppel Lease Agreement; or (ii) where such losses, damages, claims, demands, proceedings, actions, costs, expenses, interest, liabilities and penalties (including any client service credit payments incurred and payable by the Keppel Lessee under the Contracts) result from any matter or event which occurred, related to or is referable to the period prior to the commencement date of the Keppel Lease Agreement;

2.9.11 the Keppel Lessee shall indemnify the KDC SGP 4 Target Entity against (i) all claims, demands, actions, proceedings, judgements, damages, losses, costs and expenses of any nature which the KDC SGP 4 Target Entity may suffer or incur for death, injury, loss and/or damage caused by, and (ii) all penalties or fines imposed by any competent authority (sub-paragraph (i) and (ii) collectively, "**Losses**") resulting from any wilful default or gross negligence by the Keppel Lessee, its employees or agents, in complying with the provisions of the Keppel Lease Agreement, subject to the following limitations: (i) the Keppel Lessee shall not be liable for any consequential, special, indirect, incidental punitive or exemplary loss, loss of profits or damage; (ii) the KDC SGP 4 Target Entity shall use all reasonable efforts to prevent or reduce to a minimum and mitigate the extent of such Losses; (iii) if the KDC SGP 4 Target Entity becomes aware of any event which has or may give rise to a Loss, the KDC SGP 4 Target Entity shall (a) promptly notify the Keppel Lessee in writing thereof, giving particulars of the event and the nature of the Loss; (b) consult and cooperate in good faith with the Keppel Lessee in the defence of such claims where applicable; (c) not, without the prior consent of the Keppel Lessee, settle or compromise or consent to the entry of any judgment with respect to any such event; (iv) the liability of the Keppel Lessee to make a payment to the KDC SGP 4 Target Entity for a Loss is fixed upon any of the following events: (a) the settlement of the claim or Loss; (b) a final decision or arbitral award with respect to the claim by the appropriate court or arbitral tribunal of competent jurisdiction and expiration of applicable appeal periods, unless such decision or award is appealed; or (c) if appealed, a final non-appealable decision of the relevant court with respect to the claim; (v) if after receipt of payment from the Keppel Lessee in respect of an actual claim, the KDC SGP 4 Target Entity receives payment from another source in respect of that claim, where such payments in aggregate exceed the Loss in respect of that claim, the KDC SGP 4 Target Entity shall promptly refund to the Keppel Lessee the difference between the aggregate payments received from that other source and the Loss incurred in respect of that claim (the "**Refund**"). For avoidance of doubt,

the Refund shall not exceed the amount of indemnity payment the Keppel Lessee has made to the KDC SGP 4 Target Entity for a Loss; and (vi) any indemnity obligations payable by the Keppel Lessee shall be net of any insurance proceeds available to the KDC SGP 4 Target Entity;

2.9.12 the Keppel Lessee's indemnity to the KDC SGP 4 Target Entity under the Keppel Lease Agreement is subject to certain limitations e.g. the Keppel Lessee shall not be liable for any consequential, special, indirect, incidental, punitive or exemplary loss, loss of profits or damage; the KDC SGP 4 Target Entity shall use all reasonable efforts to prevent or reduce to a minimum and mitigate the extent of such losses; any indemnity obligations payable by the Keppel Lessee will be net of any insurance proceeds available to the KDC SGP 4 Target Entity and the Keppel Lessee is required to reimburse the KDC SGP 4 Target Entity for all losses, damages, claims, demands, proceedings, actions, costs, expenses, interest, liabilities and penalties (including any client service credit payments incurred and payable by the Keppel Lessee under the Contracts) which result from any matter or event which occurred, related to or is referable to the period prior to the Commencement Date;

2.9.13 the Keppel Lessee agrees and undertakes to, for and on behalf of KDC SGP 4 Target Entity as its duly authorised agent, exercise the KDC SGP 4 Target Entity's rights and duly perform and discharge in full all of the KDC SGP 4 Target Entity's obligations under each Retained Contract[1] in accordance and compliance with its terms (as if the Keppel Lessee had been named in such Retained Contract in place of KDC SGP 4 Target Entity) and shall not do any act or thing or omit to do any act or thing that may cause the KDC SGP 4 Target Entity to be in breach of any of its obligations under such Retained Contract;

2.9.14 subject to paragraph 2.9.15 below, in consideration of the Keppel Lessee's full and proper performance of its obligations under paragraph 2.9.13 above, the KDC SGP 4 Target Entity shall transfer to the Keppel Lessee the amounts received by the KDC SGP 4 Target Entity under such Retained Contract as payment for the Keppel Lessee's performance of the KDC SGP 4 Target Entity's obligations under such Retained Contract and to the extent any amount received by the KDC SGP 4 Target Entity under the Retained Contract is not transferred to the Keppel Lessee, such amount will be deemed to be off-set against the variable rent and/or the fixed rent payable by the Keppel Lessee to the KDC SGP 4 Target Entity;

2.9.15 the Keppel Lessee shall be solely liable for all costs and expenses incurred by the Keppel Lessee in performing its obligations under paragraph 2.9.13; and

2.9.16 the Keppel Lessee shall be liable for all customer service credits deductions or other amounts which the KDC SGP 4 Target Entity may be liable for, or subject to, under the Retained Contracts and the Keppel Lessee shall reimburse the KDC SGP 4 Target Entity on demand all customer service credits or deductions which the KDC SGP 4 Target Entity is liable for under the Retained Contracts, except to the extent that such all customer service credits or deductions

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1 "**Retained Contacts**" means the relevant agreements in respect of, or relating to, KDC SGP 4 or any part or space thereof or therein entered into by the KDC SGP 4 Target Entity on or before the date of the Keppel Lease Agreement and which have not been assigned or novated by the KDC SGP 4 Target Entity to the Keppel Lessee in its entirety on or prior to the date of the Keppel Lease Agreement until such time that it (i) has been assigned or novated by the KDC SGP 4 Target Entity to the Keppel Lessee in its entirety; or (ii) has expired or been terminated in accordance with its terms.

resulted from or is caused by the breach or non-compliance by the Facility Manager of its obligations under the Facility Management Agreement.

The form of the Keppel Lease Agreement is contained in a letter agreement between the Trustee, KDCS2PL and KDCH, pursuant to which the relevant parties agree to enter into the Keppel Lease Agreement, the Facility Management Agreement and the LLP Agreement (the "**Letter Agreement**").

2.10 Principal Terms and Conditions of the Facility Management Agreement

On the KDC SGP 4 Completion Date, the KDC SGP 4 Target Entity will also enter into the Facility Management Agreement with the Facility Manager where KDCS2PL will be appointed as facility manager to provide the Facility Services to the KDC SGP 4 Target Entity at KDC SGP 4.

The principal terms of the Facility Management Agreement include, among others, the following:

2.10.1 the term of the Facility Management Agreement shall commence on and from the commencement date of the Facility Management Agreement and shall be for a period of ten years or until terminated in accordance with the terms of the Facility Management Agreement. In the event the Keppel Lease Agreement is renewed for a further term of five years, the Facility Management Agreement shall also be automatically renewed for a further term of five years on the same terms as the Facility Management Agreement;

2.10.2 the Facility Manager will be entitled to facility management fee (the "**FM Fee**") of an amount equivalent to 4.0% of the Cash EBITDA Amount in respect of each Financial Year which is payable quarterly;

2.10.3 the Facility Manager will be entitled to the following project management fees for the refurbishment, retrofitting and renovation works on KDC SGP 4:

(i) where the construction costs are S$2.0 million or less, a fee of 3.0% of the construction costs;

(ii) where the construction costs exceed S$2.0 million but do not exceed S$20.0 million, a fee of 2.0% of the construction costs or S$60,000, whichever is the higher;

(iii) where the construction costs exceed S$20.0 million but do not exceed S$50.0 million, a fee of 1.5% of the construction costs or S$400,000, whichever is the higher; and

(iv) where the construction costs exceed S$50.0 million, a fee of not more than 1.5% of the construction costs;

2.10.4 the Facility Management Agreement shall terminate if the Keppel Lease Agreement is terminated for any reason whatsoever in accordance with its terms;

2.10.5 the Facility Manager shall, *inter alia*, (i) keep the whole of KDC SGP 4 clean and tidy; (ii) keep KDC SGP 4 (including both the interior and exterior of the building on KDC SGP 4 and the surrounding grounds) in good and tenantable repair and condition (fair wear and tear excepted) (including repairs of a

structural nature, repairs and maintenance of mechanical and electrical installations and equipment and replacements of mechanical and electrical installations and servicing of lifts); (iii) immediately make good, to the reasonable satisfaction of the KDC SGP 4 Target Entity, any damage caused to KDC SGP 4 (including KDC SGP 4 Target Entity's fixtures, fittings and installations in it) or any part of KDC SGP 4 by the Keppel Lessee (as tenant), its employees, agents, independent contractors or any permitted occupier; (iv) maintain all equipment owned by the Keppel Lessee (as tenant) in good working order and condition and to be responsible for all repair, maintenance, replacements or overhauls thereof; (v) be responsible for the maintenance and management of KDC SGP 4; (vi) ensure that the building on KDC SGP 4 is secured whether or not it is occupied; and (vii) ensure that all debris, sewerage, waste and garbage in KDC SGP 4 are disposed of at the Facility Manager's cost and expenses, regularly; (viii) ensure that any electrical installations, machines or equipment at KDC SGP 4 do not cause heavy power surge, high frequency voltage and current, air-borne noise, vibration or any electrical or mechanical interference or disturbance whatsoever which prevents in any way the service or use of any communication system or affects the operation of other equipment, installations, machinery or plants of the neighbouring premises; (ix) be responsible for all landscaping for KDC SGP 4 (if any); (x) keep all pipes, drains, sinks and water-closets in KDC SGP 4 clean and unblocked; and (xi) employ a cleaning contractor for KDC SGP 4;

2.10.6 the Facility Manager shall indemnify the KDC SGP 4 Target Entity and hold the KDC SGP 4 Target Entity harmless from and against all losses, damages, claims, demands, proceedings, actions, costs, expenses, interest, liabilities and penalties which the KDC SGP 4 Target Entity may suffer or incur resulting from or to the extent caused by, any wilful default or gross negligence by the Facility Manager, its employees or agents, in complying with the provisions of the Facility Management Agreement. The KDC SGP 4 Target Entity and the Keppel Lessee agree and acknowledge that the Facility Manager's liability for a breach or non-compliance of its obligations under the Facility Management Agreement is limited to the client service credits payment and the indemnity given under the Facility Management Agreement; and

2.10.7 without prejudice to paragraph 2.10.6, in the event of a breach or non-compliance by the Facility Manager of its obligations under the Facility Management Agreement, which results in the payment or grant of customer service credits or deductions, by KDCS2PL (as tenant under the Keppel Lease Agreement, in the case of the Contracts which are not Retained Contracts) or by the KDC SGP 4 Target Entity (in the case of the Retained Contracts), to customers under or in respect of the Contracts and/or Retained Contracts (as the case may be) in a Financial Year, the Facility Manager shall pay the KDC SGP 4 Target Entity on demand, an amount equivalent to the total aggregate value of all such customer service credits and deductions granted or paid to the customers in that Financial Year, subject to a cap of an amount equivalent to 1.0% of the Cash EBITDA Amount in that Financial Year (such amounts as determined by the KDC SGP 4 Target Entity shall be final and conclusive, save for manifest error).

The form of the Facility Management Agreement is contained in the Letter Agreement between the Trustee, KDCS2PL and KDCH, pursuant to which the relevant parties agree to enter into the Keppel Lease Agreement, the Facility Management Agreement and the LLP Agreement.

2.11 Principal Terms and Conditions of the Limited Liability Partnership

Following the KDC SGP 4 Completion, and subject to receiving the necessary approvals and tax rulings, KCS4PL will be converted to an LLP pursuant to Section 21 of the Limited Liability Partnerships Act (Chapter 163A of Singapore). The Trustee and KDCH will enter into the LLP Agreement upon conversion into an LLP.

Under the terms of the LLP Agreement, only the Trustee shall have the right to appoint members to the management committee ("**Management Committee**").

Under the terms of the LLP Agreement, the following matters shall require unanimous approval of the partners who have the right to appoint representatives to the Management Committee:

2.11.1 amendment of the LLP Agreement or (where applicable) other constitutive documents of the KDC SGP 4 Target Entity;

2.11.2 cessation or change or expansion of the business of the KDC SGP 4 Target Entity;

2.11.3 (i) the consolidation, merger or amalgamation of the KDC SGP 4 Target Entity with or into any other person, or (ii) any internal restructuring involving the KDC SGP 4 Target Entity and where applicable, its subsidiaries;

2.11.4 the winding up or dissolution (as the case may be) of the KDC SGP 4 Target Entity;

2.11.5 entering into or modifying any existing agreement, transaction, obligation, commitment, understanding, arrangement or liability (whether to lease, licence, sell, transfer or in any other way dispose the whole or any part of its undertaking, assets or property or otherwise) the value of which exceeds S$10.0 million, other than (i) any leases and licenses entered into in the ordinary course of business, or (ii) any transactions which has been approved as a unanimous resolution;

2.11.6 the giving of any loan, guarantee or indemnity by the KDC SGP 4 Target Entity to secure the liabilities or obligations of any person;

2.11.7 the raising of any financing or the procurement of any financial support by the KDC SGP 4 Target Entity from its partners;

2.11.8 creation of any form of security over any assets held by the KDC SGP 4 Target Entity;

2.11.9 the admission of an additional partner, which is not a substitute partner, to the KDC SGP 4 Target Entity; and

2.11.10 the KDC SGP 4 Target Entity commencing, defending or settling any litigation, arbitration or administrative proceedings other than in the ordinary course of business or where the value of any single claim or a series of related claims exceeds S$10.0 million provided that the consent of a partner shall not be required in respect of the commencement, defending or settling of any litigation, arbitration or administrative proceedings against such partner or its representatives.

The matters which require the unanimous approval of the partners who have the right to appoint representatives to the Management Committee serve to safeguard the interest of Keppel DC REIT in the KDC SGP 4 Target Entity by requiring the approval of such partners before any material changes or developments can be made to the business, assets and/or capital structure of KDC SGP 4 Target Entity.

Other principal terms of the LLP Agreement include:

(i) the Management Committee shall comprise a maximum of two members (each a "**Representative**"). The Trustee shall be entitled to appoint two Representatives and KDCH shall not be entitled to appoint a Representative. In addition, the chairman of the Management Committee shall be a Representative nominated by the Trustee for so long as it holds a majority percentage interest in the KDC SGP 4 Target Entity;

(ii) not less than 90.0% of KDC SGP 4 Target Entity's distributable income in respect of each financial half-year during the term of the LLP Agreement, if any, shall be distributed to the Trustee and KDCH in proportion to their respective percentage interests;

(iii) in the event that stamp duty remission for the conversion of KDCS4PL into an LLP is not obtained prior to the date of conversion, the Trustee shall bear 99.0% of the stamp duty cost and KDCH shall bear 1.0% of the stamp duty cost; and

(iv) no partner shall be personally liable for any obligations of KDC SGP 4 Target Entity. No partner shall be obligated to make loans to KDC SGP 4 Target Entity or to repay KDC SGP 4 Target Entity or unless required by law, any partner or any creditor of the KDC SGP 4 Target Entity all or any fraction of any amounts distributed to such partner.

It should be noted that KDC SGP 4 Target Entity is a tax transparent structure in Singapore and the taxable income from KDC SGP 4 Target Entity will not be chargeable at entity level[1]. Rather, the partners will be chargeable with tax on the share of taxable income apportioned to their respective percentage interests.

The form of the LLP Agreement is contained in the Letter Agreement between the Trustee, KDCS2PL and KDCH, pursuant to which the relevant parties agree to enter into the Keppel Lease Agreement, the Facility Management Agreement and the LLP Agreement.

3. RATIONALE FOR AND BENEFITS OF THE PROPOSED TRANSACTIONS

The Manager believes that the Proposed Transactions will bring the following key benefits to Unitholders:

3.1 DPU-Accretive Acquisitions Consistent with Keppel DC REIT's Investment Strategy

The Proposed Acquisitions are consistent with the Manager's strategy of acquiring quality income-producing data centre properties that will provide Unitholders with stable distributions, as well as enhance total returns to Unitholders.

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1 Subject to the outcome of an application to be submitted to Inland Revenue Authority of Singapore to seek a ruling that the income from KDC SGP 4 Target Entity would be tax transparent.

As illustrated in paragraph 4.1.1 below under the pro forma financial impact for the FY2018, the Proposed Acquisitions are expected to be DPU-accretive assuming the Proposed Acquisitions are fully funded via a combination of private placement issuance, preferential offering issuance and external debt, and completed on 1 January 2018.

The Proposed Acquisitions will also improve Keppel DC REIT's overall portfolio quality and market competitiveness.

3.2 Strengthening Foothold in Singapore

Singapore is one of the top data centre hubs in Asia, being the gateway to Southeast Asia and a choice destination for multinational organisations that are setting up presence in Asia due to its robust connectivity, strong legal and regulatory framework, pro-business environment and highly-educated workforce.

The Target Properties are assets built to high specifications and will increase Keppel DC REIT's portfolio AUM and presence in Singapore from 51.1% to 62.7% as at 30 June 2019, thereby strengthening its foothold in this key data centre hub.

The Target Properties' competitive strengths are:

3.2.1 Strategic Locations

KDC SGP 4 is located close to two of Keppel DC REIT's data centre properties, KDC SGP 2 and KDC SGP 3, and will strengthen its presence within Tampines Industrial Park.

Besides being located in an area supported by high power connection and data infrastructure networks, KDC SGP 4 is also well served by major roads and expressways such as the Pan-Island Expressway, Tampines Expressway and East Coast Parkway, providing clients with good accessibility to the city-centre, the airport and other parts of the island.

DC1 is located just outside the Woodlands Regional Centre, a planned key commercial hub of more than 100 hectares that is expected to be the largest economic hub in Singapore's Northern region, serving as the strategic centre for the Northern Agri-Tech and Food Corridor[1]. In addition, it is well-connected and accessible via two MRT stations, Woodlands (North South Line) and Woodlands North (Thomson East Coast Line), as well as the Bukit Timah Expressway and Seletar Expressway.

3.2.2 Awards

KDC SGP 4 was completed in 2017 and has received the ANSI/TIA-942 Rated-3 certification for architecture, mechanical, electrical and telecommunication infrastructure. For the environmentally-friendly features incorporated in its design and construction, KDC SGP 4 received the BCA-IMDA Green Mark Award (Platinum) for New Data Centres and the BCA Green Mark Award (Platinum) for New Building for Non-Residential Buildings.

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1 https://www.ura.gov.sg/Corporate/Planning/Draft-Master-Plan-19/Urban-Transformations/Woodlands-Regional-Centre

3.3 Greater Income Resilience through Exposure to a Larger Portfolio

The Proposed Acquisitions will further strengthen the income resilience of Keppel DC REIT's portfolio. Post-Completion, Keppel DC REIT will benefit from further diversification in income streams from the enlarged asset base of 17 assets[1].

The Proposed Acquisitions are also in line with the Keppel DC REIT's focus on acquiring stabilised assets that complement the portfolio, as well as drive long-term growth and deliver sustainable income to Unitholders.

KDC SGP 4 would be the fifth colocation data centre to Keppel DC REIT's Singapore portfolio, enlarging its market share in the tightly held market, where data centres are rarely traded.

DC1 would be Keppel DC REIT's first master leased data centre in Singapore. The long-term nature of DC1's master lease would add to Keppel DC REIT's income stability across its assets in Singapore.

The Proposed DC1 Acquisition would also provide diversification of location to the Northern part of Singapore, complementing Keppel DC REIT's existing data centres in the Central, Eastern and Western regions of Singapore.

3.4 Improvement in Portfolio Occupancy and Lease Profile

KDC SGP 4 has a current occupancy of 92.0% and DC1 is fully occupied. Post-Completion of the Proposed Acquisitions, Keppel DC REIT's pro forma occupancy rate for its Enlarged Portfolio will be 94.1% as at 30 June 2019, compared to 93.2% as at 30 June 2019 for its Existing Portfolio.

KDC SGP 4 has a contracted WALE of 3.0 years as at 30 June 2019, which is in line with colocation leases. DC1 is on a long-term master lease with a WALE of 16.8 years. Post-Completion of the Proposed Acquisitions, the portfolio WALE (by attributable leased area) for the Enlarged Portfolio will improve from 7.8 years, as at 30 June 2019, to 8.9 years.

The strong committed occupancy and healthy WALE will enhance income sustainability for Unitholders over the long-term.

In addition, the Proposed Acquisitions will improve the portfolio's lease profile such that not more than 15.1% of the Enlarged Portfolio (by leased lettable area) (as compared to 19.4% pre-Completion) will be due for renewal in any one year over the next ten years.

3.5 Enlarged Portfolio Creates a Stronger Platform for Growth

The Proposed Acquisitions will increase Keppel DC REIT's AUM from S$1.98 billion, as at 30 June 2019, to S$2.58 billion. Following the Equity Fund Raising and the Proposed Acquisitions, Keppel DC REIT will have a higher debt headroom with a lower aggregate leverage, allowing it to pursue further growth opportunities. The Manager believes that the lower aggregate leverage will provide greater financial flexibility for Keppel DC REIT. The higher AUM, fully unencumbered portfolio and higher free float, may bring greater access to the debt and equity capital markets going forward.

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1 Excluding IC3 East DC, which is being developed and is expected to be completed in 2020.

3.6 Greater Leasing Synergies and Operational Efficiency

The Proposed KDC SGP 4 Acquisition presents an opportunity to acquire a quality asset where Keppel DC REIT will be able to harness greater synergies from the Keppel Group as well as the Sponsor's established track record and technical expertise from over a decade of design, building and managing data centres. Operational continuity could also be enhanced with the acquisition of an asset that is built and operated by the same party.

With the Proposed KDC SGP 4 Acquisition, there is potential for Keppel DC REIT to (i) achieve leasing synergies, (ii) increase operational efficiency and (iii) derive economies of scale in its Enlarged Portfolio.

3.7 Alignment of Interests with the Fully Underwritten Preferential Offering as part of Funding for the Proposed Acquisitions

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 that the Equity Fund Raising is a beneficial method of raising funds to part finance the Proposed Acquisitions. In particular, the Preferential Offering, being fully underwritten, adds to certainty of proceeds for the Proposed Transactions.

The Preferential Offering provides Unitholders with the opportunity to increase their investments in Keppel DC REIT at a discount to the VWAP and participate in its future growth.

To demonstrate support for Keppel DC REIT's long-term growth and the Equity Fund Raising, Keppel DC Investment Holdings Pte. Ltd. and Keppel DC REIT Management Pte. Ltd. (each in its own capacity), have each provided an undertaking to the Manager that it will accept, subscribe and pay in full, for its provisional allotment of New Units under the Preferential Offering based on its entitlement. This will also enable the Keppel Group to maintain its unitholding interest in Keppel DC REIT and serve to align the interest of the Keppel Group with that of Keppel DC REIT and its Unitholders. The New Units to be issued pursuant to the Equity Fund Raising will increase the number of Units in issue, improving the trading liquidity of the Units.

4. DETAILS AND FINANCIAL INFORMATION OF THE PROPOSED ACQUISITIONS

4.1 Pro Forma Financial Effects of the Proposed Acquisitions

FOR ILLUSTRATIVE PURPOSES ONLY:

As Ordinary Resolution (1) *(The Proposed Acquisition of 99.0% Interest in the Company which holds KDC SGP 4, the Entry into the Keppel Lease Agreement, the Facility Management Agreement and the LLP Agreement) and Ordinary Resolution (2) (The Proposed Acquisition of 100.0% Interest in the Company which holds DC1)* are not inter-conditional, and in the event Unitholders do not approve any one of the Resolutions, the Manager will still proceed with the other Resolution, the following financial effects are prepared based on the following scenarios:

(i) **Scenario 1**: Approval of Ordinary Resolution (1) only;

(ii) **Scenario 2**: Approval of Ordinary Resolution (2) only; and

(iii) **Scenario 3**: Approval of Ordinary Resolution (1) and Ordinary Resolution (2).

The pro forma financial effects of the Proposed Acquisitions on the DPU, the NAV per Unit and capitalisation presented below are strictly for illustrative purposes and were prepared based on the audited financial statements of Keppel DC REIT for the FY2018 (the "**Keppel DC REIT Audited Financial Statements**") as well as the following assumptions:

(a) approximately S$438.6 million, being part of the net proceeds from the Equity Fund Raising, will be used to part finance the Proposed Acquisitions;

(b) S$155.0 million to be drawn down for debt facilities to part finance the Proposed Acquisitions; and

(c) approximately S$5.9 million of the Acquisition Fee is payable to the Manager via the issuance of the Acquisition Fee Units.

4.1.1 Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Acquisitions on Keppel DC REIT's DPU for FY2018, as if the Proposed Acquisitions were completed on 1 January 2018, and Keppel DC REIT held and operated KDC SGP 4 Target Entity and/or DC1PL through to 31 December 2018 are as follows:

An application to Inland Revenue Authority of Singapore ("**IRAS**") to seek a ruling that the income from KDC SGP 4 Target Entity would be tax transparent will be submitted. The effects of the Proposed Acquisitions for each scenario is presented below.

	Effects of the Proposed Acquisitions if Tax Transparency is Granted			
	Before the Proposed Acquisitions	**Scenario 1: Approval of Ordinary Resolution (1) only**	**Scenario 2: Approval of Ordinary Resolution (2) only**	**Scenario 3: Approval of Ordinary Resolution (1) and Ordinary Resolution (2)**
Net Profit before Tax (S$'000)	151,021	173,121	165,237[5]	187,337[5]
Distributable Income (S$'000)	96,096	117,678	109,213	130,795
Issued Units ('000)	1,351,578[1]	1,522,414[2]	1,442,558[3]	1,613,393[4]
DPU (cents)	7.32	7.88	7.79	8.27
Accretion (%)	–	7.6	6.4	13.0

Notes:

(1) Number of Units issued as at 31 December 2018.

(2) Assuming (i) approximately 89.0 million New Units (at an illustrative issue price of S$1.744 per Unit) issued via the Placement, (ii) approximately 79.6 million New Units (at an illustrative issue price of S$1.71 per Unit) issued via the Preferential Offering, and (iii) approximately 2.2 million Acquisition Fee Units (at an illustrative issue price of S$1.770 per Unit) issuable to the Manager in relation to the Proposed KDC SGP 4 Acquisition.

(3) Assuming (i) approximately 46.0 million New Units (at an illustrative issue price of S$1.744 per Unit) issued via the Placement, (ii) approximately 43.8 million New Units (at an illustrative issue price of S$1.71 per Unit) issued via the Preferential Offering, and (iii) approximately 1.1 million Acquisition Fee Units (at an illustrative issue price of S$1.770 per Unit) issuable to the Manager in relation to the Proposed DC1 Acquisition.

(4) Assuming (i) 135.0 million New Units (at an illustrative issue price of S$1.744 per Unit) issued via the Placement, (ii) approximately 123.5 million New Units (at an illustrative issue price of S$1.71 per Unit) issued via the Preferential Offering, and (iii) approximately 3.3 million Acquisition Fee Units (at an illustrative issue price of S$1.770 per Unit) issuable to the Manager in relation to the Proposed Acquisitions.

(5) Inclusive of an amount of rental support that would result in KDC SGP 4 having a similar initial net property yield to the Threshold Income Amount.

	Effects of the Proposed Acquisitions if Tax Transparency is not Granted			
	Before the Proposed Acquisitions	Scenario 1: Approval of Ordinary Resolution (1) only	Scenario 2: Approval of Ordinary Resolution (2) only	Scenario 3: Approval of Ordinary Resolution (1) and Ordinary Resolution (2)
Net Profit before Tax (S$'000)	151,021	173,121	165,237[5]	187,337 [5]
Distributable Income (S$'000)	96,096	114,221	109,213	127,338
Issued Units ('000)	1,351,578[1]	1,522,414[2]	1,442,558[3]	1,613,393[4]
DPU (cents)	7.32	7.63	7.79	8.05
Accretion (%)	–	4.2	6.4	10.0

Notes:

(1) Number of Units issued as at 31 December 2018.

(2) Assuming (i) approximately 89.0 million New Units (at an illustrative issue price of S$1.744 per Unit) issued via the Placement, (ii) approximately 79.6 million New Units (at an illustrative issue price of S$1.71 per Unit) issued via the Preferential Offering, and (iii) approximately 2.2 million Acquisition Fee Units (at an illustrative issue price of S$1.770 per Unit) issuable to the Manager in relation to the Proposed KDC SGP 4 Acquisition.

(3) Assuming (i) approximately 46.0 million New Units (at an illustrative issue price of S$1.744 per Unit) issued via the Placement, (ii) approximately 43.8 million New Units (at an illustrative issue price of S$1.71 per Unit) issued via the Preferential Offering, and (iii) approximately 1.1 million Acquisition Fee Units (at an illustrative issue price of S$1.770 per Unit) issuable to the Manager in relation to the Proposed DC1 Acquisition.

(4) Assuming (i) 135.0 million New Units (at an illustrative issue price of S$1.744 per Unit) issued via the Placement, (ii) approximately 123.5 million New Units (at an illustrative issue price of S$1.71 per Unit) issued via the Preferential Offering, and (iii) approximately 3.3 million Acquisition Fee Units (at an illustrative issue price of S$1.770 per Unit) issuable to the Manager in relation to the Proposed Acquisitions.

(5) Inclusive of an amount of rental support that would result in KDC SGP 4 having a similar initial net property yield to the Threshold Income Amount.

4.1.2 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Acquisitions on Keppel DC REIT's NAV per Unit as at 31 December 2018, as if the Proposed Acquisitions were completed on 31 December 2018, are as follows:

	Effects of the Proposed Acquisitions			
	Before the Proposed Acquisitions	Scenario 1: Approval of Ordinary Resolution (1) only	Scenario 2: Approval of Ordinary Resolution (2) only	Scenario 3: Approval of Ordinary Resolution (1) and Ordinary Resolution (2)
NAV (S$'000)	1,444,839	1,730,979	1,603,610	1,889,751
Issued Units ('000)	1,351,578[1]	1,522,414[2]	1,442,558[3]	1,613,393[4]
NAV per Unit (S$)	1.07	1.14	1.11	1.17

Notes:

(1) Number of Units issued as at 31 December 2018.

(2) Assuming (i) approximately 89.0 million New Units (at an illustrative issue price of S$1.744 per Unit) issued via the Placement, (ii) approximately 79.6 million New Units (at an illustrative issue price of S$1.71 per Unit) issued via the Preferential Offering, and (iii) approximately 2.2 million Acquisition Fee Units (at an illustrative issue price of S$1.770 per Unit) issuable to the Manager in relation to the Proposed KDC SGP 4 Acquisition.

(3) Assuming (i) approximately 46.0 million New Units (at an illustrative issue price of S$1.744 per Unit) issued via the Placement, (ii) approximately 43.8 million New Units (at an illustrative issue price of S$1.71 per Unit) issued via the Preferential Offering, and (iii) approximately 1.1 million Acquisition Fee Units (at an illustrative issue price of S$1.770 per Unit) issuable to the Manager in relation to the Proposed DC1 Acquisition.

(4) Assuming (i) 135.0 million New Units (at an illustrative issue price of S$1.744 per Unit) issued via the Placement, (ii) approximately 123.5 million New Units (at an illustrative issue price of S$1.71 per Unit) issued via the Preferential Offering, and (iii) approximately 3.3 million Acquisition Fee Units (at an illustrative issue price of S$1.770 per Unit) issuable to the Manager in relation to the Proposed Acquisitions.

There is no impact on NAV per Unit as at 31 December 2018 if tax transparency is not granted by IRAS.

4.1.3 Pro Forma Capitalisation

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma capitalisation of Keppel DC REIT as at 31 December 2018, as if the Proposed Acquisitions were completed on 31 December 2018, is as follows:

	Before the Proposed Acquisitions	Scenario 1: Approval of Ordinary Resolution (1) only	Scenario 2: Approval of Ordinary Resolution (2) only	Scenario 3: Approval of Ordinary Resolution (1) and Ordinary Resolution (2)
	(S$'000)	**(S$'000)**	**(S$'000)**	**(S$'000)**
Short-term debt:				
Unsecured debt	133,563	133,563	133,563	133,563
Total short-term debt	**133,563**	**133,563**	**133,563**	**133,563**
Long-term debt:				
Unsecured debt	573,084	675,315	625,853	728,084
Total long-term debt	**573,084**	**675,315**	**625,853**	**728,084**
Total debt	**706,647**	**808,878**	**759,416**	**861,647**
Unitholders' funds	1,444,839	1,730,979	1,603,610	1,889,751
Total Capitalisation	**2,151,486**	**2,539,857**	**2,363,026**	**2,751,398**

There is no impact on capitalisation as at 31 December 2018 if tax transparency is not granted by IRAS.

4.2 Requirement of Unitholders' Approval

4.2.1 Major Transaction

Chapter 10 of the Listing Manual governs the acquisition or divestment of assets, including options to acquire or dispose of assets, by Keppel DC REIT. Such transactions are classified into the following categories:

(a) non-discloseable transactions;

(b) discloseable transactions;

(c) major transactions; and

(d) very substantial acquisitions or reverse takeovers.

A transaction by Keppel DC REIT may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison:

(i) the NAV of the assets to be disposed of, compared with Keppel DC REIT's NAV;

(ii) the net profits attributable to the assets acquired, compared with Keppel DC REIT's net profits;

(iii) the aggregate value of the consideration given, compared with Keppel DC REIT's market capitalisation; and

(iv) the number of Units issued by Keppel DC REIT as consideration for an acquisition, compared with the number of Units previously in issue.

Where any of the relative figures computed on the bases set out above exceeds 20.0%, the transaction is classified as a major transaction. The Listing Manual requires that a major transaction involving Keppel DC REIT be made conditional upon approval by Unitholders in a general meeting. However, the approval of Unitholders is not required in the case of an acquisition of profitable assets if only sub-paragraph 4.2.1(i) exceeds the relevant 20.0% threshold and sub-paragraph 4.2.1(iv) is not applicable as no consideration units are issued.

4.2.2 Relative Figures computed on the Bases set out in Rule 1006

The relative figures for the Proposed Acquisitions using the applicable bases of comparison described in sub-paragraph 4.2.1 above are set out in the table below.

Comparison of	Keppel DC REIT	Scenario 1: Approval of Ordinary Resolution (1) only	Relative figure (%)	Scenario 2: Approval of Ordinary Resolution (2) only	Relative figure (%)	Scenario 3: Approval of Ordinary Resolution (1) and Ordinary Resolution (2)	Relative figure (%)
Profits (S$ million)	66.0[(1)]	23.2	35.1	7.4	11.3	30.6	46.4
Consideration against market capitalisation (S$ million)	2,418.2[(2)]	378.9	15.7	201.8	8.3	580.7	24.0
Units issued as consideration against Units previously in issue ('000)	NA	NA	NA	NA	NA	NA	NA

Notes:

(1) The figure is based on the unaudited net profit before tax of Keppel DC REIT for the six-month period ended 30 June 2019.

(2) The figure is based on the weighted average traded price of S$1.7882 per Unit on the SGX-ST as at 13 September 2019, being the trading day immediately preceding the date of the Share Purchase Agreements.

The Manager is of the view that the Proposed Acquisitions are in the ordinary course of Keppel DC REIT's business as the Target Properties being acquired are within the investment policy of Keppel DC REIT and do not change the risk profile of Keppel DC REIT. As such, the Proposed Acquisitions should therefore not be subject to Chapter 10 of the Listing Manual notwithstanding that the relative figure exceeds 20.0%. However, as the Proposed KDC SGP 4 Transaction and the Proposed DC1 Acquisition each constitute an "interested person transaction" under Chapter 9 of the Listing Manual and an "interested party transaction" under the Property Funds Appendix, each of the Proposed KDC SGP 4 Transaction and the Proposed DC1 Acquisition will still be subject to the specific approval of Unitholders.

4.2.3 Interested Person Transaction and Interested Party Transaction

Under Chapter 9 of the Listing Manual, where Keppel DC REIT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of Keppel DC REIT's latest audited NTA, Unitholders' approval is required in respect of the transaction. Based on the Keppel DC REIT Audited Financial Statements, the NTA of Keppel DC REIT was S$1,472.0 million as at 31 December 2018. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by Keppel DC REIT with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S$100,000) entered into

with the same interested person during the current financial year, equal to or in excess of S$73.6 million, such a transaction would be subject to Unitholders' approval.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Unitholders' approval for an interested party transaction by Keppel DC REIT whose value exceeds 5.0% of Keppel DC REIT's latest audited NAV. Based on the Keppel DC REIT Audited Financial Statements, the NAV of Keppel DC REIT was S$1,476.0 million as at 31 December 2018. Accordingly, if the value of a transaction which is proposed to be entered into by Keppel DC REIT with an interested party is equal to or greater than S$73.8 million, such a transaction would be subject to Unitholders' approval.

Given that the KDC SGP 4 Purchase Consideration is approximately S$378.9 million, the value of the Keppel Lease Agreement is up to S$355.8 million (being 99.0% of the estimated total amount payable over the term of the Keppel Lease), and the value of the Facility Management Agreement is S$11.1 million (being 99.0% of the estimated total amount payable over the term of the Facility Management Agreement) (which is in aggregate 50.7% and 50.5% of the latest audited NTA and NAV of Keppel DC REIT as at 31 December 2018 respectively), the value of the Proposed KDC SGP 4 Transaction exceeds the said threshold.

Given that the DC1 Purchase Consideration is approximately S$201.8 million (which is 13.7% of both the latest audited NTA and the NAV of Keppel DC REIT as at 31 December 2018), the value of the Proposed DC1 Acquisition exceeds the said threshold.

As at the Latest Practicable Date, KCL, through Keppel T&T, and Keppel Capital, holds an aggregate interest in 340,976,639 Units, which is equivalent to approximately 22.9% of the total number of Units in issue, and is therefore regarded as a "controlling Unitholder" of Keppel DC REIT under both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is owned by (i) Keppel T&T, through KDCPL and (ii) Keppel Capital in equal proportions, which are in turn subsidiaries of KCL, KCL is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

The KDC SGP 4 Vendor is a joint venture company held by Alpha DC Fund Private Limited and KDCH in the proportion of 70.0% and 30.0% respectively. KDCH also holds a 65.3% interest in Alpha DC Fund Private Limited. As KDCH is an indirect subsidiary of KCL, the KDC SGP 4 Vendor is also an indirect subsidiary of KCL. Additionally, as the Keppel Lessee is a subsidiary of the KDCH, the Keppel Lessee is an indirect subsidiary of KCL. Accordingly, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the KDC SGP 4 Vendor (being a subsidiary of a "controlling Unitholder" and a "controlling shareholder" of the Manager) is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of Keppel DC REIT.

Therefore, the Proposed KDC SGP 4 Acquisition will constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the approval of Unitholders is required. The entry into the Keppel Lease Agreement, the Facility Management Agreement and the LLP

Agreement will also constitute an "interested person transaction" under Chapter 9 of the Listing Manual.

As at the Latest Practicable Date, THPL, holds an aggregate interest in 349,833,399 Units, which is equivalent to approximately 23.52% of the total number of Units in issue, and is therefore regarded as a "controlling Unitholder" of Keppel DC REIT under both the Listing Manual and the Property Funds Appendix. In addition, by virtue of its approximately 21.74% interest in KCL, THPL is a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

One of the DC1 Vendors, CityDC, is wholly-owned by KIT, which is an associate of THPL under both the Listing Manual and the Property Funds Appendix. THPL, through KCL and its other subsidiaries and associated companies, is deemed interested in approximately 31.89% of KIT. KCL, through its wholly-owned subsidiary Keppel Infrastructure Holdings Pte. Ltd. holds an aggregate interest in 909,048,658 units in KIT, which is equivalent to approximately 18.20% of the total number of KIT units in issue.

Accordingly, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, CityDC (being an associate of a "controlling Unitholder" and a "controlling shareholder" of the Manager) is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of Keppel DC REIT.

There are no interested person transactions entered into between (1) Keppel DC REIT and (2) THPL and KCL and their subsidiaries and associates, during the course of the current financial year up to the Latest Practicable Date, other than the transaction which was approved by Unitholders on 16 April 2019.

4.3 Advice of the Independent Financial Adviser

The Manager has appointed KPMG Corporate Finance Pte Ltd as the IFA to advise the Independent Directors and the audit and risk committee of the Manager ("**Audit and Risk Committee**") and the Trustee in relation to the each of the Proposed Transactions. A copy of the letters from the IFA to the Independent Directors and members of the Audit and Risk Committee and the Trustee (the "**IFA Letters**"), containing its advice in full, is set out in **Appendix C** of this Circular and Unitholders are advised to read the IFA Letters carefully.

Having considered the various points set out in Sections 6 of each of the IFA Letters in relation to the Proposed KDC SGP 4 Transaction and the Proposed DC1 Acquisition respectively, and the information available to it as at the Latest Practicable Date, the IFA is of the opinion that each of the Proposed Transactions is on normal commercial terms and is not prejudicial to the interests of Keppel DC REIT and its minority Unitholders.

Accordingly, the IFA advises the Independent Directors and the Audit and Risk Committee to recommend that the minority Unitholders vote in favour of each of the resolutions in connection with the Proposed Transactions to be proposed at the EGM.

4.4 Interests of Directors and Substantial Unitholders

As at the Latest Practicable Date, certain directors of the Manager hold Units. Further details of the interests in Units of Directors and Substantial Unitholders[1] are set below.

Ms Christina Tan is the Chairman and a Non-Executive Director of the Manager, the Chief Executive Officer of Keppel Capital, the Deputy Chairman of Alpha Investment Partners Limited, and a Non-Executive Director of the trustee-manager of KIT. Mr Thomas Pang Thieng Hwi is a Non-Executive Director of the Manager and a director and the Chief Executive Officer of Keppel T&T. Ms Christina Tan and Mr Thomas Pang are investors in Alpha DC Fund Private Limited.

Based on the Register of Directors' Unitholdings maintained by the Manager and save as disclosed in the table below, none of the Directors currently holds a direct or deemed interest in the Units as at the Latest Practicable Date:

Name of Directors	Direct Interest		Deemed Interest		Total No. of Units held	%(1)
	No. of Units	%	No. of Units	%		
Christina Tan	50,000	0.0034	–	–	50,000	0.0034
Lee Chiang Huat	95,550	0.0064	–	–	95,550	0.0064
Tan Tin Wee	95,600	0.0064	–	–	95,600	0.0064
Dileep Nair	25,500	0.0017	–	–	25,500	0.0017
Low Huan Ping	–	–	–	–	–	–
Kenny Kwan Yew Kwong	–	–	–	–	–	–
Thomas Pang Thieng Hwi	63,700	0.0043	–	–	63,700	0.0043

Note:

(1) The percentage is based on 1,487,282,073 Units in issue as at the Latest Practicable Date.

The table below sets out the interest in shares in KCL ("**KCL Shares**") which are held by the Directors.

Name of Directors	Direct Interest		Deemed Interest		Total No. of KCL Shares held	%(1)	No. of Outstanding KCL Share Options	Contingent Award of KCL Shares	
	No. of KCL Shares	%(1)	No. of KCL Shares	%(1)				KCL Performance Share Plan	KCL Restricted Share Plan
Christina Tan	210,132	0.0116	–	–	210,132	0.0116	–	625,000	89,613
Lee Chiang Huat	–	–	–	–	–	–	–	–	–
Tan Tin Wee	–	–	–	–	–	–	–	–	–
Dileep Nair	–	–	–	–	–	–	–	–	–
Low Huan Ping	27,000	0.0015	–	–	27,000	0.0015	–	–	–
Kenny Kwan Yew Kwong	10,000	0.0006	–	–	10,000	0.0006	–	–	–
Thomas Pang Thieng Hwi	206,919	0.0114	–	–	206,919	0.0114	49,500	260,000	42,364

Note:

(1) The percentage is based on 1,816,362,603 KCL Shares (excluding treasury shares of 2,031,577 of KCL) as at the Latest Practicable Date.

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1 "**Substantial Unitholder**" refers to a person with an interest in Units constituting not less than 5.0% of all Units in issue.

The table below sets out the interest in KIT units which are held by the Directors.

Name of Directors	Direct Interest		Deemed Interest		Total No. of KIT units held	%(1)
	No. of KIT units	%	No. of KIT units	%		
Christina Tan	–	–	–	–	–	–
Lee Chiang Huat	–	–	–	–	–	–
Tan Tin Wee	–	–	–	–	–	–
Dileep Nair	–	–	–	–	–	–
Low Huan Ping	–	–	–	–	–	–
Kenny Kwan Yew Kwong	–	–	–	–	–	–
Thomas Pang Thieng Hwi	25,700	0.0005	–	–	25,700	0.0005

Note:

(1) The percentage is based on 4,994,391,069 KIT units in issue as at the Latest Practicable Date.

As at the Latest Practicable Date, (i) THPL holds an aggregate interest in 394,931,843 KCL Shares, which is equivalent to approximately 21.74% of the total number of KCL Shares in issue; (ii) THPL through KCL and its other subsidiaries and associated companies, is deemed interested in approximately 31.89% of KIT. KCL, through its wholly-owned subsidiary Keppel Infrastructure Holdings Pte. Ltd. holds an aggregate interest in 909,048,658 units in KIT, which is equivalent to approximately 18.20% of the total number of KIT units in issue.

Based on information available to the Manager, the Substantial Unitholders of Keppel DC REIT and their interests in the Units as at the Latest Practicable Date are as follows:

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total No. of Units held	%(1)
	No. of Units	%(1)	No. of Units	%(1)		
THPL(2)	–	–	349,833,399	23.52	349,833,399	23.52
KCL(3)	–	–	340,976,639	22.93	340,976,639	22.93
Keppel T&T(4)	–	–	340,976,639	22.93	340,976,639	22.93
Keppel DC Investment Holdings Pte. Ltd. ("KDCIH")	338,580,976	22.77	–	–	338,580,976	22.77

Notes:

(1) The percentage is based on 1,487,282,073 Units in issue as at the Latest Practicable Date.

(2) Temasek Holdings (Private) Limited's deemed interest arises from the deemed interest held by KCL and other subsidiaries and associated companies of Temasek Holdings (Private) Limited.

(3) KCL's deemed interest arises from its shareholdings in (i) KDCIH, which is a wholly-owned subsidiary of Keppel T&T, which is in turn a subsidiary of KCL and (ii) Keppel DC REIT Management Pte. Ltd., a joint-venture of Keppel Data Centres Pte. Ltd. ("**KDCPL**"), a wholly-owned subsidiary of Keppel T&T and Keppel Capital, both of which are subsidiaries of KCL.

(4) Keppel T&T's deemed interest arises from its shareholdings in (i) KDCIH, which is a wholly-owned subsidiary of Keppel T&T and (ii) Keppel DC REIT Management Pte. Ltd., a joint venture of KDCPL and Keppel Capital.

(See paragraphs 2.1.1 and 2.1.2 above for more details on the relationship with Vendors.)

Save as disclosed in this Circular and based on information available to the Manager as at the Latest Practicable Date, none of the Directors or the Substantial Unitholders have an interest, direct or indirect, in the Proposed Transactions.

4.5 Directors' Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the Proposed Transactions or any other transactions contemplated in relation to the Proposed Transactions.

5. RECOMMENDATIONS ON THE PROPOSED TRANSACTIONS

5.1 Proposed KDC SGP 4 Transaction (Ordinary Resolution (1))

Based on the advice of the IFA (as set out in the IFA Letters in **Appendix C** of this Circular) and the rationale and benefits of for the Proposed Transactions as set out in paragraph 3 above, the Independent Directors and the Audit and Risk Committee are of the opinion that the Proposed KDC SGP 4 Transaction is on normal commercial terms and is not prejudicial to the interests of Keppel DC REIT and its minority Unitholders.

Accordingly, the Independent Directors recommend that Unitholders vote at the EGM in favour of the Ordinary Resolution (1) to approve the Proposed KDC SGP 4 Transaction (including the entry into the Keppel Lease Agreement, the Facility Management Agreement and the LLP Agreement).

5.2 Proposed DC1 Acquisition (Ordinary Resolution (2))

Based on the advice of the IFA (as set out in the IFA Letters in **Appendix C** of this Circular) and the rationale and benefits of for the Proposed Transactions as set out in paragraph 3 above, the Independent Directors and the Audit and Risk Committee are of the opinion that the Proposed DC1 Acquisition is on normal commercial terms and is not prejudicial to the interests of Keppel DC REIT and its minority Unitholders.

Accordingly, the Independent Directors recommend that Unitholders vote at the EGM in favour of the Ordinary Resolution (2) to approve the Proposed DC1 Acquisition.

6. EXTRAORDINARY GENERAL MEETING

The EGM will be held on 23 October 2019 at 2.00 p.m. at Level 3, Hibiscus Ballroom 3601A-4 & 3701A-4, Sands Expo and Convention Centre, 10 Bayfront Avenue, Singapore 018956, for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out in the Notice of EGM, which is set out on pages D-1 to D-3 of this Circular. The purpose of this Circular is to provide Unitholders with relevant information about the resolutions. Approval by way of an Ordinary Resolution is required in respect of each of the Proposed Transactions.

A Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Units entered against his name in the Depository Register, as certified by The Central Depository (Pte) Limited ("**CDP**") as at 72 hours before the time fixed for the EGM.

7. ABSTENTIONS FROM VOTING

As at the Latest Practicable Date, KCL, directly and through Keppel T&T and Keppel Capital, holds an aggregate interest in 340,976,639 Units, which comprises approximately 22.9% of the total number of Units in issue. THPL, through KCL and its other subsidiaries and associated companies, has a deemed interest in 349,833,399 Units, which comprises approximately 23.52% of the total number of Units in issue.

THPL, KCL, Keppel T&T and their associates will abstain from voting on each resolution.

For purposes of good corporate governance, as Ms Christina Tan is the Chief Executive Officer of Keppel Capital, the Deputy Chairman of Alpha Investment Partners Limited, and a Non-Executive director of the trustee-manager of KIT and Mr Thomas Pang is a director and the Chief Executive Officer of Keppel T&T, they will abstain from voting on each of the resolutions in respect of the Units (if any) held by them.

8. ACTION TO BE TAKEN BY UNITHOLDERS

Unitholders will find enclosed in this Circular the Notice of EGM and a Proxy Form.

If a Unitholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Unit Registrar's office, 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 20 October 2019 at 2.00 p.m., being 72 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Unitholder will not prevent him from attending and voting in person at the EGM if he so wishes.

Persons who have an interest in the approval of the resolutions must decline to accept appointment as proxies unless the Unitholder concerned has specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of such resolution. If a Unitholder (being an independent Unitholder) wishes to appoint any of the Directors as his/her proxy/proxies for the EGM, he/she should give specific instructions in his/her Proxy Form as to the manner in which his/her vote is to be cast in respect of the resolution.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed KDC SGP 4 Transaction, the Proposed DC1 Acquisition, Keppel DC REIT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

10. CONSENTS

Each of the IFA (being KPMG Corporate Finance Pte Ltd) and the Independent Valuers (being Cushman & Wakefield and Savills for the Proposed KDC SGP 4 Transaction and Knight Frank and Edmund Tie for the Proposed DC1 Acquisition) has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and, respectively, the IFA Letters, the valuation certificates and all references thereto, in the form and context in which they are included in this Circular.

11. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager[1] at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632 from the date of this Circular up to and including the date falling three months after the date of this Circular:

(i) the KDC SGP 4 Share Purchase Agreement;

(ii) the Letter Agreement containing the form of the Keppel Lease Agreement, the Facility Management Agreement, the LLP Agreement and the business transfer agreement between the KDC SGP 4 Target Entity and Keppel DC Singapore 2 Pte. Ltd.;

(iii) the DC1 Share Purchase Agreement;

(iv) the IFA Letters;

(v) the independent valuation reports on KDC SGP 4 issued by Cushman & Wakefield and Savills;

(vi) the independent valuation reports on DC1 issued by Knight Frank and Edmund Tie; and

(vii) the written consents of each of the IFA and the Independent Valuers.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as Keppel DC REIT is in existence.

Yours faithfully

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

Ms Christina Tan
Chairman and Non-Executive Director

1 Prior appointment will be appreciated.

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, 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 the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Keppel DC REIT is not necessarily indicative of the future performance of Keppel DC REIT.

This Circular 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 similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

If you have sold or transferred all your Units, you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

GLOSSARY

In this Circular, the following definitions apply throughout unless otherwise stated:

%	:	Per centum or percentage
1-Net Singapore	:	1-Net Singapore Pte. Ltd.
Acquisition Fee	:	The acquisition fee for the Proposed Acquisitions which the Manager will be entitled to receive from Keppel DC REIT upon Completion
Acquisition Fee Units	:	The Units payable to the Manager as the Acquisition Fee
Aggregate leverage	:	The ratio of the value of borrowings (inclusive of proportionate share of borrowings of jointly controlled entities) and deferred payments (if any) to the value of the Deposited Property, without considering lease liabilities pertaining to the land rent commitments for iseek DC and KDC DUB 1
Almere DC	:	Almere Data Centre in Almere, the Netherlands, which is held by Keppel DC REIT
Audit and Risk Committee	:	The audit and risk committee of the Manager
AUM	:	Assets under management
Basis Bay DC Interest	:	Keppel DC REIT's 99.0% interest in Basis Bay Data Centre in Cyberjaya, Malaysia
Cardiff DC	:	Cardiff Data Centre in Cardiff, United Kingdom, which is held by Keppel DC REIT
CDP	:	The Central Depository (Pte) Limited
Client X	:	The client who executed the Client X Contract
Client X Contract	:	The Master Services Agreement and the Master Work Order and forming part of such Master Services Agreement (in each case, entered into by and between Client X and KDCS2PL), and the Third Amended and Restated Order for Colocation Services (Client X) entered into by and between Client X, KDCS2PL and KDCS4PL and forming part of such Master Work Order
Circular	:	This circular to Unitholders dated 8 October 2019
CityDC	:	CityDC Pte. Ltd.
Commencement Date	:	Means the date of commencement of the Keppel Lease Agreement

Completion	:	The completion of the Proposed Acquisitions
Completion Date	:	The date of Completion
Contracts	:	Means any licence, colocation agreement or occupation agreement
Cushman & Wakefield	:	Cushman & Wakefield VHS Pte. Ltd.
DC1	:	The data centre located at 18 Riverside Road, Singapore
DC1 Agreed Value	:	The agreed value of DC1, being S$200.2 million
DC1 Acquisition Cost	:	The cost of the Proposed DC1 Acquisition to Keppel DC REIT
DC1 Acquisition Fee	:	The acquisition fee for the Proposed DC1 Acquisition which the Manager will be entitled to receive from Keppel DC REIT upon DC1PL Completion
DC1 Acquisition Fee Units	:	The Units payable to the Manager as the DC1 Acquisition Fee
DC1 JTC Consent	:	The consent of JTC to the Proposed DC1 Acquisition
DC1 Purchase Consideration	:	The estimated purchase consideration of approximately S$201.8 million for the Proposed DC1 Acquisition
DC1 Share Purchase Agreement	:	The conditional share purchase agreement for the proposed acquisition of 1,000,000 ordinary shares being 100.0% of the issued share capital of DC1PL, entered into between the Trustee and the DC1 Vendors dated 16 September 2019
DC1 Vendors	:	CityDC and WDCD
DC1PL	:	DataCentre One Pte. Ltd., which is the entity which Keppel DC REIT is acquiring 100.0% of the issued share capital
DC1PL Completion	:	The completion of the Proposed DC1 Acquisition
DC1PL Completion Date	:	The date of the DC1PL Completion
DC1PL Shareholder Loan	:	The existing shareholders' loan of S$33.8 million owed by DC1PL to the DC1 Vendors
Deposited Property	:	The gross assets of Keppel DC REIT, including all its authorised investments held or deemed to be held upon the trust under the Trust Deed

Designated Account	:	The designated account of the Trustee into which an amount equal to 99.0% of the Total Rental Support Amount shall be deducted from the KDC SGP 4 Purchase Consideration and deposited into as a safeguard against the ability of the KDC SGP 4 Vendor to make the Rental Support payments
Director	:	The directors of the Manager, and "Director" means any one of them
DPU	:	Distribution per Unit
Edmund Tie	:	Edmund Tie & Company (SEA) Pte Ltd
EGM	:	The extraordinary general meeting of Unitholders to be held on 23 October 2019 at 2.00 p.m. at Level 3, Hibiscus Ballroom 3601A-4 & 3701A-4, Sands Expo and Convention Centre, 10 Bayfront Avenue, Singapore 018956, to approve the matters set out in the Notice of Extraordinary General Meeting on pages D-1 to D-3 of this Circular
Enlarged Portfolio	:	The enlarged portfolio of properties held by Keppel DC REIT, consisting of (i) the Existing Portfolio, (ii) the KDC SGP 4 Interest and (iii) DC1
Existing Portfolio	:	The portfolio of properties currently held by Keppel DC REIT, comprising (i) KDC SGP 1; (ii) KDC SGP 2; (iii) the KDC SGP 3 Interest; (iv) the KDC SGP 5 Interest; (v) the Basis Bay DC Interest; (vi) IC2 DC; (vii) Gore Hill DC; (viii) iseek DC; (ix) GV7 DC; (x) KDC DUB 1; (xi) KDC DUB 2; (xii) Almere DC; (xiii) Cardiff DC; (xiv) Milan DC; and (xv) maincubes DC. It excludes IC3 East DC[1]
Equity Fund Raising	:	Means the equity fund raising comprising the Placement and the Preferential Offering
Facility Management Agreement	:	The facility management agreement to be entered into between the KDC SGP 4 Target Entity and the Facility Manager on KDC SGP 4 Completion
Facility Services	:	Facilities and management and maintenance services provided by the Facility Manager pursuant to the Facility Management Agreement
Financial Year	:	A calendar year which commences on 1 January and ends on 31 December. The first Financial Year shall be the period commencing on the Commencement Date and ending on the immediately following 31 December and the last Financial Year shall be the period commencing on 1 January occurring immediately before the Termination Date and end on the Termination Date

1 IC3 East DC is being developed and it is expected to be completed in 2020.

FM Fee	:	The facility management fee payable by the KDC SGP 4 Target Entity to the Facility Manager pursuant to the Facility Management Agreement
FY2018	:	The financial year ended 31 December 2018
Gore Hill DC	:	Gore Hill Data Centre in Sydney, Australia, which is held by Keppel DC REIT
GV7 DC	:	GV7 Data Centre in London, United Kingdom, which is held by Keppel DC REIT
IC2 DC	:	Intellicentre 2 Data Centre in Sydney, Australia, which is held by Keppel DC REIT
IC3 East DC	:	Intellicentre 3 East Data Centre, in Sydney, Australia, which is being developed and is expected to be completed in 2020
IFA	:	KPMG Corporate Finance Pte Ltd
IFA Letters	:	The letters from the IFA to the Independent Directors, and the Audit and Risk Committee of the Manager and the Trustee containing its advice as set out in **Appendix C** of this Circular
Independent Directors	:	The independent directors of the Manager
Independent Valuers	:	(I) Cushman & Wakefield; (II) Edmund Tie; (III) Savills; and (IV) Knight Frank
IRAS	:	Inland Revenue Authority of Singapore
iseek DC	:	iseek Data Centre in Brisbane, Australia, which is held by Keppel DC REIT
JTC	:	JTC Corporation, a body corporate incorporated under the Jurong Town Corporation Act, Chapter 150 of Singapore and having its office at The JTC Summit, 8 Jurong Town Hall Road, Singapore 609434
JTC Lease	:	The Instrument of Lease No. I/30718P dated 19 October 2000 (as varied by the Instrument of Variation of Lease No. IE/383306V dated 3 May 2016) registered with the Singapore Land Authority and reference to "JTC Lease" includes any document which amends, modifies or supplements the same

KCL	:	Keppel Corporation Limited
KCL Shares	:	Shares in KCL
KDCH	:	Keppel Data Centres Holding Pte Ltd, which is a subsidiary of KCL
KDCIH	:	Keppel DC Investment Holdings Pte. Ltd., which is a wholly-owned subsidiary of Keppel T&T, which is in turn a subsidiary of KCL
KDCRM	:	Keppel DC REIT Management Pte. Ltd., which is the manager of Keppel DC REIT
KDCPL	:	Keppel Data Centres Pte. Ltd., which is a subsidiary of Keppel T&T
KDCS2PL	:	Keppel DC Singapore 2 Pte. Ltd.
KDCS4PL	:	Keppel DC Singapore 4 Pte. Ltd., which is the entity which Keppel DC REIT is acquiring 99.0% of the issued share capital
KDCS4PL Shareholder Loan	:	S$81.5 million, being 100.0% share of the existing shareholder's loan owed by the KDC SGP 4 Target Entity to the KDC SGP 4 Vendor
KDC DUB 1	:	Keppel DC Dublin 1, in Dublin, Ireland, which is held by Keppel DC REIT
KDC DUB 2	:	Keppel DC Dublin 2, in Dublin, Ireland, which is held by Keppel DC REIT
KDC SGP 1	:	Keppel DC Singapore 1 in Singapore, which is held by Keppel DC REIT
KDC SGP 2	:	Keppel DC Singapore 2 in Singapore, which is held by Keppel DC REIT
KDC SGP 3 Interest	:	Keppel DC REIT's 90.0% interest in Keppel DC Singapore 3
KDC SGP 4	:	Keppel DC Singapore 4, formerly known as T20, in Singapore
KDC SGP 4 Agreed Value	:	The agreed value of KDC SGP 4, being S$384.9 million
KDC SGP 4 Acquisition Cost	:	The cost of the Proposed KDC SGP 4 Acquisition to Keppel DC REIT

KDC SGP 4 Acquisition Fee	:	The acquisition fee for the Proposed KDC SGP 4 Acquisition which the Manager will be entitled to receive from Keppel DC REIT upon KDC SGP 4 Completion
KDC SGP 4 Acquisition Fee Units	:	The Units payable to the Manager as the KDC SGP 4 Acquisition Fee
KDC SGP 4 Completion	:	The completion of the Proposed KDC SGP 4 Acquisition
KDC SGP 4 Completion Date	:	The date of the KDC SGP 4 Completion
KDC SGP 4 Interest	:	The 99.0% interest in the company which holds KDC SGP 4
KDC SGP 4 JTC Consent	:	The consent of JTC to the Proposed KDC SGP 4 Acquisition and the entry into the Keppel Lease Agreement which shall include JTC's written confirmation that JTC has waived its right of first refusal to purchase KDC SGP 4 granted to JTC under the JTC Lease or that such right of refusal shall not apply
KDC SGP 4 Purchase Consideration	:	The estimated purchase consideration of approximately S$378.9 million for the Proposed KDC SGP 4 Acquisition
KDC SGP 4 Share Purchase Agreement	:	The conditional share purchase agreement for the proposed acquisition of 9,900,000 ordinary shares being 99.0% of the issued share capital of the KDC SGP 4 Target Entity, entered into between the Trustee and the KDC SGP 4 Vendor dated 16 September 2019
KDC SGP 4 Target Entity	:	Keppel DC Singapore 4 Pte. Ltd. (or, following the conversion of Keppel DC Singapore 4 Pte. Ltd. into an LLP, Keppel DC Singapore 4 LLP)
KDC SGP 4 Vendor	:	Thorium DC Pte. Ltd.
KDC SGP 5 Interest	:	Keppel DC REIT's 99.0% interest in Keppel DC Singapore 5
Keppel Capital	:	Keppel Capital Holdings Pte. Ltd., which is a wholly-owned subsidiary of KCL
Keppel DC REIT Audited Financial Statements	:	The audited financial statements of Keppel DC REIT for the financial year ended 31 December 2018
Keppel Group	:	KCL and its subsidiaries
Keppel Lease	:	The lease of KDC SGP 4 by KDC SGP 4 Target Entity to the Keppel Lessee for a term of ten years with an option to renew for a further term of five years

Keppel Lease Agreement	:	The lease agreement to be entered into between the KDC SGP 4 Target Entity and the Keppel Lessee on KDC SGP 4 Completion
Keppel Lessee or the Facility Manager	:	KDCS2PL, which is a subsidiary of KDCH
Keppel T&T or Sponsor	:	Keppel Telecommunications & Transportation Ltd
KIT	:	Keppel Infrastructure Trust
KLL	:	Keppel Land Limited, which is a subsidiary of KCL
Knight Frank	:	Knight Frank Pte Ltd
Latest Practicable Date	:	25 September 2019, being the latest practicable date prior to the printing of this Circular
Listing Manual	:	The Listing Manual of the SGX-ST
LLP	:	Limited liability partnership
LLP Agreement	:	The limited liability partnership agreement to be entered into between the Trustee and KDCH as partners of KDCS4LLP on KDC SGP 4 Completion
Losses	:	Collectively, (i) all claims, demands, actions, proceedings, judgements, damages, losses, costs and expenses of any nature which the KDC SGP 4 Target Entity may suffer or incur for death, injury, loss and/or damage caused by, and (ii) all penalties or fines imposed by any competent authority resulting from any wilful default or gross negligence by the Keppel Lessee, its employees or agents, in complying with the provisions of the Keppel Lease Agreement, subject to certain limitations as highlighted in paragraph 2.9.11
maincubes DC	:	maincubes Data Centre, in Offenbach am Main, Germany, which is held by Keppel DC REIT
Manager	:	Keppel DC REIT Management Pte. Ltd., in its capacity as manager of Keppel DC REIT
MAS	:	Monetary Authority of Singapore
Mechanical and Electrical Equipment	:	Means the plant, mechanical and electrical equipment, fixtures and fittings located in or on or which otherwise relate to KDC SGP 4
Milan DC	:	Milan Data Centre in Milan, Italy, which is held by Keppel DC REIT
NAV	:	Net asset value

New Units	:	The new Units issued in connection with the Equity Fund Raising
NLA	:	Net lettable area
NTA	:	Net tangible asset value
OMV	:	Open market value
Ordinary Resolution	:	A resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
Other KDC SGP 4 Share Purchase	:	The sale of the remaining 100,000 ordinary shares of KDCS4PL, being 1.0% of the issued share capital of KDCS4PL, to KDCH
Other KDC SGP 4 Share Purchase	:	The share purchase agreement pertaining to the Other KDC SGP 4 Share Purchase
Placement	:	The placement of 135,000,000 New Units for the gross proceeds of approximately S$235.4 million
Preferential Offering	:	The fully underwritten preferential offering of 141,989,617 New Units for the gross proceeds of approximately S$242.8 million
Property Funds Appendix	:	Appendix 6 of the Code on Collective Investment Schemes issued by the MAS
Proposed DC1 Acquisition	:	The proposed Acquisition of DC1PL through the acquisition of 1,000,000 ordinary shares being 100.0% of the issued share capital of DC1PL
Proposed Acquisitions	:	The Proposed DC1 Acquisition and the Proposed KDC SGP 4 Acquisition
Proposed KDC SGP 4 Acquisition	:	The proposed Acquisition of the KDC SGP 4 Target Entity through the acquisition of 9,900,000 ordinary shares being 99.0% of the issued share capital of KDCS4PL
Proposed KDC SGP 4 Transaction	:	The Proposed KDC SGP 4 Acquisition and the entry into the Keppel Lease Agreement, the Facility Management Agreement and the LLP Agreement
Proposed Transactions	:	The Proposed KDC SGP 4 Transaction and the Proposed DC1 Acquisition, collectively
psf	:	Per square foot

Rental Support	:	The rental support arrangement in relation to KDC SGP 4 to be provided by the KDC SGP 4 Vendor
Rental Support Period	:	Period commencing from the KDC SGP 4 Completion Date and ending 24 months after the KDC SGP 4 Completion Date
Refund	:	The refund to be made by KDC SGP 4 Target Entity where if after receipt of payment from the Keppel Lessee in respect of an actual claim, the KDC SGP 4 Target Entity receives payment from another source in respect of that claim and such payments in aggregate exceed the Loss in respect of that claim
REIT	:	Real estate investment trust
S$ and cents	:	Singapore dollars and cents
Savills	:	Savills Valuation And Professional Services (S) Pte Ltd
Scenario 1	:	Approval of Ordinary Resolution (1) only
Scenario 2	:	Approval of Ordinary Resolution (2) only
Scenario 3	:	Approval of Ordinary Resolution (1) and Ordinary Resolution (2)
SGX-ST	:	Singapore Exchange Securities Trading Limited
Share Purchase Agreements	:	The KDC SGP 4 Share Purchase Agreement and DC1 Share Purchase Agreement
sq ft	:	Square feet
Substantial Unitholder	:	A person with an interest in Units constituting not less than 5.0% of the total number of Units in issue
Target Entities	:	Means the KDC SGP 4 Target Entity and DC1PL
Target Properties	:	KDC SGP 4 and DC1
Term	:	In relation to the Keppel Lease Agreement, means the term of ten years commencing on (and including) the Commencement Date
Termination Date	:	In relation to the Keppel Lease, the date of expiry of the Term or the date of termination of the Keppel Lease Agreement in accordance with the terms of the Keppel Lease Agreement, whichever is the earlier date
Thorium DCPL	:	Thorium DC Pte. Ltd.
THPL	:	Temasek Holdings (Private) Limited

Threshold Income Amount	:	Means S$29.4 million for each 12-month period
Top-Up Payment	:	A top-up payment by the KDC SGP 4 Vendor of an amount equal to the difference between the adjusted net property income and the Threshold Income Amount for each quarterly period, where it is determined that the quarterly adjusted net property income (for 100.0% share) is likely to be less than the Threshold Income Amount
Total Acquisition Cost	:	The total cost of the Proposed Transactions to Keppel DC REIT
Total Rental Support Amount	:	Means approximately S$8.8 million (for the 100.0% share)
Trust Deed	:	The trust deed dated 17 March 2011 constituting Keppel DC REIT, all entered into between the Trustee and the Manager, as amended, varied, or supplemented from time to time
Trustee	:	Perpetual (Asia) Limited, in its capacity as trustee of Keppel DC REIT
Unit	:	A unit representing an undivided interest in Keppel DC REIT
Unitholder	:	The registered holder for the time being of a Unit, including person(s) so registered as joint holders, except where the registered holder is CDP, the term "Unitholder" shall, in relation to Units registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Units
VWAP	:	Volume weighted average price
WALE	:	Weighted average lease expiry
WDCD	:	WDC Development Pte. Ltd.

The terms "Depositor" and "Depository Register" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

APPENDIX A

DETAILS OF THE TARGET PROPERTIES, THE EXISTING PORTFOLIO AND THE ENLARGED PORTFOLIO

1. The Target Properties

1.1 Description of the Target Properties

KDC SGP 4

KDC SGP 4, located at 20 Tampines Street 92, Singapore 528875, is a five-storey carrier-neutral and purpose-built colocation data centre facility, with a NLA of approximately 84,544 sq ft. Completed in 2017, KDC SGP 4 was designed and constructed incorporating environmentally-friendly features. In recognition of its green efforts, the facility received the BCA-IMDA Green Mark Award (Platinum) for New Data Centres and the BCA Green Mark Award (Platinum) for New Building for Non-Residential Buildings.

The facility manager of KDC SGP 4 will be KDCS2PL, which is a subsidiary of KDCH, a data centre solutions provider in Singapore. KDCH offers a comprehensive range of colocation services to end-users. It enters into colocation service arrangements with, and manages data centre facilities for the end-users.

The table below sets out a summary of selected information on KDC SGP 4 as at 30 June 2019 (unless otherwise indicated).

Location	20 Tampines Street 92, Singapore 528875
Land Lease Title	Leasehold (30 years leasehold tenure from 1 July 1990, with option to renew for another 30 years)
Agreed Value	S$384.9 million
Year of Completion	2017
Land Area (sq ft)	73,248
Gross Floor Area (sq ft)	182,094
Lettable Area (sq ft)	84,544
Number of Clients	5
Lease Type	Colocation
WALE	3.0 years[1]
Occupancy Rate	92.0%
Appraised Value of the KDC SGP 4 Interest	Cushman & Wakefield • S$385.1 million (with Rental Support) • S$377.9 million (without Rental Support) Savills • S$385.1 million (with Rental Support) • S$378.2 million (without Rental Support)

1 As of 30 June 2019

DC1

DC1, located at 18 Riverside Road, Singapore 739088, is a purpose-built five-storey data centre facility featuring approximately 213,815 sq ft of floor area across four floors of data centre halls and one floor of office and ancillary space. DC1 was completed in 2016. It is currently on a triple-net master lease with approximately 17 years remaining, with an option to renew for another 7.6 years. This master lease was entered into on 12 April 2016 and would continue following completion of the Acquisition, and by approving the Proposed DC1 Acquisition, Unitholders will be deemed to have also approved the master lease.

The table below sets out a summary of selected information on DC1 as at 30 June 2019 (unless otherwise indicated).

Location	18 Riverside Road, Singapore 739088
Land Lease Title	Leasehold (70 years 5 months leasehold tenure from 1 March 1974)
Agreed Value	S$200.2 million
Year of Completion	2016
Land Area (sq ft)	91,902
Gross Floor Area (sq ft)	–
Lettable Area (sq ft)	213,815
Number of Clients	1
Lease Type	Fully-fitted/Shell & core
WALE	16.8 years[1]
Occupancy Rate	100.0%
Appraised Value of DC1PL	Knight Frank • S$200.5 million Edmund Tie • S$201.5 million

1 As of 30 June 2019.

2. EXISTING PORTFOLIO

2.1 Key Information of the Existing Portfolio

The table below sets out selected information about the Existing Portfolio (as at 30 June 2019).

Property	Location	Land Lease Title	Ownership Interest	Land Area (sq ft)	Gross Floor Area (sq ft)	Lettable Area (sq ft)	Number of Clients	Lease Type	Facility Manager	Occupancy Rate	AUM as at 30 June 2019 (S$'mil)
KDC SGP 1	25 Serangoon North Avenue 5, Singapore 554914	Leasehold (Expiring 30 September 2025, with an option to extend by 30 years)	100.0%	78,928	225,945	109,721	17	Keppel lease/ Colocation	Keppel DC Singapore 1 Ltd	86.9%	287.5
KDC SGP 2	25 Tampines Street 92, Singapore 528877	Leasehold (Expiring 31 July 2021, with an option to extend by 30 years)	100.0%	53,821	106,726	38,090	4	Keppel lease/ Colocation	Keppel DC Singapore 2 Pte. Ltd.	100.0%	169.3
KDC SGP 3	27 Tampines Street 92, Singapore 528878	Leasehold (Expiring 31 January 2022, with an option to extend by 30 years)	90.0%	53,815	133,878	49,433[(1)]	2	Keppel lease/ Colocation	Keppel DCS3 Services Pte. Ltd.	100.0%	231.8
KDC SGP 5	13 Sunview Way, Singapore 627541	Leasehold (Expiring 31 August 2041)	99.0%	83,331	208,096	97,781[(1)]	3	Keppel lease/ Colocation	Keppel DCS3 Services Pte. Ltd.	84.2%	322.9

Property	Location	Land Lease Title	Ownership Interest	Land Area (sq ft)	Gross Floor Area (sq ft)	Lettable Area (sq ft)	Number of Clients	Lease Type	Facility Manager	Occupancy Rate	AUM as at 30 June 2019 (S$'mil)
Basis Bay DC	No. 4710, Jalan Cyber Point 5, Zone Flagship Cyberjaya 63000 Cyberjaya, Selangor Darul Ehsan, Malaysia	Freehold	99.0%	64,809	88,600	48,193[1]	1	Colocation	Basis Bay Services MSC Sdn Bhd	63.1%	27.7
Gore Hill DC	5 Broadcast Way (South Gate) Artarmon, New South Wales 2064, Australia	Freehold	100.0%	72,032	127,283	90,955	3	Triple-net lease (Shell & core)/ Colocation	iseek-KDC Services Pty Limited	100.0%	196.3
IC2 DC	17-23 Talavera Road, Macquarie Park New South Wales 2113, Australia	Freehold	100.0%	215,612	–	87,930	1	Triple-net lease (Shell & core)	–	100.0%	51.1
iseek DC	2 Cycas Lane, Brisbane Airport, Queensland 4009, Australia	Leasehold (Expiring 29 June 2040, with an option to extend by 7 years)	100.0%	41,559	28,955	12,389	1	Double-net lease (Fully-fitted)	–	100.0%	32.9
GV7 DC	7 Greenwich View Place, Millharbour Road, London E14, 9NN, United Kingdom	Leasehold (Expiring 28 September 2183)	100.0%	N.A.[2]	34,848	24,972	1	Triple-net lease (Fully-fitted)	–	100.0%	63.0
Almere DC	Rondebeltweg 62 'Sallandsekant' Business Park, Almere, the Netherlands	Freehold	100.0%	85,358	–	118,403	1	Double-net lease (Fully-fitted)	–	100.0%	137.6

Property	Location	Land Lease Title	Ownership Interest	Land Area (sq ft)	Gross Floor Area (sq ft)	Lettable Area (sq ft)	Number of Clients	Lease Type	Facility Manager	Occupancy Rate	AUM as at 30 June 2019 (S$'mil)
KDC DUB 1	Unit 4033-4035 Citywest Business Campus, Naas Road, Dublin 24, Ireland	Leasehold (Expiring 11 April 2041)[3]	100.0%	218,236	125,044	68,118	19	Colocation	–	61.8%	85.9
KDC DUB 2	Unit B10, Ballycoolin Business and Technology Park, Blanchardstown, Dublin 15, Ireland	Leasehold (Expiring 31 December 2997)	100.0%	149,620	76,747	25,127	4	Colocation	–	90.7%	113.7
Cardiff DC	Ty Cannal, Dunleavy Drive, Celtic Gateway, Cardiff CF110SW, United Kingdom	Freehold	100.0%	279,864	–	79,439	1	Triple-net lease (Shell & core)	–	100.0%	64.9
Milan DC	Via Bisceglie 71,73 and 75, Milan, Italy	Freehold	100.0%	128,791	–	165,389	1	Double-net lease (Shell & core)	–	100.0%	56.7
maincubes DC	Goethering 29, Offenbach am Main, Germany	Freehold	100.0%	60,235	–	97,043	1	Triple-net lease (Fully-fitted)	–	100.0%	134.1

Notes:

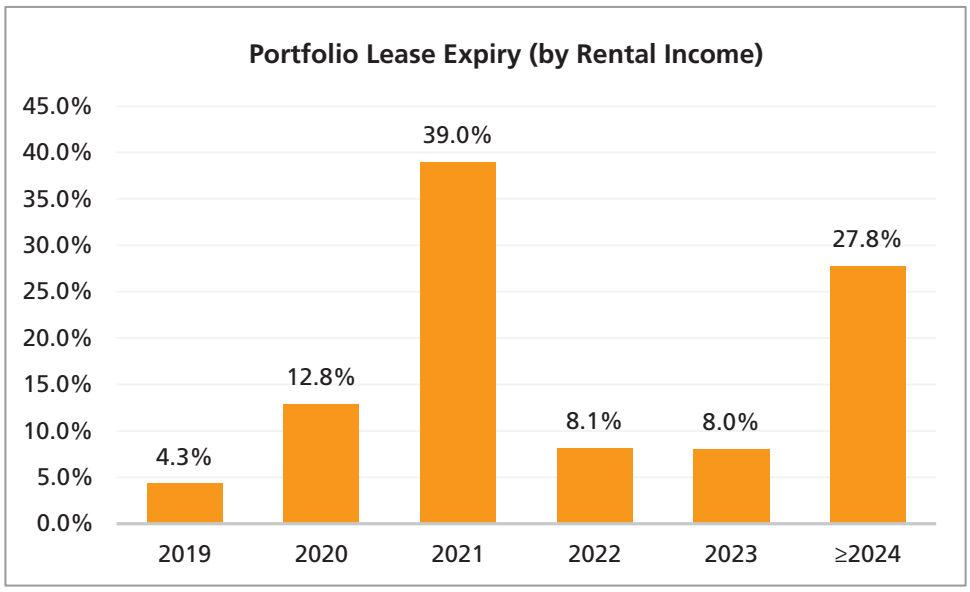
(1) Based on respective ownership interests as at 30 June 2019.

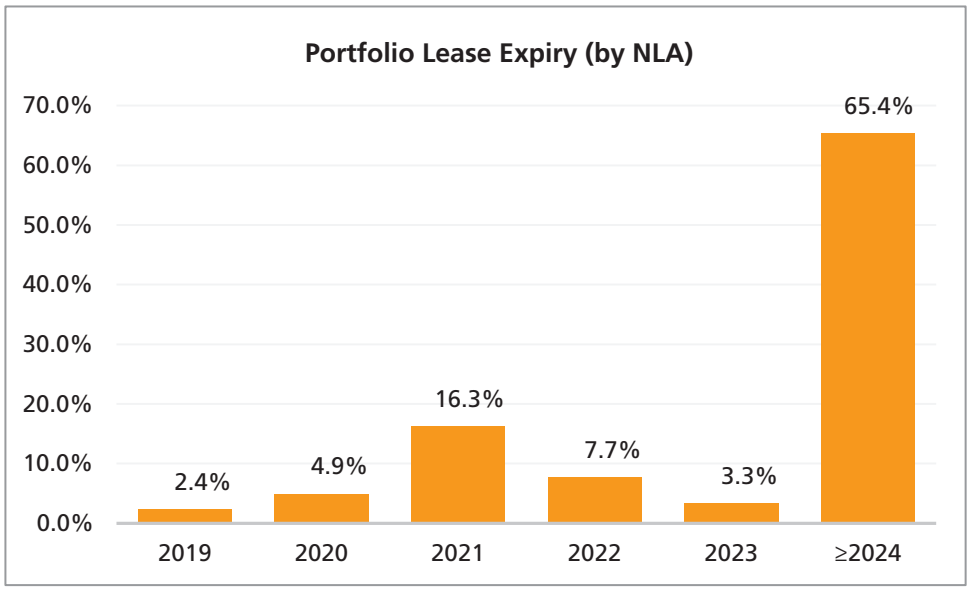
(2) For GV7 DC, neither the lease nor the registered title of GV7 DC refers, nor are they required to refer, to the land area of GV7 DC.

(3) On 14 March 2018, Keppel DC REIT entered into a contract to acquire the remainder of the 999-year (from 1 January 2000) leasehold land interest in KDC DUB 1. Legal completion of the acquisition is expected in 1H 2020.

2.2 Lease Expiry Profile for the Existing Portfolio

The chart below illustrates the committed lease profile of the Existing Portfolio by rental income and NLA[1] as at 30 June 2019.

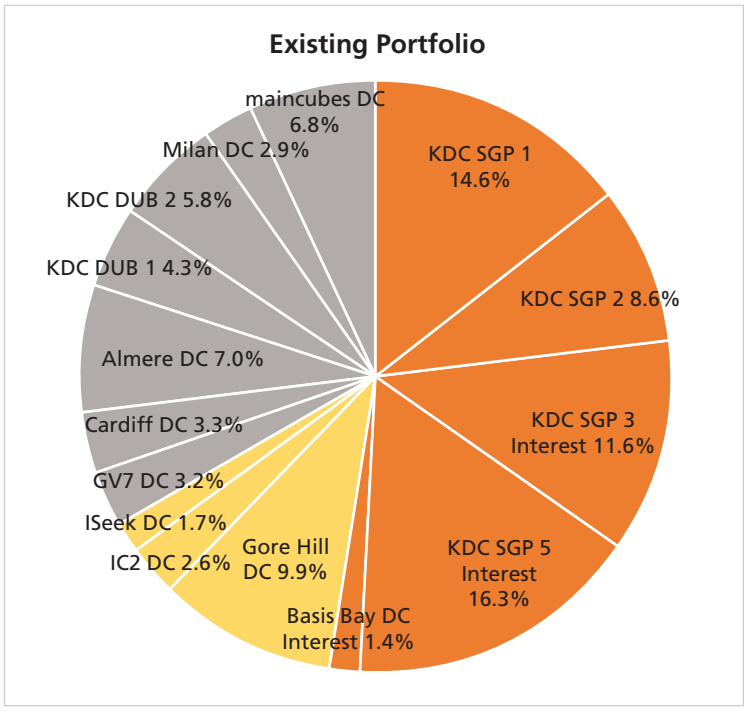


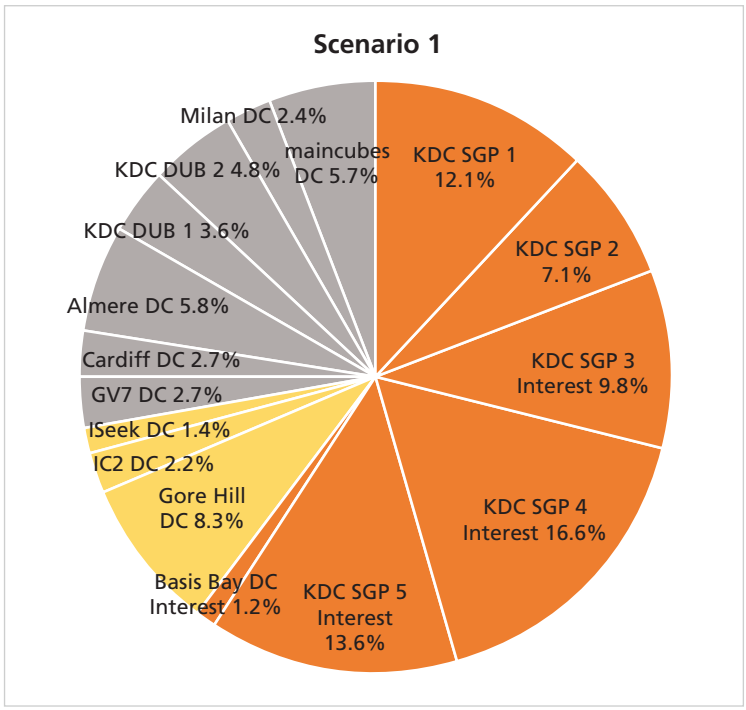


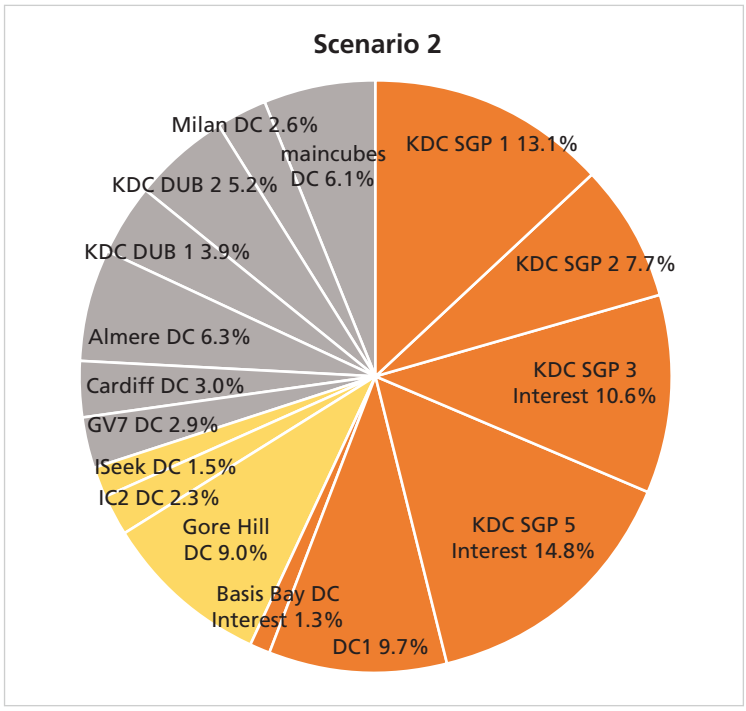
1 Includes the Attributable NLA.

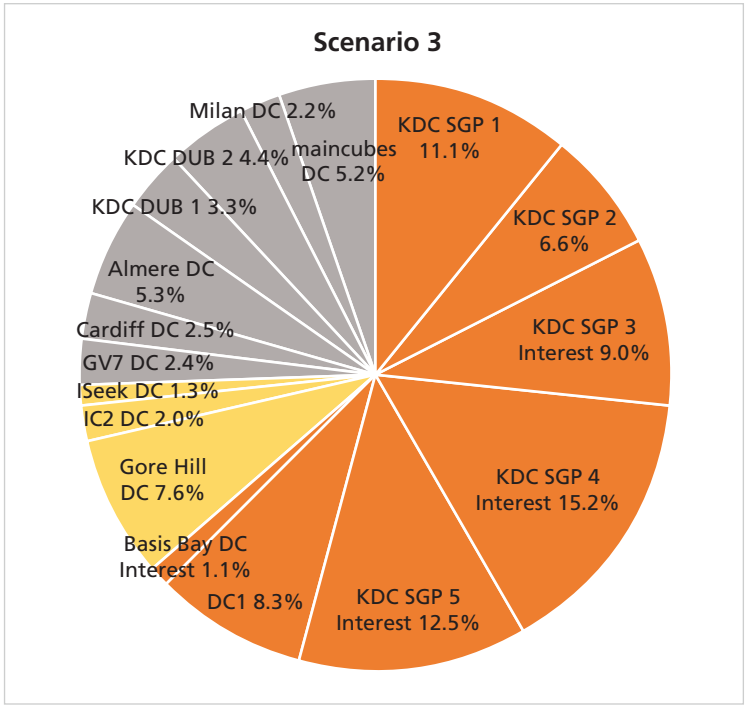
3. ENLARGED PORTFOLIO

The charts below illustrate the breakdown of AUM of the Existing Portfolio as at 30 June 2019 and the Enlarged Portfolio.





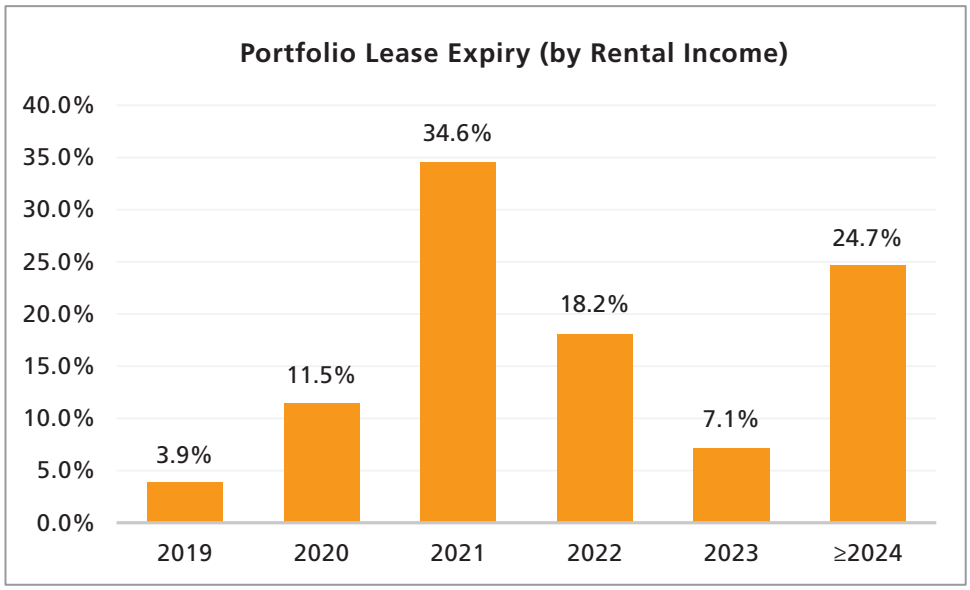

Scenario 2
Milan DC 2.6%
maincubes DC 6.1%
KDC DUB 2 5.2%
KDC DUB 1 3.9%
Almere DC 6.3%
Cardiff DC 3.0%
GV7 DC 2.9%
ISeek DC 1.5%
IC2 DC 2.3%
Gore Hill DC 9.0%
Basis Bay DC Interest 1.3%
DC1 9.7%
KDC SGP 1 13.1%
KDC SGP 2 7.7%
KDC SGP 3 Interest 10.6%
KDC SGP 5 Interest 14.8%

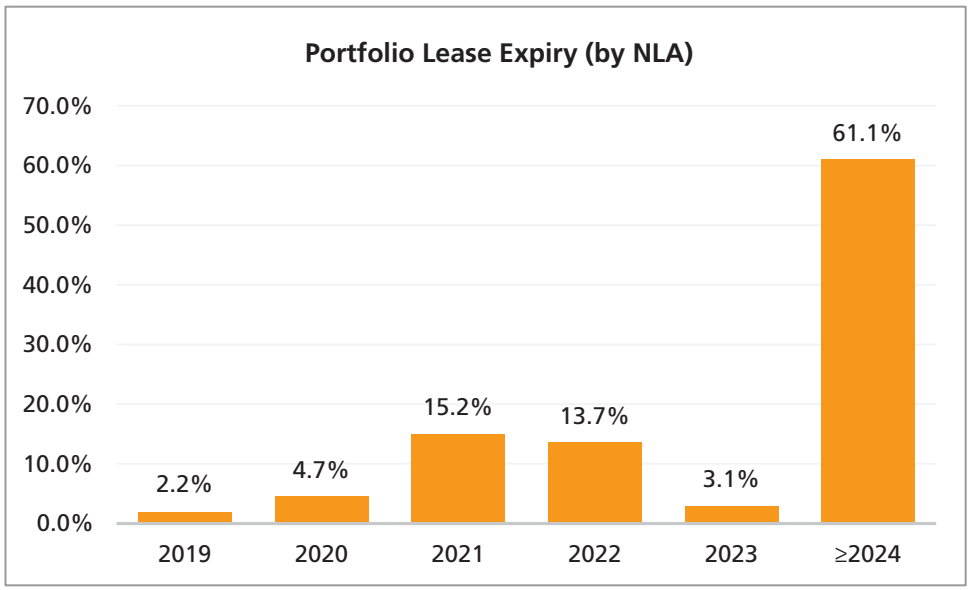

Scenario 3
Milan DC 2.2%
maincubes DC 5.2%
KDC DUB 2 4.4%
KDC DUB 1 3.3%
Almere DC 5.3%
Cardiff DC 2.5%
GV7 DC 2.4%
ISeek DC 1.3%
IC2 DC 2.0%
Gore Hill DC 7.6%
Basis Bay DC Interest 1.1%
DC1 8.3%
KDC SGP 1 11.1%
KDC SGP 2 6.6%
KDC SGP 3 Interest 9.0%
KDC SGP 4 Interest 15.2%
KDC SGP 5 Interest 12.5%

3.1 Lease Profile for the Enlarged Portfolio

The chart below illustrates the committed lease profile of the Enlarged Portfolio by rental income and NLA[1]

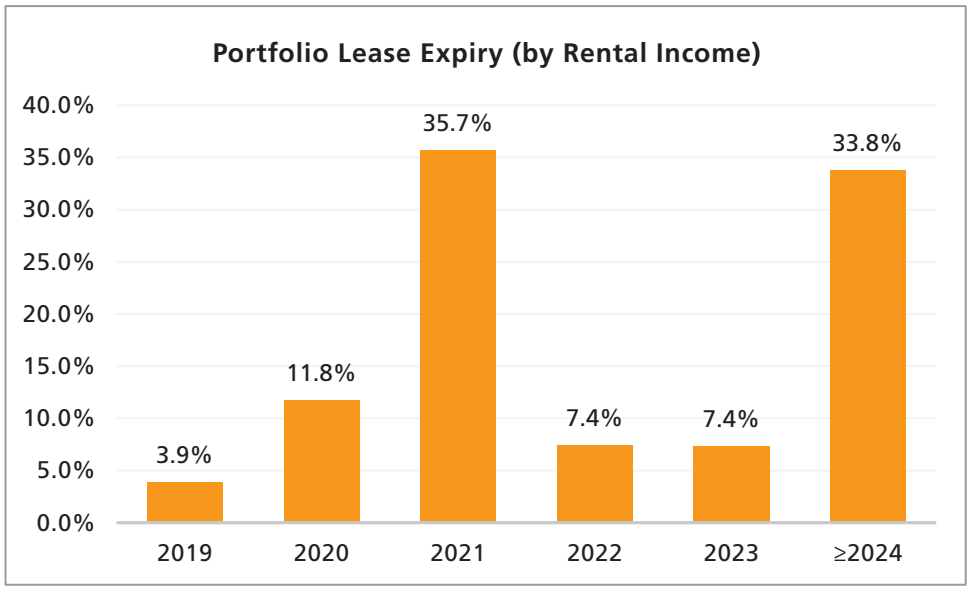
Scenario 1

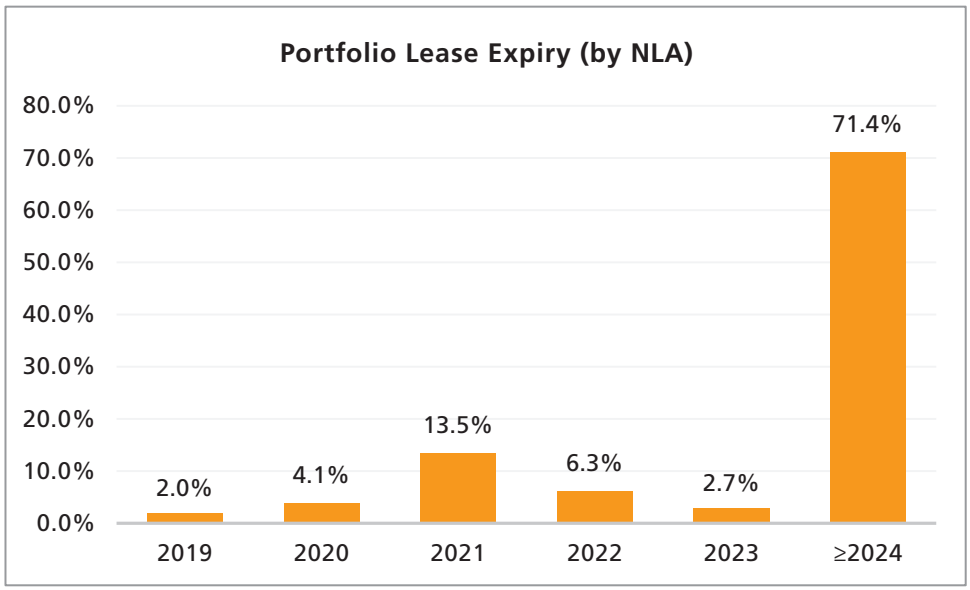




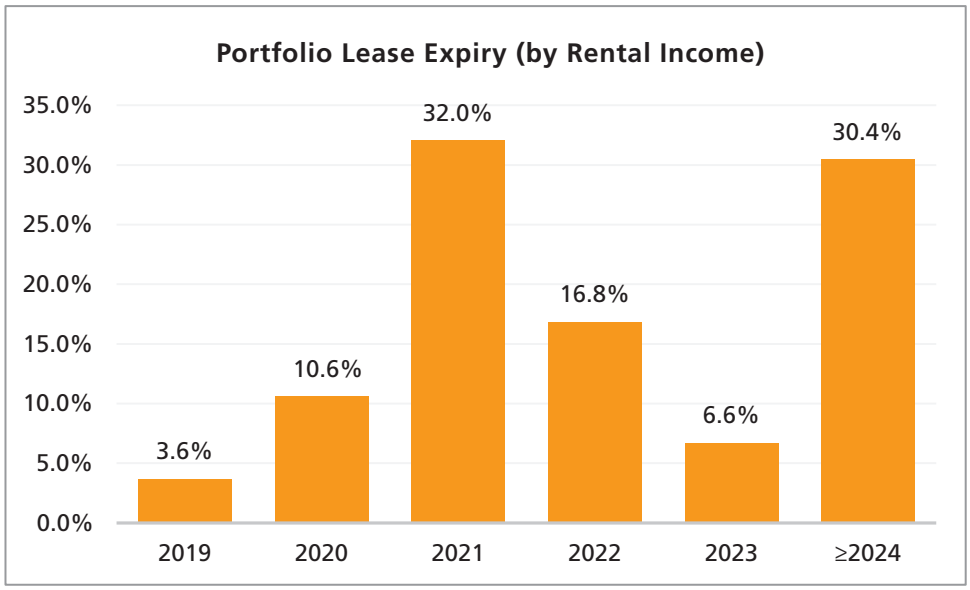
1 Includes the Attributable NLA.

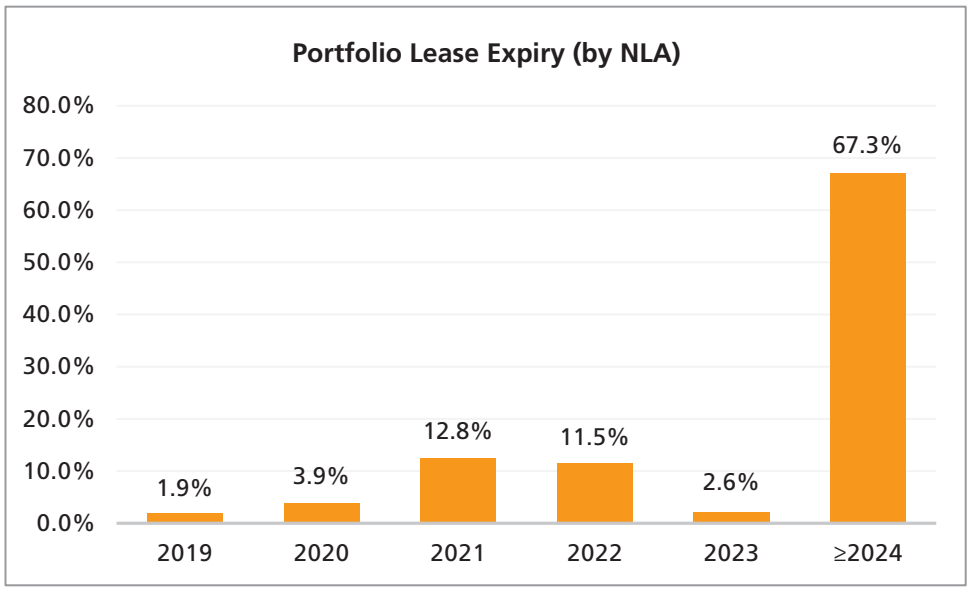
Scenario 2


Portfolio Lease Expiry (by Rental Income)
40.0%
35.0%
30.0%
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
3.9%
11.8%
35.7%
7.4%
7.4%
33.8%
2019
2020
2021
2022
2023
≥2024


Portfolio Lease Expiry (by NLA)
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
2.0%
4.1%
13.5%
6.3%
2.7%
71.4%
2019
2020
2021
2022
2023
≥2024

Scenario 3


Portfolio Lease Expiry (by Rental Income)
35.0%
30.0%
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
3.6%
10.6%
32.0%
16.8%
6.6%
30.4%
2019
2020
2021
2022
2023
≥2024


Portfolio Lease Expiry (by NLA)
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
1.9%
3.9%
12.8%
11.5%
2.6%
67.3%
2019
2020
2021
2022
2023
≥2024

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APPENDIX B

VALUATION CERTIFICATES

Valuation Certificate

savills

Property Address	**20 Tampines Street 92, Singapore 528875**
Client	Perpetual (Asia) Limited (in its capacity as trustee of Keppel DC REIT)
Purpose of Valuation	Acquisition
Legal Description	Lot 4931M Mukim 28
Tenure	Leasehold 30+30 years commencing from 1 July 1990 (based on balance un-expired interest of about 30.8 years)
Registered Proprietor	Keppel DC Singapore 4 Pte. Ltd.
Brief Description	The subject property is a 5-storey Tier 3 Data Centre located on the south-western side of Tampines Street 92, off Tampines Avenue 5, Tampines Avenue 1 and Pan-Island Expressway. The Temporary Occupation Permit (TOP) for the entire development excluding 2nd and 5th storey was issued on 21 April 2017 and the TOP for 2nd and 5th storey was issued on 13 June 2017. The Certificate of Statutory Completion was subsequently issued on 28 May 2018. The property appeared to be in good condition as at the date of our site inspection.
Site Area	Approximately 6,804.9 sm, subject to government re-survey
Gross Floor Area	Approximately 16,917.0 sm, as provided and subject to final survey
Lettable Floor Area	Approximately 7,854.3 sm, as provided and subject to final survey
Property Brief	The subject property will be 100% leased back to Keppel DC Singapore 2 Pte. Ltd. as Master Lessee for 10 years commencing from the date of completion of the acquisition. There is an option to renew for a further term of 5 years. The lease will be based on a fixed rent of $4,800,000, $7,000,000 and $8,000,000 for Year 1, Year 2 and Year 3 respectively and subject to annual escalation of 3% per annum thereafter; as well as a variable rent based on 99.0% of the net earnings before interest, tax, depreciation and amortisation (EBITDA), after fixed rent of the Master Lease.
Rental Support	As advised, the Vendor will be providing rental support such that where the Adjusted Net Property Income for the period commencing on the Completion Date and ending 24 months after the Completion Date ("Rental Support Period") is less than $29,400,000 for each 12-month period ("Threshold Income Amount"), the Purchaser will be able to draw on the rental support. The total rental support amount will be capped at $8,800,000 within the Rental Support Period. We are of the opinion that the Threshold Income Amount would result in the Property having an initial net property yield which is within the market rates of comparable developments taking into account the prevailing and forecasted market conditions.
Annual Value	$3,176,000
Master Plan (2014)	Business 2 with gross plot ratio of 2.5
Basis Of Valuation	As-Is basis, with and without proposed rental support and subject to leaseback arrangement
Valuation Approaches	Income Capitalisation Method and Discounted Cash Flow Analysis as primary methods with Direct Comparison Method as a check
Material Date of Valuation	10 September 2019
Capitalisation Rate	7.25%
Terminal Capitalisation Rate	7.50%
Discount Rate	9.00%
Recommended Market Value (Without Rental Support)	$382,000,000 (100% Interest)/ $378,200,000 (99% Interest)
Recommended Market Value (With Rental Support)	$389,000,000 (100% Interest)/ $385,100,000 (99% Interest)
Assumptions, Disclaimers, Limitations & Qualifications	This valuation is provided subject to the assumptions, disclaimers, limitations, qualifications detailed throughout the valuation report and also the limiting conditions herein.
Prepared by	**Cynthia Ng** **Licensed Appraiser No. AD041-2003388A** **Angus Quek** **Licensed Appraiser No. AD041-2009188F** Savills Valuation And Professional Services (S) Pte Ltd

To any party relying on this report we advise that this summary must be read in conjunction with the attached report of which this summary forms part. This valuation summary should not be relied upon in isolation for finance or any other purposes.

Valuation of 20 Tampines Street 92, Singapore 528875

VALUATION CERTIFICATE



Date of Valuation:	10 September 2019
Property:	20 Tampines Street 92, Singapore 528875
Name of Client:	Keppel DC REIT Management Pte Ltd
Purpose of Valuation:	For the proposed acquisition by Keppel DC REIT of 99% of the issued share capital in Keppel DC Singapore 4 Pte. Ltd.
Interest to be valued:	Market value and market value of 99% interest
Basis of Valuation:	Market Value of the Property taking into account the Lease Agreement
Registered Owner:	Keppel DC Singapore 4 Pte. Ltd.
Legal Description:	Lot 4931M of Mukim 28
Tenure of Property:	Leasehold for 30 years commencing from 1 July 1990 with a further term of 30 years (balance lease term of about 30.8 years)
Master Plan Zoning:	Business 2 with plot ratio 2.5
Brief Description of Property:	A 5-storey data centre development. The Property obtained Temporary Occupation Permit (TOP) for the entire development on 21 April 2017 excluding 2nd and 5th storeys which subsequently obtained TOP on 13 June 2017. The Certificate of Statutory Completion (CSC) was obtained on 28 May 2018.
Lease Agreement:	According to information provided, Keppel DC Singapore 4 Pte. Ltd (the "Lessor") will grant a lease agreement to Keppel DC Singapore 2 Pte. Ltd. (the "Lessee") for a term of 10 years commencing from the date of Completion, with an option to extend for another 5 years (the "Lease Agreement"). The Lessee shall pay to the Lessor a gross rent comprising two components, namely: (i) an annual Fixed Rent of S$4,800,000 in the first year, S$7,000,000 in the second year, S$8,000,000 in the third year, and subject to an annual escalation of 3% thereafter and (ii) a Variable Rent equivalent to 99.0% of the Cash EBITDA Amount[1]. The Lessor will pay 4.0% of the Cash EBITDA Amount to the Facility Manager as outsourced providers of facility management services. The Lessor shall be responsible for property tax expenses and capital expenditures.
Land Area:	6,804.9 square metres or 73,247.9 square feet
Gross Floor Area (GFA):	16,917.0 square metres or 182,094.3 square feet
Lettable Area (LFA):	7,854.3 square metres or 84,543.7 square feet
Land Premium:	We have been instructed to exclude upfront land premium in the valuation and assume that the purchaser, being a REIT would be required to pay the upfront land premium. Our estimation of the upfront land premium payable for the remaining lease term is approximately S$5,050,000/-, subject to finalization by the relevant authorities.

[1] In the Lease Agreement, the Cash EBITDA Amount is defined as Total Cash Revenue less the Operating Expenses less the Fixed Rent.

Rental Support:	As advised, the Vendors are providing rental support such that where the Adjusted Net Property Income[2] received by Keppel DC Singapore 4 Pte. Ltd. for the period commencing on the Completion Date and ending 24 months after the Completion Date ("Rental Support Period") is less than S$29.4 million for each 12-month period (the "Threshold Income Amount"), the Purchaser will be able to draw on the rental support. We are of the opinion this Threshold Income Amount would result in the Property having an initial net property yield which is within the market rates of comparable buildings taking into account prevailing and forecasted market conditions. The Total Rental Support Amount will be capped at S$8.8 million[3] within the Rental Support Period.
Valuation Approaches:	Discounted Cash Flow Analysis and Income Capitalisation Approach as primary methods.
Capitalisation Rate:	7.25%
Terminal Capitalisation Rate:	7.75%
Discount Rate:	8.50%
Market Value with Rental Support:	**SGD389,000,000/-** **(Singapore Dollars Three Hundred and Eighty-Nine Million Only)**
Value per square foot of GFA:	**S$2,136 psf**
Market Value of 99% interest with Rental Support:	**SGD385,100,000/-** **(Singapore Dollars Three Hundred Eighty-Five Million and One Hundred Thousand Only)**
Market Value without Rental Support:	**SGD381,700,000/-** **(Singapore Dollars Three Hundred Eighty-One Million and Seven Hundred Thousand Only)**
Market Value of 99% interest without Rental Support:	**SGD377,900,000/-** **(Singapore Dollars Three Hundred Seventy-Seven Million and Nine Hundred Thousand Only)**
Remarks:	This Valuation Certificate is a summary of the full report that Cushman & Wakefield have carried out and it does not contain all the necessary information, assumptions and limiting conditions that are included in the report. Further reference may be made to the report, copies of which are held by Keppel DC REIT Management Pte Ltd.

Yours faithfully

For and on behalf of

CUSHMAN & WAKEFIELD VHS PTE. LTD.

Chew May Yenk

Executive Director - Valuation & Advisory,

MSISV

Licensed Appraiser No AD41-2004419H

[2] The "Adjusted Net Property Income" refers to all income accruing or resulting from the operations of the Property, less all cost and expenses incurred in the maintenance, management, operation and marketing of the Property, which is inclusive of (among others) capital expenditures for planned periodic maintenance, overhauls and end of life replacements.

[3] Including applicable tax.

Yours faithfully
For and on behalf of
CUSHMAN & WAKEFIELD VHS PTE. LTD.



Chew May Yenk
Executive Director - Valuation & Advisory,
MSISV
Licensed Appraiser No AD41-2004419H

Valuation certificate

Property	:	18 Riverside Road Singapore 739088
Instructing party/ Relying party	:	Keppel DC REIT Management Pte Ltd (as Manager of Keppel DC REIT)
Purpose of valuation	:	For acquisition
Legal description	:	Lot No. : 6144M Mukim : 13
Tenure	:	Leasehold 70 years 5 months with effect from 1 March 1974 (Balance of about 24.9 years as at 15 August 2019)
Basis of valuation	:	Market value on existing use basis and subject to existing Master Lease
Registered lessee	:	Datacentre One Pte. Ltd
Master plan 2014	:	"Business 2" with a gross plot ratio of 2.5
Brief description	:	The Property is located at the south-western junction of Riverside Road/Marsiling Road, off Admiralty Road, and approximately 27.5 km from the City Centre. It is a 5-storey data centre with four floors of data centre halls and one floor of office and ancillary space. The Temporary Occupation Permit and Certificate of Statutory Completion were obtained on 7 April 2016 and 7 February 2017 respectively.
Land area	:	8,538.0 sm approximately
Gross floor area (GFA)	:	19,864.1 sm approximately
Master Lease	:	The Property is leased to a Master Lessee for a period of 20 years from 12 April 2016 with an option to renew for a further term commencing on and from the day immediately after the expiry of the 1st term and expiring on the day falling 9 months before date of expiry of the lease term. The Master Lessee is responsible for all day to day maintenance, property tax, subletting consent fee, insurance and core M&E.
Valuation methodology	:	We have valued the Property by the Capitalisation Approach and the Discounted Cash Flow Approach. The Comparable Sales Method is used as a reference.
Capitalisation rate	:	7.40%
Terminal capitalisation rate	:	7.65%
Discount rate	:	8.30%
Valuation date	:	15 August 2019
Market Value	:	**S$200,500,000/-** **(Singapore Dollars Two Hundred Million And Five Hundred Thousand Only)** This valuation is exclusive of GST.
Rate (of GFA)	:	S$938/- psf
Assumptions, disclaimers, limitations & qualifications	:	*This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the General Terms of Business for Valuations located at the end of this report. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorised, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.*
Prepared by	:	Knight Frank Pte Ltd

Low Kin Hon
B.Sc.(Estate Management) Hons.,FSISV
Deputy Group Managing Director
Head, Valuation & Advisory
Appraiser's Licence No. AD 041-2003752I
For and on behalf of Knight Frank Pte Ltd

Png Poh Soon
MSc.,B.Sc.(Real Estate) Hons.,MSISV
Senior Director
Valuation & Advisory
Appraiser's Licence No: AD 041-2009900J
For and on behalf of Knight Frank Pte Ltd

Edmund Tie & Company

Our Ref: PKE:CL:ao:19080137

31 August 2019

Perpetual (Asia) Limited
(in its capacity as trustee of Keppel DC REIT)
8 Marina Boulevard #05-02
Marina Bay Financial Centre Tower 1
Singapore 018981

Keppel DC REIT Management Pte. Ltd.
(as manager of Keppel DC REIT) (the "Manager")
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632

Dear Sirs

RE : VALUATION OF 18 RIVERSIDE ROAD, SINGAPORE 739088

We have been instructed by Perpetual (Asia) Limited (in its capacity as trustee of Keppel DC REIT) to assess the market value of the subject property as at 31 August 2019. We confirmed that we have inspected the property, made relevant local searches and enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value as at 31 August 2019 for intending purchase purposes.

We have adopted the International Valuation Standards definition of Market Value as follows: -

"Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

We have valued the subject properties by Capitalisation Approach and Discounted Cash Flow Analysis.

Information as to tenure, site area and ownership is obtained from our searches carried out at the Singapore Land Authority. We have also relied to a considerable extent on information provided by Keppel DC REIT Management Pte. Ltd. particularly in relation to matters such as gross/net lettable floor areas and tenancy details.

.../Page 2

We were not instructed to carry out structural survey of the buildings, nor to test any of the services, but we have reflected in our valuation, where necessary, any items of disrepair which we noticed during the course of our inspection. We are not, however, able to report that the buildings are free of rot, infestation or any other defect.

This valuation certificate summarises our Valuation Report and is for the use of Perpetual (Asia) Limited (in its capacity as trustee of Keppel DC REIT) and Keppel DC REIT Management Pte. Ltd. (as manager of Keppel DC REIT) (the "Manager") and is intended for the use of these parties only and for no other use.

Edmund Tie & Company (SEA) Pte Ltd had relied upon property data supplied by Keppel DC REIT Management Pte. Ltd. which we have assumed them to be true and accurate. Edmund Tie & Company (SEA) Pte Ltd takes no responsibility for any inaccurate client-supplied data and subsequent conclusions related to such data.

A summary of our valuation together with a brief description of the property is appended.

for and on behalf of
EDMUND TIE & COMPANY (SEA) PTE LTD

Poh Kwee Eng (Ms)
Executive Director
Regional Head, Valuation Advisory
BSc (Est Mgt) FSISV
(Appraiser's Licence No: AD041-2003168D)

VALUATION SUMMARY

Address:	18 Riverside Road Singapore 739088
Registered Lessee:	Perpetual (Asia) Limited (in its capacity as trustee of Keppel DC REIT)
Interest Valued:	70 years 5 months commencing from 1 March 1974.
Master Plan Zoning (2014):	Business 2 at gross plot ratio 2.5.
Site Area:	8,538.0 sq m.
Gross Floor Area (GFA):	19,864.088 sq m.
Brief Description:	The subject property comprises a 5-storey data centre building completed in April 2016.
Tenancy Details:	The subject property is tenanted to a single tenant for 20 years (expiry 11 April 2036) with an option to renew for a term that shall expire 9 months before 31 July 2044 (total unexpired term of 24.1 years).
Adopted Capitalisation Rate:	8.00%
Discount Rate:	9.50%
Date of Valuation:	31 August 2019
Valuation:	**S$201,500,000/-** **(Singapore Dollars Two Hundred One Million And Five Hundred Thousand).** This assessment is GST exclusive

LIMITING CONDITIONS

This property Valuation and Report has been prepared subject to the following limiting conditions :-

1) VALUATION BASIS

Our valuation is made on the basis of Market Value. This is intended to mean the highest value at which the sale interest in the property might reasonably be expected to have been completed on the date of valuation, assuming :

a) a willing seller;

b) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of price and terms for the completion of the sale;

c) that no account is taken of any additional bid by a prospective purchaser with a special interest; and

d) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.

Our valuation assumes that as at the date of valuation, the property is free and clear of all mortgages, encumbrances and other outstanding premiums, charges and liabilities.

Values are reported in Singapore Currency.

2) CONFIDENTIALITY

Our Valuation and Report is confidential to the party to whom it is addressed and to their professional advisors for the specific purpose to which they refer. The valuer disclaims all responsibility and will accept no liability to any other party. Neither the whole, nor any part, nor reference thereto may be published in any document, statement or circular, nor in any communication with third parties, without our prior written consent of the form and context in which it will appear.

3) SOURCE OF INFORMATION

Where it is stated in the report that information has been supplied to the valuer by the sources listed, this information is believed to be reliable, but the valuer will accept no responsibility if this should prove not to be so. All other information stated without being attributed directly to another party is obtained from our searches of records, examination of documents or enquiries with relevant government authorities.

4) TENANTS

Enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed that the tenants are capable of meeting their obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

5) TOWN PLANNING AND OTHER STATUTORY REGULATIONS

Information on Town Planning is obtained from the set of Master Plan, Development Guide Plan (DGP) and Written Statement published by the competent authority. Unless otherwise instructed, we do not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes such as road improvements. If assurance is required, we recommend that verification be obtained from your lawyers.

Our valuations are prepared on the basis that the premises and any improvements thereon comply with all relevant statutory regulations. It is assumed that they have been, or will be issued with a Certificate of Statutory Completion by the competent authority.

6) STRUCTURAL SURVEYS

Unless expressly instructed, we do not carry out a structural survey, nor do we test the services. Whilst any defects or items of disrepair which we note during the course of our inspection will be reflected in our valuations, we are not able to give any assurance in respect of rot, termite, or past infestation or other hidden defects.

7) SITE CONDITIONS

We do not normally carry out investigations on site in order to determine the suitability of the ground conditions, and the services, for any new development. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.

8) ATTENDANCE IN COURT

The valuer is not required to give testimony or to appear in court by reason of this report unless specific arrangement has been made therefor.

9) MAXIMUM LIABILITY

Our maximum liability to the client relating to our services rendered (regardless of action whether in contract, negligence or otherwise) shall be limited to fees paid for engaging our services. Under no circumstances will we be liable for consequential, incidental, punitive or special losses, damage or expenses (including opportunity costs and loss of profits) despite being advised of their possible existence.

APPENDIX C

INDEPENDENT FINANCIAL ADVISER'S LETTERS

The Independent Directors and the Audit and Risk Committee

Keppel DC REIT Management Pte. Ltd.
(in its capacity as Manager of Keppel DC REIT)
(the "**Manager**")
1 HarbourFront Avenue
18-01 Keppel Bay Tower
Singapore 098632

Perpetual (Asia) Limited
(in its capacity as Trustee of Keppel DC REIT)
(the "**Trustee**")
8 Marina Boulevard
05-02 Marina Bay Financial Centre
Singapore 018981

8 October 2019

Dear Sirs

INDEPENDENT FINANCIAL ADVICE IN RESPECT OF THE PROPOSED ACQUISITION OF 99.0% INTEREST IN THE COMPANY WHICH HOLDS KEPPEL DC SINGAPORE 4 ("KDC SGP 4") AND THE ENTRY INTO THE KEPPEL LEASE AGREEMENT, THE FACILITY MANAGEMENT AGREEMENT AND THE LLP AGREEMENT ("PROPOSED KDC SGP 4 TRANSACTION")

*For the purpose of this letter, capitalised terms not otherwise defined herein shall have the same meaning as given in the circular to the unitholders of Keppel DC REIT (the "**Keppel DC REIT Unitholders**") dated 8 October 2019 (the "**Circular**").*

1. INTRODUCTION

On 16 September 2019, the Trustee entered into a conditional share purchase agreement with Thorium DC Pte. Ltd. (the "**KDC SGP 4 Vendor**" or "**Thorium DCPL**") to acquire 9,900,000 ordinary shares being 99.0% of the issued share capital in Keppel DC Singapore 4 Pte. Ltd. ("**KDCS4PL**"[(1)] and the proposed acquisition of 99.0% of the issued share capital in the KDC SGP 4 Target Entity, the "**Proposed KDC SGP 4 Acquisition**"), which holds KDC SGP 4 ("**KDC SGP 4 Share Purchase Agreement**") for an estimated purchase consideration of S$378.9 million ("**KDC SGP 4 Purchase Consideration**"). The remaining 1.0% of the issued share capital in the KDC SGP 4 Target Entity will be acquired by Keppel Data Centres Holding Pte Ltd ("**KDCH**"), which is an indirect subsidiary of Keppel Corporation Limited ("**KCL**"). The rationale for having KDCH hold 1.0% interest in the KDC SGP 4 Target Entity is to have KDCH as a partner following the conversion of KDC SGP 4 Target Entity to an LLP and to align KDCH's interest as shareholder of the Facility Manager (as defined in the Circular) with Keppel DC REIT, thus providing assurance to clients. This structure is similar to the other Singapore data centres that Keppel DC REIT holds through an LLP structure, namely KDC SGP 3 and KDC SGP 5.

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(1) KDCS4PL and, following the conversion into an LLP, Keppel DC Singapore 4 LLP ("**KDCS4PL**") shall be referred to as the "**KDC SGP 4 Target Entity**", where "**KDC SGP 4 Target Entity**" may refer to either KDCS4PL, or as the case may be, KDCS4LLP.

KDC SGP 4, located at 20 Tampines Street 92, Singapore 528875, is a five-storey carrier-neutral and purpose-built colocation data centre facility, with a net lettable area ("**NLA**") of approximately 84,544 sq ft. Completed in 2017, KDC SGP 4 was designed and constructed incorporating environmentally-friendly features. In recognition of its green efforts, the facility received the BCA-IMDA Green Mark Award (Platinum) for New Data Centres and the BCA Green Mark Award (Platinum) for New Building for Non-Residential Buildings.

The table below sets out a summary of selected information on KDC SGP 4.

Location	20 Tampines Street 92, Singapore 528875
Year of Completion	2017
Land Lease Title	Leasehold (30 years leasehold tenure from 1 July 1990, with option to renew for another 30 years)
Land Area (sq ft)	73,248
Gross Floor Area ("GFA") (sq ft)	182,094
NLA (sq ft)	84,544
Number of Clients	5
Lease Type	Colocation
Weighted Average Lease Expiry ("WALE")	3.0 years as of 30 June 2019
Occupancy Rate	92.0%

Source: Circular, Appendix A

The principal terms of the KDC SGP 4 Share Purchase Agreement include, among others, the following conditions precedent:

(i) the Proposed KDC SGP 4 Acquisition having been approved by the Unitholders of Keppel DC REIT at the EGM;

(ii) the obtaining of the relevant third party consents or waivers under the contracts and maintenance contracts (where applicable) for (a) the Proposed KDC SGP 4 Acquisition and (b) (if required) the assignment or novation of such contracts and maintenance contracts to KDCS2PL and (c) the entry into the relevant agreements to remove KDCS4PL as a party to certain agreements with Client X ("**Client X Contract**")[(1)];

(iii) there being no resolution, proposal, scheme or order for the compulsory acquisition or intended acquisition by the Singapore Government of KDC SGP 4 or 4.0% or more of the land area of KDC SGP 4 on or before the date fixed for KDC SGP 4 Completion (as defined herein);

(iv) there being no material damage to KDC SGP 4 and/or the Mechanical and Electrical Equipment on or before KDC SGP 4 Completion;

(1) The intention is to remove KDCS4PL from the Client X Contract, given that KDCS2PL, as Keppel Lessee and Facility Manager, will be the party responsible for the obligations under the Client X Contract following the KDC SGP 4 Completion.

(v) obtaining the KDC SGP 4 JTC Consent on terms which are not materially adverse to either party, and there being no revocation or amendment (which is materially adverse to either party) to the KDC SGP 4 JTC Consent; and

(vi) there being no condition imposed by the JTC requiring the payment of the upfront land premium before KDC SGP 4 Completion.

The acquisition cost for the Proposed KDC SGP 4 Acquisition ("**KDC SGP 4 Acquisition Cost**") is estimated to be approximately S$392.3 million, comprising:

(i) the estimated KDC SGP 4 Purchase Consideration of approximately S$378.9 million[(1)];

(ii) the estimated upfront land premium of approximately S$5.2 million payable to JTC Corporation ("**JTC**") in connection with the Proposed KDC SGP 4 Acquisition;

(iii) the acquisition fee (the "**KDC SGP 4 Acquisition Fee**") payable in Units to the Manager for the Proposed KDC SGP 4 Acquisition (the "**KDC SGP 4 Acquisition Fee Units**") of approximately S$3.9[(2)] million (being 1.0% of the KDC SGP 4 Agreed Value); and

(iv) the estimated stamp duty, professional and other fees and expenses of approximately S$4.3 million incurred or to be incurred by Keppel DC REIT in connection with the Proposed KDC SGP 4 Transaction.

The Manager intends to finance the Total Acquisition Cost (as defined in the Circular) with (i) approximately S$438.6 million, being part of the net proceeds from the issuance of 276,989,617 new Units (the "**New Units**") which was announced on 16 September 2019 (the "**Equity Fund Raising**") (ii) drawdown from debt facilities and (iii) the issue of the Acquisition Fee Units (as defined in the Circular) amounting to approximately S$5.9 million to the Manager.

The gross proceeds of the fully underwritten Equity Fund Raising consists of:

(i) the placement of 135,000,000 New Units (equivalent to approximately 10.0% of the total number of Units in issue prior to the Equity Fund Raising) for approximately S$235.4 million ("**Placement**"); and

(ii) the preferential offering of 141,989,617 New Units (equivalent to approximately 10.5% of the total number of Units in issue prior to the Equity Fund Raising) for approximately S$242.8 million ("**Preferential Offering**").

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1 The actual amount of the KDC SGP 4 Purchase Consideration (as defined in the Circular) payable to the KDC SGP 4 Vendor will only be determined after the KDC SGP 4 Completion Date.

2 As the Proposed Transactions constitute an "interested party transaction" under the Property Funds Appendix issued by the Monetary Authority of Singapore ("**MAS**"), the Acquisition Fee will be in the form of Acquisition Fee Units which shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

Following the completion of the Proposed KDC SGP 4 Acquisition, the KDC SGP 4 Target Entity will enter into a business transfer agreement with Keppel DC Singapore 2 Pte. Ltd. ("**KDCS2PL**" or the "**Facility Manager**" or the "**Keppel Lessee**") to transfer the relevant assets[1] and contracts of the KDC SGP 4 Target Entity for a nominal consideration of S$1.00. The Keppel Lessee is a subsidiary of KDCH. The rationale for the entry into the business transfer agreement is because as a REIT, Keppel DC REIT should be a passive vehicle and should not be actively running a business. The current proposed structure where the Keppel Lessee contracts with the clients is the same as that for all the other Singapore data centres that Keppel DC REIT holds.

Following the KDC SGP 4 Completion, and subject to receiving the necessary approvals and tax rulings, KDCS4PL will be converted to a limited liability partnership ("**LLP**"), Keppel DC Singapore 4 LLP, pursuant to Section 21 of the Limited Liability Partnerships Act (Chapter 163A of Singapore).

In connection with the Proposed KDC SGP 4 Acquisition, the KDC SGP 4 Target Entity will also enter into (i) the Keppel Lease Agreement (as defined in the Circular) with the Keppel Lessee in relation to the Keppel Lease (as defined in the Circular) and (ii) the Facility Management Agreement (as defined in the Circular) with the Facility Manager in relation to the Facility Services (as defined in the Circular) and the LLP Agreement (as defined in the Circular) (collectively, termed as the "**Proposed KDC SGP 4 Transaction**").

As at 25 September 2019, being the latest practicable date prior to the printing of this Circular (the "**Latest Practicable Date**"), KCL, through Keppel T&T and Keppel Capital Holdings Pte. Ltd. ("**Keppel Capital**"), holds an aggregate interest in 340,976,639 Units, which is equivalent to approximately 22.9% of the total number of Units in issue, and is therefore regarded as a "controlling Unitholder" of Keppel DC REIT under both the Listing Manual of the SGX-ST (the "**Listing Manual**") and the Property Funds Appendix. In addition, as the Manager is owned by (i) Keppel T&T through Keppel Data Centres Pte. Ltd. ("**KDCPL**") and (ii) Keppel Capital in equal proportions, which are in turn subsidiaries of KCL, KCL is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

The KDC SGP 4 Vendor is a joint venture company held by Alpha DC Fund Private Limited and KDCH in the proportion of 70.0% and 30.0% respectively. KDCH also holds a 65.3% interest in Alpha DC Fund Private Limited. As KDCH is an indirect subsidiary of KCL, the KDC SGP 4 Vendor is also an indirect subsidiary of KCL. Additionally, as the Keppel Lessee is a subsidiary of KDCH, the Keppel Lessee is an indirect subsidiary of KCL. Accordingly, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the KDC SGP 4 Vendor (being a subsidiary of a "controlling Unitholder" and a "controlling shareholder" of the Manager) is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of Keppel DC REIT.

Therefore, the Proposed KDC SGP 4 Acquisition will constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the approval of Unitholders is required. The entry into the Keppel Lease Agreement, the Facility Management Agreement and the LLP Agreement will also constitute an "interested person transaction" under Chapter 9 of the Listing Manual.

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1 These include security deposits from customers, computers and any cash associated with such relevant assets.

Given that the KDC SGP 4 Purchase Consideration is approximately S$378.9 million, the value of the Keppel Lease Agreement is approximately S$355.8 million (being 99.0% of the estimated total amount payable over the term of the Keppel Lease), and the value of the Facility Management Agreement is S$11.1 million (being 99.0% of the estimated total amount payable over the term of the Facility Management Agreement) (which in aggregate is 50.7% and 50.5% of the latest audited net tangible asset value ("**NTA**") and the NAV of Keppel DC REIT as at 31 December 2018 respectively), the value of the Proposed KDC SGP 4 Transaction exceeds 5.0% of the NTA and the NAV of Keppel DC REIT. Accordingly, the Manager is seeking the approval of Unitholders by way of an Ordinary Resolution of the Unitholders for the Proposed KDC SGP 4 Transaction.

Unitholders should note that by approving the Proposed KDC SGP 4 Transaction, they would also be approving the entry into the Keppel Lease Agreement, the Facility Management Agreement, the LLP Agreement and any document required to give effect to the Proposed KDC SGP 4 Transaction.

KPMG Corporate Finance Pte Ltd ("**KPMG**") has been appointed by the Manager and the Trustee as the independent financial adviser, as required under Listing Rule 921(4)(a), as well as to advise the Independent Directors, the Audit and Risk Committee and the Trustee on the Proposed KDC SGP 4 Transaction and to provide an opinion on whether the Proposed KDC SGP 4 Transaction is on normal commercial terms and is not prejudicial to the interests of Keppel DC REIT and its minority Unitholders.

This letter sets out, inter alia, our views and evaluation of the Proposed KDC SGP 4 Transaction and our opinion thereon, and will form part of the Circular dated 8 October 2019 to be issued by Keppel DC REIT in relation to the Proposed KDC SGP 4 Transaction.

2. TERMS OF REFERENCE

Our responsibility is to provide an opinion in respect of the Proposed KDC SGP 4 Transaction.

Our opinion is prepared pursuant to Listing Rule 921(4)(a) as well as delivered for the use and benefit of the addressees of this letter (as appropriate) (the "**Addressees**") for their deliberations on the Proposed KDC SGP 4 Transaction, before arriving at a decision on the merits or demerits thereof, and in making any recommendations. We were not involved in any aspect of the negotiations pertaining to the Proposed KDC SGP 4 Transaction, nor were we involved in the deliberations leading up to the decisions of and recommendations by the Addressees (as appropriate) to proceed with these. The decisions of and recommendations made by the Addressees (as appropriate) shall remain their responsibility.

We have not conducted a comprehensive review of the business, operations or financial conditions of Keppel DC REIT. Our terms of reference also do not require us to evaluate or comment on the merits and/or risk, whether strategic, commercial, financial or otherwise, of the Proposed KDC SGP 4 Transaction, or on the future prospects of Keppel DC REIT and as such, we do not express opinions thereon. Such evaluations or comments remain the responsibility of the Addressees (as appropriate).

It is also not within our terms of reference to compare the relative merits of the Proposed KDC SGP 4 Transaction to any alternative transactions previously considered by, or that may have been available to, Keppel DC REIT or any alternative transactions that may be available in the future. Such evaluations or comments remain the responsibility of the Addressees (as appropriate), although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion.

In addition, we have not made any independent evaluation or appraisal of the existing or proposed assets or liabilities (including without limitation, real property) of Keppel DC REIT.

In formulating our opinion, we have held discussions with the directors of the Manager (the "**Directors**") and its management team (the "**Management**"). We have considered the information contained in the Circular, publicly available information collated by us as well as information, both written and verbal, provided by the Addressees' professional advisers, which may include solicitors, auditors, tax advisers, valuers and the Manager. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of and do not accept any responsibility for the accuracy, completeness or adequacy of all such information, provided or otherwise made available to us or relied on by us. We have nevertheless made reasonable enquiries and used our judgment in assessing and the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information.

We have relied upon the representation of the Directors including those who may have delegated detailed supervision of the Circular and the Proposed KDC SGP 4 Transaction that they have taken all reasonable care to ensure that all information and facts, both written and verbal, as provided to us by the Manager and the Addressees' professional advisers (which may include solicitors, auditors, tax advisers and valuers) and facts as stated in the Circular are fair and accurate in all material respects and all material information and facts have been disclosed to us, and that no material information and facts have been omitted, the omission of which would render any statement in the Circular, information and facts disclosed to us or our opinion in this letter to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted responsibility in the "Directors' Responsibility Statement" of the Circular. Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information and facts.

Our opinion is based upon market, economic, industry, monetary and other conditions (where applicable) in effect on the Latest Practicable Date. Such conditions and information can change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in the light of any subsequent changes or developments after the Latest Practicable Date even if it may affect our opinion contained herein.

In rendering our opinion, we did not have regard to the general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of any Unitholder. As different Unitholders would have different investment objectives and profiles, we would advise the Addressees (as appropriate) to recommend that any Unitholder who may require specific advice in relation to his investment portfolio(s) should consult his or their stockbroker, bank manager, accountant or other professional advisers.

The Addressees (as appropriate) have been separately advised by their own professional advisers in the preparation of the Circular (other than this letter). We have no role or involvement and have not and will not provide any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this letter).

Our opinion should be considered in the context of the entirety of this letter and the Circular.

3. THE PROPOSED KDC SGP 4 TRANSACTION

The full text of the details of the Proposed KDC SGP 4 Transaction, including its principal terms, is set out in Section 2 of the Circular. We recommend that the Independent Directors, the Audit and Risk Committee and the Trustee advise the minority Unitholders to read this section of the Circular carefully.

4. EVALUATION OF THE PROPOSED KDC SGP 4 TRANSACTION

In our evaluation of the Proposed KDC SGP 4 Transaction, we have considered the following factors which we consider to be pertinent and to have a significant bearing on our assessment:

(i) Rationale for and benefits of the Proposed KDC SGP 4 Acquisition;

(ii) Independent valuations of KDC SGP 4;

(iii) Assessment of the Proposed KDC SGP 4 Acquisition;

(iv) Assessment of the Keppel Lease Agreement;

(v) Assessment of the Facility Management Agreement;

(vi) Assessment of the LLP Agreement; and

(vii) Pro forma financial effects of the Proposed KDC SGP 4 Transaction.

We have also considered other relevant considerations which have a significant bearing on our assessment as set out in this letter.

4.1 Rationale for and benefits of the Proposed KDC SGP 4 Acquisition

The full text of the rationale for and benefits of the Proposed KDC SGP 4 Acquisition is set out in Section 3 of the Circular. We note that the Manager believes that the Proposed KDC SGP 4 Acquisition will bring the following key benefits to Keppel DC REIT Unitholders:

(i) Distribution per Unit ("**DPU**") accretive acquisition consistent with Keppel DC REIT's investment strategy;

(ii) Strengthening of foothold in Singapore;

(iii) Greater income resilience through exposure to a larger portfolio;

(iv) Enlarged portfolio creates a stronger platform for growth; and

(v) Greater leasing synergies and operational efficiency.

4.2 Independent valuations of KDC SGP 4

For the purpose of the Proposed KDC SGP 4 Acquisition, two (2) independent valuations of KDC SGP 4 were commissioned:

(i) Cushman & Wakefield VHS Pte. Ltd. ("**Cushman & Wakefield**") (commissioned by the Manager); and

(ii) Savills Valuation And Professional Services (S) Pte Ltd ("**Savills**") (commissioned by the Trustee)

(collectively, the "**Independent Valuations**" and the "**Independent Valuers**").

The summary valuation certificates of Cushman & Wakefield and Savills in respect of the KDC SGP 4 are attached as Appendix B of the Circular. The table below sets out a summary of the Independent Valuations.

Independent Valuer	Date of Valuation	Methods of Valuation	Key Assumptions	Open Market Value (with Rental Support)	Open Market Value (without Rental Support)	Assumptions[1]
Cushman & Wakefield VHS Pte. Ltd.	10 Sep 2019	Discounted Cash Flow Analysis	Discount Rate – 8.50%	S$389.0 million (based on 100% interest)	S$381.7 million (based on 100% interest)	5.50% to 12.25%
			Terminal Yield – 7.75%			5.52% to 16.00%
		Income Capitalisation Approach	Capitalisation Rate – 7.25%	S$385.1 million (based on 99% interest)	S$377.9 million (based on 99% interest)	5.75% to 10.75%
Savills Valuation And Professional Services (S) Pte Ltd	10 Sep 2019	Discounted Cash Flow Analysis	Discount Rate – 9.00%	S$389.0 million (based on 100% interest)	S$382.0 million (based on 100% interest)	5.50% to 12.25%
			Terminal Yield – 7.50%			5.52% to 16.00%
		Income Capitalisation Approach	Capitalisation Rate – 7.25%	S$385.1 million (based on 99% interest)	S$378.2 million (based on 99% interest)	5.75% to 10.75%

Source: Independent valuation reports from Cushman & Wakefield and Savills, Keppel DC REIT's annual report for the financial year ended 31 December 2018

Note:

(1) Based on the assumptions used in the latest independent valuations of Keppel DC REIT's existing properties in Keppel DC REIT's annual report for the financial year ended 31 December 2018.

We note that both Cushman & Wakefield and Savills have adopted the same valuation methods and these are generally widely accepted methods for the purpose of valuing income producing properties.

Based on the table above, we note that:

(i) The discount rates used by the Independent Valuers in their valuation of KDC SGP 4 are generally consistent with one another and are within the range of discount rates used of 5.50% to 12.25% in the latest independent valuations of Keppel DC REIT's existing properties;

(ii) The terminal yields used by the Independent Valuers in their valuation of KDC SGP 4 are generally consistent with one another and are within the range of terminal yields used of 5.52% to 16.00% in the latest independent valuations of Keppel DC REIT's existing properties; and

(iii) The capitalisation rates used by the Independent Valuers in their valuation of KDC SGP 4 are generally consistent with one another and are within the range of capitalisation rates used of 5.75% to 10.75% in the latest independent valuations of Keppel DC REIT's existing properties.

4.3 Assessment of the Proposed KDC SGP 4 Acquisition

4.3.1 Computation of the KDC SGP 4 Purchase Consideration

The KDC SGP 4 Purchase Consideration is based on the adjusted NAV of the KDC SGP 4 Target Entity as at the date of completion of the Proposed KDC SGP 4 Acquisition ("**KDC SGP 4 Completion**", and the date of KDC SGP 4 Completion, the "**KDC SGP 4 Completion Date**"). The estimated KDC SGP 4 Purchase Consideration payable on the KDC SGP 4 Completion Date is S$378.9 million and is derived from:

(i) S$384.9 million, being 99.0% of the agreed value of KDC SGP 4 (the "**KDC SGP 4 Agreed Value**"); less

(ii) S$86.7 million, being 99.0% of the adjustments for KDC SGP 4 Target Entity's adjusted net liabilities (excluding the carrying value of KDC SGP 4) as at the KDC SGP 4 Completion Date; plus

(iii) S$80.7 million, being 99.0% of the existing shareholder's loan owed by the KDC SGP 4 Target Entity to the KDC SGP 4 Vendor (the "**KDCS4PL Shareholder Loan**").

A deposit of S$1.0 million has been paid in full to the KDC SGP 4 Vendor. The deposit is refundable, save for where the termination or non-completion of the KDC SGP 4 Share Purchase Agreement arises out of the fault of Keppel DC REIT.

The actual amount of the KDC SGP 4 Purchase Consideration payable to the KDC SGP 4 Vendor will only be determined after the KDC SGP 4 Completion Date.

The KDC SGP 4 Agreed Value was negotiated on a willing-buyer and willing-seller basis taking into account the Independent Valuations of KDC SGP 4.

We note that the KDC SGP 4 Agreed Value of S$384.9 million is:

(i) at a discount of approximately 0.1% to Cushman & Wakefield's commensurate Independent Valuation (with Rental Support); and

(ii) at a discount of approximately 0.1% to Savills' commensurate Independent Valuation (with Rental Support).

For the purposes of our evaluation, we have set out below the discount percentage of the acquisition price of the Relevant Precedent Transactions (as defined herein) and precedent property acquisitions by other real estate investment trusts ("**REITs**") in Singapore with their respective independent valuations.

Exhibit 1 – Selected information on the Relevant Precedent Transactions

Announcement Date	Buyer	Name of Property Acquired	Ownership Interest (%)	Type of Property	Acquisition Price (S$ Million)	Appraised Value (S$ Million)	Discount/ (Premium) of Acquisition Price to Appraised Value (%)
7 May 2018	Keppel DC REIT	Keppel DC Singapore 5 ("**KDC SGP 5**")	99.0	Data Centre	298.1[(1)]	320.0[(2)]	6.8
17 Oct 2016	Keppel DC REIT	Keppel DC Singapore 3 ("**KDC SGP 3**")	90.0	Data Centre	225.0[(3)]	230.5[(4)]	2.4
5 Dec 2014	Keppel DC REIT	Keppel DC Singapore 2 ("**KDC SGP 2**")	100.0	Data Centre	162.0	162.0	0.0
5 Dec 2014	Keppel DC REIT	Keppel DC Singapore 1 ("**KDC SGP 1**")	100.0	Data Centre	262.8	262.8	0.0
Maximum					298.1	320.0	6.8
Minimum					162.0	162.0	0.0
Average					237.0	243.8	2.3
Median					243.9	246.7	1.2

Source: IPO prospectus dated 5 December 2014, Keppel DC REIT's annual report for the financial year ended 31 December 2018, circular to Keppel DC REIT Unitholders dated 18 October 2016 and relevant press releases of Keppel DC REIT

Notes:

(1) Based on 100.0% of the agreed property value.

(2) Based on 100.0% of the open market value of the target interest (without rental support).

(3) Based on 100.0% of the agreed property value.

(4) Based on the average of two independent valuations (with client II colocation charge guarantee) of S$230.0 million and S$231.0 million for 100.0%.

The Independent Directors, the Audit and Risk Committee and the Trustee should note that certain circumstances and terms relating to the Relevant Precedent Transactions (as defined herein) are unique and might not be identical to the Proposed KDC SGP 4 Acquisition and are largely dependent on the market sentiments prevailing at the time of such Relevant Precedent Transactions. The properties subject to the Relevant Precedent Transactions may differ from KDC SGP 4 in terms of tenure, building specifications, GFA, NLA, location, country, accessibility, composition of tenants, market risks, track record, future prospects and other relevant criteria. The information relating to the Relevant Precedent Transactions has been compiled from relevant public sources where available. Consequently, the Independent Directors, the Audit and Risk Committee and the Trustee should note that the above comparison is merely for illustrative purposes and serves as a general guide only.

Exhibit 2 – Selected information on precedent property acquisitions by other REITs in Singapore within the last twelve months

Announcement Date	Buyer	Name of Property Acquired	Ownership Interest (%)	Type of Property	Acquisition Price (S$ Million)	Appraised Value (S$ Million)	Discount/ (Premium) of Acquisition Price to Appraised Value (%)
17 Jun 2019	ESR-REIT	48 Pandan Road	100.0	Industrial	225.0	225.0	0.0
16 May 2019	Frasers Centrepoint Trust	Waterway Point	33.3	Retail	1,300.0[(1)]	1,300.0[(2)]	0.0
30 Apr 2018	SPH REIT	The Rail Mall	100.0	Retail	63.2	62.9	(0.5)
13 Dec 2018	Mapletree Industrial Trust	18 Tai Seng Drive	100.0	Industrial	268.3[(3)]	269.2[(4)]	0.3
10 Sep 2018	OUE Commercial Real Estate Investment Trust	Office components of OUE Downtown	100.0	Office	908.0	936.0[(5)]	3.0
27 Aug 2018	CapitaLand Mall Trust	Westgate	70.0	Retail	1,128.0[(6)]	1,127.5[(7)]	0.0

Announcement Date	Buyer	Name of Property Acquired	Ownership Interest (%)	Type of Property	Acquisition Price (S$ Million)	Appraised Value (S$ Million)	Discount/ (Premium) of Acquisition Price to Appraised Value (%)
5 Jul 2018	Mapletree Logistics Trust	Five ramp-up properties	100.0	Logistics	730.0	755.2	3.3
24 Apr 2018	ESR-REIT	15 Greenwich Drive	100.0	Logistics	95.8[8]	96.4[8]	0.6
Maximum					1,300.0	1,300.0	3.3
Minimum					63.2	62.9	(0.5)
Average					589.8	596.5	0.8
Median					499.2	512.2	0.2

Source: Press releases for the respective acquisitions

Notes:

(1) Based on 100.0% of the agreed property value.

(2) Based on the average of two independent valuations of S$1,305.0 million and S$1,295.0 million for 100.0%.

(3) Based on the agreed property value.

(4) Based on the average of two independent valuations of S$268.3 million and S$270.0 million for 100.0%.

(5) Based on the average of two independent valuations of S$927.0 million an S$945.0 million for 100.0%.

(6) Based on 100.0% of the agreed market value.

(7) Based on the average of two independent valuations of S$1,130.0 million and S$1,125.0 million for 100.0%.

(8) Inclusive of upfront land premium payable for the balance lease term.

Whilst we have made our comparisons against precedent property acquisitions by other REITs in Singapore, we wish to highlight that these properties might be different from KDC SGP 4 in terms of building size and design, location, tenant composition, operating history, GFA, NLA and other relevant factors. In addition, the list of selected precedent property acquisitions is by no means exhaustive and information relating to these were compiled from publicly available information. The Independent Directors and Trustee should note that the above comparison is merely for illustrative purposes and serves as a general guide only.

In reviewing the information above, we note that the discount percentage of the KDC SGP 4 Agreed Value to the Independent Valuations is within the range of the discount percentage of the acquisition price to the appraised value of both the Relevant Precedent Transactions and the precedent property acquisitions by other REITs in Singapore.

4.3.2 Comparison with relevant past transactions in Singapore

We have looked at publicly available information in respect of completed transactions of data centre properties located in Singapore and have identified the following transactions (the "**Identified Transactions**").

Exhibit 3 – Selected information on the Identified Transactions

Announcement Date	Name of Property	Seller(s)	Purchaser	Remarks
27 Jun 2018	7 Tai Seng Drive	Mapletree Logistics Trust	Mapletree Industrial Trust	Currently undergoing development to be upgraded into a data centre.
7 May 2018	KDC SGP 5	Kingsland Development Pte. Ltd., Nylect Holdings Pte Ltd and Nylect International Pte. Ltd.	Keppel DC REIT	–
17 Oct 2016	KDC SGP 3	Keppel Data Centres Holding Pte Ltd	Keppel DC REIT	–
5 Dec 2014	KDC SGP 2	Keppel DC Singapore 1 Limited	Keppel DC REIT	–
5 Dec 2014	KDC SGP 1	Keppel DC Singapore 2 Pte Ltd	Keppel DC REIT	–

Source: Relevant press releases of Keppel DC REIT and Mapletree Industrial Trust

We note from the Exhibit 3 above that there is only one transaction other than the previous acquisitions completed by Keppel DC REIT that is broadly comparable and that too is of a property that is in the process of being upgraded to a data centre. Accordingly, we have instead reviewed the transactions involving KDC SGP 5, KDC SGP 3, KDC SGP 2 and KDC SGP 1 completed by Keppel DC REIT (the "**Relevant Precedent Transactions**") and which we consider to be comparable to the Proposed KDC SGP 4 Acquisition.

Exhibit 4 – Selected information on the Relevant Precedent Transactions

Announcement Date	Name of Property	Seller(s)	Purchaser	Ownership Interest (%)	Consideration (S$ million)[1]	Market Value (S$ million)	Estimated Years to Lease Expiry from Announcement Date	Attributable NLA[2], [20] (sf)	Consideration per Attributable NLA (S$ psf)	Net Property Yield[3] (%)
7 May 2018	KDC SGP 5	Kingsland Development Pte. Ltd., Nylect Holdings Pte Ltd and Nylect International Pte. Ltd.	Keppel DC REIT	99.0	295.1[4]	316.8[4]	23[5]	97,781[4]	3,018	6.8%[6]
17 Oct 2016	KDC SGP 3	Keppel Data Centres Holding Pte Ltd	Keppel DC REIT	90.0	202.5[7]	207.5[8]	35[9]	45,221[7]	4,478	10.5%[10]
5 Dec 2014	KDC SGP 2	Keppel DC Singapore 2 Pte Ltd	Keppel DC REIT	100.0	162.0	162.0[11]	36[12]	36,888	4,392	9.0%[14]
5 Dec 2014	KDC SGP 1	Keppel DC Singapore 1 Ltd	Keppel DC REIT	100.0	262.8	262.8[11]	40[13]	109,574	2,398	8.3%[14]
Maximum									4,478	10.5%
Minimum									2,398	6.8%
Average									3,572	8.7%
Median									3,705	8.7%
16 Sep 2019	**KDC SGP 4**	**Thorium DC Pte Ltd**	**Keppel DC REIT**	**99.0**	**384.9[15]**	**385.1[16]**	**30[17]**	**83,698[18]**	**4,599**	**7.6%[19]**

Source: IPO prospectus dated 5 December 2014, the Keppel DC REIT's annual report for the financial year ended 31 December 2018, circular to Keppel DC REIT Unitholders dated 18 October 2016 and relevant announcements and press releases of Keppel DC REIT

Notes:

(1) Excludes upfront land premium payable.

(2) Figures refer to Attributable NLA as at the respective transaction dates.

(3) Net property yield is calculated as total net property income divided by the consideration or agreed value of the respective property at the time of the transaction.

(4) Figure is based on Keppel DC REIT's 99.0% interest in KDC SGP 5.

(5) Lease to expire on 31 August 2041.

(6) Based on Keppel DC REIT's differential net property profits before and after Keppel DC REIT's acquisition of KDC SGP 5 as disclosed in the announcement dated 7 May 2018, divided by the consideration of the property, and inclusive of rental support.

(7) Figure is based on Keppel DC REIT's 90.0% interest in KDC SGP 3.

(8) Figure is based on Keppel DC REIT's 90.0% interest in KDC SGP 3 and is an average of two valuations (S$207 million and S$208 million) conducted by two independent valuers in relation to the acquisition of KDC SGP 3.

(9) Lease to expire on 31 January 2022 with option to extend for another 30 years.

(10) Based on Keppel DC REIT's 90.0% interest of the forecasted net operating income (EBITDA) figures as detailed in the discounted cash flow analysis methods of the independent valuations for the relevant forecasted period from 2016 to 2017 as indicated in the independent valuation reports in relation to the acquisition of KDC SGP 3, divided by the consideration, and inclusive of client II colocation charge guarantee.

(11) Based on the respective valuations of KDC SGP 1 and KDC SGP 2 as disclosed in Keppel DC REIT's IPO prospectus dated 5 December 2014.

(12) Lease to expire on 31 July 2021 with option to extend for another 30 years.

(13) Lease to expire on 30 September 2025 with option to extend for another 30 years.

(14) Based on the forecasted net property income for FY2015 according to the section entitled "Overview – Certain information on the properties" of the IPO prospectus of Keppel DC REIT dated 5 December 2014 divided by the consideration of the respective properties as at 30 September 2014.

(15) Figure refers to the KDC SGP 4 Agreed Value.

(16) Figure is based on an average of the Independent Valuers' market values of Keppel DC REIT's 99.0% interest in KDC SGP 4.

(17) Lease to expire on 1 July 2020 with option to extend for another 30 years.

(18) Figure is based on 99.0% of the net lettable area of KDC SGP 4 of 84,544 sq ft.

(19) Based on 99.0% of forecasted net operating income figures (inclusive of Rental Support) as indicated in the Independent Valuations, divided by the KDC SGP 4 Agreed Value.

(20) Attributable NLA is based on the ownership interest (%) of the respective data centres.

In reviewing the information above, we note the following with respect to the Proposed KDC SGP 4 Acquisition:

(i) The KDC SGP 4 Agreed Value psf of attributable net lettable area ("**Attributable NLA**") of approximately S$4,599 is higher than the maximum value of S$4,478 and the simple average of S$3,572 in respect of the Relevant Precedent Transactions. We understand from Management that the higher KDC SGP 4 Agreed Value psf of Attributable NLA is partly due to the strong data centre real estate market fundamentals currently, coupled with the lack of data centre properties available in the market for sale in recent years. Data centres vary in pricing due to many factors such as the IT power, tier rating, specifications, age of fit out, location, etc. In addition, the Relevant Precedent Transactions were transacted at different points of time under different market and economic sentiments; and

(ii) The net property yield of KDC SGP 4 is within the range of the Relevant Precedent Transactions.

The Independent Directors, the Audit and Risk Committee and the Trustee should note that certain circumstances and terms relating to the Relevant Precedent Transactions are unique and might not be identical to the Proposed KDC SGP 4 Acquisition and are largely dependent on the market sentiments prevailing at the time of such Relevant Precedent Transactions. The properties subject to the Relevant Precedent Transactions may differ from KDC SGP 4 in terms of tenure, building specifications, GFA, NLA, location, country, accessibility, composition of tenants, market risks, track record, future prospects and other relevant criteria. The information relating to the Relevant Precedent Transactions has been compiled from relevant public sources where available. Consequently, the Independent Directors, the Audit and Risk Committee and the Trustee should note that the above comparison is merely for illustrative purposes and serves as a general guide only.

4.3.3 Comparison with comparable properties in Singapore

We have looked at publicly available information in respect of recent valuations of data centre properties located in Singapore. While we have considered that there are other real estate investment trusts listed on the SGX-ST which also own data centre properties, we are unable to provide a meaningful comparison of these properties with KDC SGP 4, primarily because of a lack of publicly available information to ascertain whether they operate under a similar model and lease arrangement as KDC SGP 4.

As such, we are unable to provide a meaningful comparison of recent valuations of these data centre properties located in Singapore with KDC SGP 4.

4.3.4 Comparison with comparable properties owned by Keppel DC REIT

We have also compared the net property yield of KDC SGP 4 with the net property yield of other data centres under the existing portfolio of properties currently held by Keppel DC REIT (the "**Keppel DC REIT's Existing Portfolio**"). In particular, we note that the properties in the Keppel DC REIT's Existing Portfolio which are located overseas, save for KDC DUB 1, KDC DUB 2, Basis Bay DC and Gore Hill DC (the "**Other Properties**") operate under a different lease type than KDC SGP 4 and as such would not be exactly comparable. We also note that KDC SGP 1, KDC SGP 2, KDC SGP 3, KDC SGP 5, KDC DUB 1, KDC DUB 2, Basis Bay DC and Gore Hill DC (the "**Colocation Properties**") are comparable, given that the underlying colocation lease model is similar to KDC SGP 4 lease model. A summary of the comparison is set out in Exhibit 5 below:

Exhibit 5 – Net property yield of Keppel DC REIT's Existing Portfolio

Property	Country	Lease Type (Colocation/Shell and Core/ Fully-fitted)	Occupancy Rate (%) (as at 30 June 2019)	Ownership Interest (%)	Market Value (S$ million)[1]	Net Property Income (S$ million)[2]	Net Property Yield (%)[2]
Colocation Properties							
KDC SGP 5[3]	Singapore	Colocation (Keppel lease)	84.2	99.0	316.8	112.4	8.0%
KDC SGP 3	Singapore	Colocation (Keppel lease)	100.0	90.0	231.3		
KDC SGP 2	Singapore	Colocation (Keppel lease)	100.0	100.0	169.0		
KDC SGP 1	Singapore	Colocation (Keppel lease)	86.9	100.0	287.0		
KDC DUB 1	Ireland	Colocation	61.8	100.0	76.0		
KDC DUB 2	Ireland	Colocation	90.7	100.0	103.8		
Basis Bay DC	Malaysia	Colocation	63.1	99.0	27.7		
Gore Hill DC[4]	Australia	Shell and core (triple-net lease)/Colocation	100.0	100.0	196.2		

Property	Country	Lease Type (Colocation/Shell and Core/ Fully-fitted)	Occupancy Rate (%) (as at 30 June 2019)	Ownership Interest (%)	Market Value (S$ million)[1]	Net Property Income (S$ million)[2]	Net Property Yield (%)[2]
Other Properties[5]							
Intellicentre 2 Data Centre	Australia	Shell and core (triple-net lease)	100.0	100.0	51.0	16.3	9.5%
Milan Data Centre	Italy	Shell and core (double-net lease)	100.0	100.0	56.7		
Cardiff Data Centre	United Kingdom	Shell and core (triple-net lease)	100.0	100.0	64.9		
iseek Data Centre	Australia	Fully-fitted (double-net lease)	100.0	100.0	32.9	28.9	7.9%
GV7 Data Centre	United Kingdom	Fully-fitted (triple-net lease)	100.0	100.0	63.0		
Almere Data Centre	Netherlands	Fully-fitted (double-net lease)	100.0	100.0	137.6		
maincubes Data Centre	Germany	Fully-fitted (triple-net lease)	100.0	100.0	134.1		
Maximum					316.8	112.4	9.5%
Minimum					27.7	16.3	7.9%
Average					129.9	52.6	8.4%
Median					103.8	28.9	8.0%
KDC SGP 4	**Singapore**	**Colocation (Keppel Lease)**	**92.0**	**99.0**	**384.9[6]**	**29.1[7]**	**7.6%[8]**

Source: Keppel DC REIT's annual report for the financial year ended 31 December 2018, Keppel DC REIT's investor presentation slide for 1H2019 as at 30 June 2019

Notes:

(1) Based on Keppel DC REIT's investor presentation slide for 1H2019 as at 30 June 2019 and Appendix A of the Circular.

(2) As Keppel DC REIT only discloses the historical financial performance of its portfolio by lease type, the net property yields are computed based on the net property income for each lease type for the financial year ended 31 December 2018 divided by the aggregate valuation of the properties for each lease type.

(3) We note that the acquisition of KDC SGP 5 was completed on 12 June 2018. Hence, the net property income of KDC SGP 5 is for the period of 12 June 2018 to 31 December 2018.

(4) Based on our discussions with Management, we understand that the market value of Gore Hill DC is classified under the colocation lease type whereas the net property income is split between colocation and Shell and Core. Further, we understand that a majority of the net property income is from the colocation lease. We understand from Management that the impact of this split on the net property yield for the respective lease types is deemed not to be material.

(5) We have excluded Intellicentre 3 East Data Centre as it is still under development.

(6) Figure refers to KDC SGP 4 Agreed Value.

(7) Based on 99.0% of the forecasted net operating income figures (inclusive of Rental Support) of KDC SGP 4.

(8) Based on 99.0% of forecasted net operating income figures (inclusive of Rental Support) as indicated in the Independent Valuations, divided by the KDC SGP 4 Agreed Value.

We note that the net property yield of the KDC SGP 4 is lower than the net property yield range of Keppel DC REIT's Existing Portfolio and is also lower than the net property yield of the Colocation Properties. We understand from Management that in general, the yields in overseas markets typically trade at a higher yield than the Singapore market, thus the yield of combined geographical assets would likely be higher when compared to a single Singapore asset.

We have also compared the KDC SGP 4 Agreed Value psf of Attributable NLA with the market value psf of attributable NLA of the KDC SGP 1, KDC SGP 2, KDC SGP 3 and KDC SGP 5 (the "**Keppel DC REIT's Singapore Properties**"), which we consider to be comparable to KDC SGP 4. A summary of the comparison is set out in Exhibit 6 below:

Exhibit 6 – Market value psf of attributable NLA of Keppel DC REIT's Singapore Properties

Property Name	Land Lease Expiry	Years to Land Lease Expiry[1]	Ownership Interest (%)	Date of Valuation	Market Value (S$ million)	Attributable NLA (sf)[11]	Market Value per Attributable NLA (S$ psf)
KDC SGP 5	31 Aug 2041	21	99.0	31 Dec 2018	316.8[2]	97,781[2]	3,240
KDC SGP 3	31 Jan 2052[3]	32[3]	90.0	31 Dec 2018	231.3[4]	49,433[4]	4,679
KDC SGP 2	31 Jul 2051[5]	31[5]	100.0	31 Dec 2018	169.0	38,090	4,437
KDC SGP 1	30 Sep 2055[6]	36[6]	100.0	31 Dec 2018	287.0	109,721	2,616
Maximum					316.8	109,721	4,679
Minimum					169.0	38,090	2,616
Average					251.0	73,756	3,743
Median					259.2	73,607	3,838
KDC SGP 4	**01 Jul 2050[7]**	**30[7]**	**99.0**	**16 Sep 2019[8]**	**384.9[9]**	**83,699[10]**	**4,599**

Source: Keppel DC REIT's investor presentation slide for 1H2019 as at 30 June 2019

Notes:

(1) From the Latest Practicable Date and taking into account the extention period upon expiry of the existing lease.

(2) Figure is based on Keppel DC REIT's 99.0% interest in KDC SGP 5.

(3) Lease to expire on 31 January 2022 with option to extend for another 30 years.

(4) Figure is based on Keppel DC REIT's 90.0% interest in KDC SGP 3.

(5) Lease to expire on 31 July 2021 with option to extend for another 30 years.

(6) Lease to expire on 30 September 2025 with option to extend for another 30 years.

(7) Lease to expire on 1 July 2020 with option to extend for another 30 years.

(8) Figure refers to the date of sale and purchase agreement. The valuation dates are indicated in Section 4.2 of this letter.

(9) Figure refers to KDC SGP 4 Agreed Value.

(10) Figure is based on Keppel DC REIT's 99.0% interest in KDC SGP 4.

(11) Attributable NLA is based on ownership interest (%) of the respective data centres.

We note that the KDC SGP 4 Agreed Value psf of Attributable NLA of approximately S$4,599 is within the range of relevant Keppel DC REIT's Singapore Properties.

The Independent Directors, the Audit and Risk Committee and the Trustee should note that the above analysis is limited in its utility to the extent that KDC SGP 4 differs from the Keppel DC REIT's Existing Portfolio in respect of tenure, building specifications, GFA, NLA, location, country, accessibility, composition of tenants, market risks, track record, future prospects and other relevant criteria. In addition, we note that the valuations of the Keppel DC REIT's Existing Portfolio were undertaken at different points in time under different market and economic conditions, and the information relating to Keppel DC REIT's Existing Portfolio has been compiled from relevant public sources where available. Consequently, the Independent Directors, the Audit and Risk Committee and the Trustee should note that the above comparison is merely for illustrative purposes and serves as a general guide only.

4.4 Assessment of the Keppel Lease Agreement

4.4.1 Principal terms of the conditions of the Keppel Lease Agreement

The full text of the information relating to the principal terms and conditions of the Keppel Lease Agreement is set out in Section 2.9 of the Circular.

We note that the Keppel Lease is essentially a pass-through arrangement whereby a significant portion of the rent payable to KDC SGP 4 Target Entity by the Keppel Lessee is made up of variable rent based on the EBITDA (after deducting the fixed rent and operating expenses) derived from the underlying end-users (being the clients) who have entered into colocation arrangements. Given the pass-through arrangement of the Keppel Lease, KDC SGP 4 Target Entity will substantially enjoy the benefits and assume the liabilities of the colocation arrangements entered into by the Keppel Lessee with the underlying end-users (being the clients).

We note that the arrangement under the Keppel Lease Agreement is similar to the arrangements entered into for KDC SGP 1 and KDC SGP 2 at the time of the initial public offering of Keppel DC REIT, as well as KDC SGP 3 and KDC SGP 5.

4.4.2 Comparison with Keppel lease agreements of data centres under Keppel DC REIT's Existing Portfolio

We have compared the fixed rent property yield of KDC SGP 4 and principal terms under the Keppel Lease Agreement with the adjusted fixed rent property yields and principal terms under other Keppel lease agreements of the Keppel DC REIT's Singapore Properties. A summary of the comparison is set out in Exhibit 7 below:

Exhibit 7 – Selected information on the Keppel DC REIT's Singapore Properties

Data Centre	Lease Tenure	Renewal Option	Ownership Interest (%)	Fixed Rent (S$ million)	Annual Escalation on Fixed Rent (%)	Variable Rent (% of Cash EBITDA Amount[1])	Purchase Price (S$ million)[2]	Market Value (S$ million)[3]	Adjusted Fixed Rent Property Yield[4]
KDC SGP 1	Initial term of 10 years	Option to renew for a further period of 5 years	100.0	5.0	3.0%	99.0%	262.8	287.0	(i) 1.7% (ii) 1.8%[5] (iii) 1.8%[5]
KDC SGP 2	Initial term of 10 years	Option to renew for a further period of 5 years	100.0	3.0	3.0%	99.0%	162.0	169.0	(i) 1.8% (ii) 1.8%[6] (iii) 1.9%[6]
KDC SGP 3	Initial term of 10 years	Option to renew for a further period of 5 years	90.0	4.5[7]	3.0%	99.0%	202.5	231.3	(i) 1.9% (ii) 2.0%[8] (iii) 2.1%[8]
KDC SGP 5	Initial term of 1 year	Option to renew for a further period of 9 years	99.0	(i) 5.4[9] (First renewal year) (ii) 6.4[9] (Second renewal year)	(i) N/A (ii) 3.0% (From the second renewal year onwards)	99.0%	295.1	316.8	(i) 1.7% (ii) 2.0% (iii) 2.1%[10]
KDC SGP 4	**Initial term of 10 years**	**Option to renew for a further period of 5 years**	**99.0**	**(i) 4.8 [11] (First year) (ii) 6.9[11] (Second year) (iii) 7.9[11] (Third year)**	**(i) N/A (ii) N/A (iii) 3.0% (From third year onwards)**	**99.0%**	**384.9[12]**	**385.1[13]**	**(i) 1.2%[14] (ii) 1.8%[14] (iii) 2.1%[14]**

Source: IPO prospectus dated 5 December 2014, Keppel DC REIT's annual report for the financial year ended 31 December 2018, circulars to Keppel DC REIT Unitholders dated 18 October 2016 and 25 March 2019, and relevant press releases of Keppel DC REIT

Notes:

(1) In respect of a property, refers to the total cash revenue received in a financial year less operating expenses less the fixed rent in a financial year.

(2) Based on the respective purchase price of the properties when they were acquired by Keppel DC REIT.

(3) Based on the valuation of the properties as disclosed in Keppel DC REIT's annual report for the financial year ended 31 December 2018.

(4) As the acquisitions of the Keppel DC REIT's Singapore Properties have already been completed, the historical purchase prices of these properties will not be a meaningful indication of the current value of the Keppel DC REIT's Singapore Properties. Accordingly, the adjusted fixed rent property yield is calculated as the base rent over the valuation of the Keppel DC REIT's Singapore Properties as at 31 December 2018.

(5) For assessment purposes, we have computed the second and third year adjusted fixed rent property yield of KDC SGP 1 by adjusting the first year fixed rent for the annual escalation of 3.0%, divided by the market value as at 31 December 2018.

(6) For assessment purposes, we have computed the second and third year adjusted fixed rent property yield of KDC SGP 2 by adjusting the first year fixed rent for the annual escalation of 3.0%, divided by the market value as at 31 December 2018.

(7) Based on Keppel DC REIT's interest of 90.0% for fixed rent payable of S$5.0 million under the agreement.

(8) For assessment purposes, we have computed the second and third year adjusted fixed rent property yield of KDC SGP 3 by adjusting the first year fixed rent for the annual escalation of 3.0%, divided by the market value as at 31 December 2018.

(9) Based on Keppel DC REIT's interest of 99.0% for fixed rent payable of S$5.5 million and S$6.5 million under the agreement for first renewal year and second renewal year respectively.

(10) For assessment purposes, we have computed the third renewal year adjusted fixed rent property yield of KDC SGP 5 by adjusting the second renewal year fixed rent for the annual escalation of 3.0%, divided by the market value as at 31 December 2018.

(11) Based on Keppel DC REIT's interest of 99.0% for fixed rent payable of S$4.8 million, S$7.0 million and S$8.0 million under the agreement for first year, second year and third year respectively.

(12) Figure refers to KDC SGP 4 Agreed Value.

(13) Figure is based on an average of the Independent Valuers' market values of KDC's 99.0% interest in KDC SGP 4.

(14) The fixed rent property yield for KDC SGP 4 is calculated as the fixed rent adjusted for the target interest for the respective years over the KDC SGP 4 Agreed Value.

Based on the above fixed rent property yields and principal terms under the respective master lease agreements, we note that:

(i) For the fixed rent property yield of KDC SGP 4:

a. In the first year, the fixed rent property yield of KDC SGP 4 of 1.2% is lower than the range of 1.7% to 1.9% of the adjusted fixed rent property yields of the Keppel DC REIT's Singapore Properties. We understand from Management that this is a commercially agreed position to be in line with the underlying income during the initial period post-acquisition where clients will be progressively powering up their racks and income will also progressively increase;

b. In the second year, the fixed rent property yield of KDC SGP 4 of 1.8% is within the range of 1.8% to 2.0% of the adjusted fixed rent property yields of the Keppel DC REIT's Singapore Properties;

c. In the third year, the fixed rent property yield of KDC SGP 4 of 2.1% is within the range of 1.8% to 2.1% of the adjusted fixed rent property yields of the Keppel DC REIT's Singapore Properties; and

d. The annual escalation on fixed rent from the third year onwards is similar to Keppel DC REIT's Singapore Properties.

(ii) The methodology for calculating variable rent is similar to the methodology for Keppel DC REIT's Singapore Properties; and

(iii) The lease period of the Keppel Lease Agreement is in line with the lease period of respective Keppel DC REIT's Singapore Properties lease agreement (with the exception of KDC SGP 5).

We have also looked at the rest of the data centres under the Keppel DC REIT's Existing Portfolio which are all located overseas (the "**Keppel DC REIT's Overseas Properties**") and note that the majority of the Keppel DC REIT's Overseas Properties do not operate under a master lease arrangement. For certain of the Keppel DC REIT's Overseas Properties which have entered into a master lease agreement, we note that the terms of the master lease agreements for these properties may not be exactly comparable to the Keppel Lease Agreement as they each have different terms to reflect the nature and characteristics of conducting business with lessees in the respective foreign jurisdictions, as well as taking into consideration, inter alia, country-specific factors such as the market risks, tenant composition and location of these properties in the respective foreign jurisdictions.

4.4.3 Comparison with lease agreements involving comparable data centres in Singapore

We have made comparison to other lease agreements entered into by other property owners for the Other Comparable Properties. A summary of the comparison is set out in Exhibit 8 below:

Exhibit 8 – Selected information on the Other Comparable Properties

Property Owner	Data Centre	Main Tenant	Lease Tenure of Main Tenant	Rental Terms
Ascendas REIT	Telepark	Singtel	Initial term of 20 years	Stepped rental increases with reviews at the beginning of year 8 & year 15
	Kim Chuan Telecommunications Complex	Singtel	Initial term of 20 years, with an option to renew for another 10 years	Stepped rental increases with reviews at the beginning of year 8 & year 15
	38A Kim Chuan Road	Singtel	Initial term of 20 years, with an option to renew for another 10 years	Annual rental escalations
Mapletree Industrial Trust	26A Ayer Rajah Crescent	Equinix Singapore Pte. Ltd.	Initial term of 20 years, with an option to renew for two additional 5-year terms, or any duration depending on the remaining land lease	Annual rental escalations of 2.0%
	19 Tai Seng Drive	Starhub Limited	Initial term of 10 years, with an option to renew for another 10 years	Annual rental escalations
	STT Tai Seng 1	STT Tai Seng Pte. Ltd.	Initial term of approximately 15 years, with the option to renew for another 10 years	Annual rental escalations
	Mapletree Sunview 1	"Established data centre operator" not disclosed	Initial lease term of more than 10 years with renewal options	Staggered rental escalations
	KDC SGP 4	**Keppel DC Singapore 2 Pte. Ltd.**	**Initial term of 10 years, with an option to renew for a further period of 5 years**	**Annual rental escalations of 3.0% per annum from year 3 onwards**

Source: Annual reports, IPO prospectuses and relevant press releases of Ascendas REIT and Mapletree Industrial Trust

We note that the terms of the respective lease agreements are confidential and details are not available in the public domain. Further, based on the information available, we also note that the lease period of the Other Comparable Properties is generally longer as compared to the Keppel Lease Agreement.

4.5 Assessment of the Facility Management Agreement

4.5.1 Principal terms and conditions of the Facility Management Agreement

The full text of the information relating to the principal terms and conditions of the Facility Management Agreement is set out in Section 2.10 of the Circular.

4.5.2 Comparison with facility management agreements of data centres under Keppel DC REIT's Existing Portfolio

We have compared the management fees payable in respect of KDC SGP 4 and principal terms under the Facility Management Agreement with the management fees and principal terms of the respective facility management agreements of data centres with a colocation lease under the Keppel DC REIT's Existing Portfolio. A summary of the comparison is set out in Exhibit 9 below:

Exhibit 9 – Selected information on the Keppel DC REIT's Existing Portfolio (colocation lease)

Data Centre	Tenure of Agreement	Facility Management Fee	Project Management Fee
Singapore Properties			
KDC SGP 1	Initial term of 10 years, with an option to automatically renew in accordance with KDC SGP 1's master lease agreement	4.0% of cash EBITDA amount[(1)]	(i) where the construction costs are S$2.0 million or less, a fee of 3.0% of the construction costs; (ii) where the construction costs exceed S$2.0 million but do not exceed S$20.0 million, a fee of 2.0% of the construction costs or S$60,000, whichever is the higher; (iii) where the construction costs exceed S$20.0 million but do not exceed S$50.0 million, a fee of 1.5% of the construction costs or S$400,000, whichever is the higher; and (iv) where the construction costs exceed S$50.0 million, a fee of not more than 1.5% of the construction costs.
KDC SGP 2	Initial term of 10 years, with an option to automatically renew in accordance with KDC SGP 2's master lease agreement		
KDC SGP 3	Initial term of 10 years, with an option to automatically renew in accordance with KDC SGP 3's master lease agreement		
KDC SGP 5	Initial term of one year, with an option to automatically renew in accordance with KDC SGP 5's master lease agreement		

Data Centre	Tenure of Agreement	Facility Management Fee	Project Management Fee
Overseas Property[2]			
Gore Hill DC	Initial term of five years, with an option to renew for a further term of five years	Base fee of A$2,100,000 (S$2,376,990) plus GST per annum subject to an increase of 4.0% per annum on each anniversary of 10 March 2012, being the commencement date of the facility management agreement	N/A
Proposed KDC SGP 4 Transaction			
KDC SGP 4	**Initial term of 10 years, with an option to automatically renew in accordance with KDC SGP 4's Keppel Lease Agreement**	**4.0% of cash EBITDA amount[1]**	**(i) where the construction costs are S$2.0 million or less, a fee of 3.0% of the construction costs; (ii) where the construction costs exceed S$2.0 million but do not exceed S$20.0 million, a fee of 2.0% of the construction costs or S$60,000, whichever is the higher; (iii) where the construction costs exceed S$20.0 million but do not exceed S$50.0 million, a fee of 1.5% of the construction costs or S$400,000, whichever is the higher; and (iv) where the construction costs exceed S$50.0 million, a fee of not more than 1.5% of the construction costs.**

Source: Keppel DC REIT's IPO prospectus dated 5 December 2014 and circulars to Keppel DC REIT Unitholders dated 18 October 2016 and 25 March 2019

Notes:

(1) In respect of a property, refers to the total cash revenue received in a financial year less operating expenses less the fixed rent in a financial year.

(2) KDC DUB 1, KDC DUB 2 and Basis Bay DC do not have facility management agreement.

We note that:

(i) The methodology of calculating the facility management fee of KDC SGP 4 is similar to that of Keppel DC REIT's Singapore Properties. We note that the facility management agreement for Gore Hill DC may not be exactly comparable to the Facility Management Agreement as the former has in place different commercial terms to reflect the nature and characteristics of conducting business in Australia;

(ii) For the project management fee, the terms and rates for KDC SGP 4 are identical to the terms and rates for the Keppel DC REIT's Singapore Properties; and

(iii) The lease period of the Facility Management Agreement is in line with the lease period of the respective lease agreements of Keppel DC REIT's Singapore Properties (with the exception of KDC SGP 5).

4.5.3 Comparison with facility management agreements involving comparable data centres in Singapore

We have made comparison to facility management agreements entered into by other property owners for their data centres in Singapore (the "**Comparable Managed Properties**") to compare the management fees and principal terms of the lease agreements for data centres in Singapore. A summary of the comparison is set out in Exhibit 10 below:

Exhibit 10 – Selected information on the Other Comparable Properties

Property Owner	Data Centre	Facility Manager	Tenure	Facility Management Fee	Project Management Fee
Ascendas REIT	Telepark	Ascendas Services Pte Ltd	N/A	2.0% per annum of adjusted gross revenue of each property	(i) a fee of 3.00% of the construction costs, where the construction costs are S$2.0 million or less; (ii) a fee of 2.15% of the construction costs, where the construction costs exceed S$2.0 million but do not exceed S$12.0 million; (iii) a fee of 1.45% of the construction costs, where the construction costs exceed S$12.0 million but do not exceed S$40.0 million; (iv) a fee of 1.40% of the construction costs, where the construction costs exceed S$40.0 million but do not exceed S$70.0 million; (v) a fee of 1.35% of the construction costs, where the construction costs exceed S$70.0 million but do not exceed S$100.0 million; and (vi) a fee to be mutually agreed by the parties, where the construction costs exceed S$100.0 million.
	Kim Chuan Telecommunications Complex				
	38A Kim Chuan Road				
Mapletree Industrial Trust	26A Ayer Rajah Crescent	Mapletree Facilities Services Pte. Ltd	N/A	A fee of up to 2.0% per annum of the gross revenue of each property	(i) where the construction costs are S$2.0 million or less, a fee of 3.0% of the construction costs; (ii) where the construction costs exceed S$2.0 million but do not exceed S$20.0 million, a fee of 2.0% of the construction costs or S$60,000, whichever is the higher; (iii) where the construction costs exceed S$20.0 million but do not exceed S$50.0 million, a fee of 1.5% of the construction costs or S$400,000, whichever is the higher; and (iv) where the construction costs exceed S$50.0 million, a fee to be mutually agreed by the Manager, the Trustee and the Property Manager.
	19 Tai Seng Drive				
	7 Tai Seng Drive				
	STT Tai Seng 1				
	Mapletree Sunview 1				

Property Owner	Data Centre	Facility Manager	Tenure	Facility Management Fee	Project Management Fee
Keppel DC Singapore 4 Pte. Ltd. (to be converted into KDCS4LLP)	KDC SGP 4	Keppel DC Singapore 2 Pte. Ltd.	Initial term of 10 years, with an option to automatically renew in accordance with KDC SGP 4's Keppel Lease Agreement	4.0% of cash EBITDA amount	(i) where the construction costs are S$2.0 million or less, a fee of 3.0% of the construction costs; (ii) where the construction costs exceed S$2.0 million but do not exceed S$20.0 million, a fee of 2.0% of the construction costs or S$60,000, whichever is the higher; (iii) where the construction costs exceed S$20.0 million but do not exceed S$50.0 million, a fee of 1.5% of the construction costs or S$400,000, whichever is the higher; and (iv) where the construction costs exceed S$50.0 million, a fee of not more than 1.5% of the construction costs.

Source: Ascendas REIT's annual report for the financial year ended 31 March 2019 and Mapletree Industrial Trust's annual report for the financial year ended 31 March 2019

Based on the management fees and principal terms under the respective facilities management agreements, we note that:

(i) The facility management fee of KDC SGP 4 is based on a percentage of the cash EBITDA amount whereas the facility management fees of the Other Comparable Properties are based on a percentage of adjusted gross revenue or gross revenue. Accordingly, there is no basis of comparison; and

(ii) For the project management fee, the terms and rates for KDC SGP 4 are generally in line with facility management agreements of the Other Comparable Properties.

4.6 Assessment of the LLP Agreement

The full text of the information relating to the principal terms and conditions of Keppel DC Singapore 4 LLP Agreement is set out in Section 2.11 of the Circular and an extract of which has been reproduced in italics below. All terms and expressions used in the extract below shall have the same meaning as those defined in the Circular, unless otherwise defined.

"Following the KDC SGP 4 Completion, and subject to receiving the necessary approvals and tax rulings, KCS4PL will be converted to an LLP pursuant to Section 21 of the Limited Liability Partnerships Act (Chapter 163A of Singapore). The Trustee and KDCH will enter into the LLP Agreement upon conversion into an LLP.

*Under the terms of the LLP Agreement, only the Trustee shall have the right to appoint members to the management committee ("**Management Committee**").*

Under the terms of the LLP Agreement, the following matters shall require unanimous approval of the partners who have the right to appoint representatives to the Management Committee:

2.11.1 *amendment of the LLP Agreement or (where applicable) other constitutive documents of the KDC SGP 4 Target Entity;*

2.11.2 *cessation or change or expansion of the business of the KDC SGP 4 Target Entity;*

2.11.3 *(i) the consolidation, merger or amalgamation of the KDC SGP 4 Target Entity with or into any other person, or (ii) any internal restructuring involving the KDC SGP 4 Target Entity and where applicable, its subsidiaries;*

2.11.4 *the winding up or dissolution (as the case may be) of the KDC SGP 4 Target Entity;*

2.11.5 *entering into or modifying any existing agreement, transaction, obligation, commitment, understanding, arrangement or liability (whether to lease, licence, sell, transfer or in any other way dispose the whole or any part of its undertaking, assets or property or otherwise) the value of which exceeds S$10.0 million, other than (i) any leases and licenses entered into in the ordinary course of business, or (ii) any transactions which has been approved as a unanimous resolution;*

2.11.6 *the giving of any loan, guarantee or indemnity by the KDC SGP 4 Target Entity to secure the liabilities or obligations of any person;*

2.11.7 *the raising of any financing or the procurement of any financial support by the KDC SGP 4 Target Entity from its partners;*

2.11.8 *creation of any form of security over any assets held by the KDC SGP 4 Target Entity;*

2.11.9 *the admission of an additional partner, which is not a substitute partner, to the KDC SGP 4 Target Entity; and*

2.11.10 *the KDC SGP 4 Target Entity commencing, defending or settling any litigation, arbitration or administrative proceedings other than in the ordinary course of business or where the value of any single claim or a series of related claims exceeds S$10.0 million provided that the consent of a partner shall not be required in respect of the commencement, defending or settling of any litigation, arbitration or administrative proceedings against such partner or its representatives."*

Having reviewed the LLP Agreement, we note the following:

(i) The Management Committee shall comprise a maximum of two members (each a "**Representative**"). The Trustee shall be entitled to appoint two Representatives and KDCH shall not be entitled to appoint a Representative. In addition, the chairman of the Management Committee shall be a Representative nominated by the Trustee for so long as it holds a majority percentage interest ("**Percentage Interest**") in the KDC SGP 4 Target Entity;

(ii) The matters which require the unanimous approval of the partners who have the right to appoint representatives to the Management Committee serve to safeguard the interest of Keppel DC REIT in the KDC SGP 4 Target Entity by requiring the approval of such partners before any material changes or developments can be made to the business, assets and/or capital structure of KDC SGP 4 Target Entity;

(iii) Not less than 90.0% of KDC SGP 4 Target Entity's distributable income in respect of each financial half-year during the term of the LLP Agreement, if any, shall be distributed to the Trustee and KDCH in proportion to their respective percentage interests;

(iv) KDC SGP 4 Target Entity is a tax transparent structure in Singapore and the taxable income from KDC SGP 4 Target Entity will not be chargeable at the entity level[(1)]. Rather, the partners will be chargeable with tax on the share of taxable income apportioned to their respective percentage interests;

(v) In the event that the stamp duty remission for the conversion of KDCS4PL into an LLP is not obtained prior to the date of the conversion, the Trustee shall bear 99.0% of the stamp duty cost and the KDCH shall bear 1.0% of the stamp duty cost; and

(vi) No partner shall be personally liable for any obligations of KDC SGP 4 Target Entity. No partner shall be obligated to make loans to KDC SGP 4 Target Entity or to repay KDC SGP 4 Target Entity or unless required by law, any partner or any creditor of KDC SGP 4 Target Entity all or any fraction of any amounts distributed to such partner.

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(1) Subject to the outcome of an application to be submitted to Inland Revenue Authority of Singapore to seek a ruling that the income from KDC SGP 4 Target Entity would be tax transparent.

In addition to having tax transparency to the respective percentage interests with respect to the LLP structure as mentioned in (iv), we understand from Management that the LLP structure would also allow the KDC SGP 4 Target Entity to lower its operating overheads. Based on the above, we note that the risk and rewards of Keppel DC Singapore 4 LLP are shared in proportion to the respective percentage interests of the partners.

4.7 Pro forma financial effects of the Proposed KDC SGP 4 Transaction

The full text of the pro forma financial effects of the Proposed KDC SGP 4 Acquisition is set out in Section 4 of the Circular.

Exhibit 11 – Pro forma DPU

Effects of the Proposed KDC SGP 4 Acquisition	If Tax Transparency is Granted		If Tax Transparency is not Granted	
	Before the Proposed KDC SGP 4 Acquisition	After the Proposed KDC SGP 4 Acquisition	Before the Proposed KDC SGP 4 Acquisition	After the Proposed KDC SGP 4 Acquisition
Net Profit Before Tax (S$'000)	151,021	173,121	151,021	173,121
Distributable Income (S$'000)	96,096	117,678	96,096	114,221
Issued Units ('000)	1,351,578[(1)]	1,522,414[(2)]	1,351,578[(1)]	1,522,414[(2)]
DPU (cents)	7.32	7.88	7.32	7.63
Accretion (%)	–	7.6	–	4.2

Notes:

(1) Number of Units issued as at 31 December 2018.

(2) Assuming (i) approximately 89.0 million New Units (at an illustrative issue price of S$1.744 per Unit) issued via the Placement, (ii) approximately 79.6 million New Units (at an illustrative issue price of S$1.71 per Unit) issued via the Preferential Offering, and (iii) approximately 2.2 million Acquisition Fee Units (at an illustrative issue price of S$1.770 per Unit) issuable to the Manager in relation to the Proposed KDC SGP 4 Acquisition.

Based on the assumptions set out in the Circular, including the proposed method of financing, we note that the Proposed KDC SGP 4 Transaction is expected to be DPU accretive.

5. OTHER RELEVANT CONSIDERATIONS

5.1 Rental Support for KDC SGP 4

As part of the terms for the Proposed KDC SGP 4 Acquisition, the KDC SGP 4 Vendor will provide a rental support arrangement ("**Rental Support**") for the period commencing from the KDC SGP 4 Completion Date and ending 24 months after the KDC SGP 4 Completion Date ("**Rental Support Period**").

The Rental Support amount of approximately S$8.8 million (for the 100.0% share) (the "**Total Rental Support Amount**") was negotiated to provide a rental top-up during the initial period post acquisition where clients will be progressively powering up their racks and income will also progressively increase.

For each quarterly period, where it is determined that the quarterly adjusted net property income (for the 100.0% share) is likely to be less than S$29.4 million for each 12-month period (the "**Threshold Income Amount**") corresponding to such period, an amount equal to the difference between the adjusted net property income and the Threshold Income Amount will be made up for as a top-up payment ("**Top-Up Payment**") by the KDC SGP 4 Vendor. The adjusted net property income is calculated by taking the revenue of KDC SGP 4 and deducting certain expenses as commercially agreed between the KDC SGP 4 Vendor and the Trustee in accordance with the KDC SGP 4 Share Purchase Agreement.

The aggregate of all Rental Support payments payable to Keppel DC REIT during the Rental Support Period shall not exceed S$8.712 million (for its 99.0% share).

We note that Rental Support provides stability of income during the Rental Support Period. Further we also note that the Independent Valuers are of the opinion that the Threshold Income Amount would result in KDC SGP 4 having an initial net property yield which is within the market rates of comparable buildings taking into account prevailing and forecasted market conditions.

5.2 KDC SGP 4 is being sold with the benefit of existing agreements

We note that KDC SGP 4 has an occupancy rate of 92.0% and has a WALE of 3.0 years as at 30 June 2019. This is expected to provide Keppel DC REIT with a steady income stream from KDC SGP 4.

5.3 Benefits from Keppel T&T's property management and operating expertise

We note that pursuant to the Proposed KDC SGP 4 Acquisition, Keppel DC REIT intends to transfer the business of KDC SGP 4 Target Entity (comprising certain assets and contracts with the KDC SGP 4's clients) to the Facility Manager for a nominal consideration of S$1.00 (the "**Business Transfer Agreement**"). Pursuant to the Business Transfer Agreement, the Facility Manager will be responsible for actively running the business of KDC SGP 4 Target Entity.

We understand that the Facility Manager and the Keppel Lessee is part of KDCH, which is a data centre solutions provider in Singapore offering a comprehensive range of colocation services to end-users. It enters into colocation service arrangements with, and manages data centre facilities for the end-users. Through its parent company, Keppel T&T, KDCH has an established track record of experience in designing, building and managing data centres.

6. OPINION

6.1 In arriving at our opinion in respect of the Proposed KDC SGP 4 Transaction, we have reviewed and examined the following factors which we consider to be pertinent in our assessment:

(i) <u>In relation to the Proposed KDC SGP 4 Acquisition</u>

a. Rationale for and benefits of the Proposed KDC SGP 4 Acquisition;

b. The KDC SGP 4 Agreed Value represents a discount of approximately 0.1% to the respective Independent Valuations (including Rental Support), which are within the range of the discount percentage of Relevant Precedent Transactions and precedent property acquisitions by other REITs in Singapore;

c. The net property yield is within the range of the net property yields of the Relevant Precedent Transactions;

d. With regards to the KDC SGP 4 Agreed Value psf of Attributable NLA, we note that whilst it is higher than the maximum value of the Relevant Precedent Transactions which were transacted at different points of time under different market and economic sentiments, the KDC SGP 4 Agreed Value psf of Attributable NLA is within the range of Keppel DC REIT's Singapore Properties, which is more relevant as these are based on latest market valuations. Further, we also understand from Management that there is a strong data centre real estate market fundamentals currently, coupled with the lack of data centre properties available in the market for sale in recent years. Besides, data centres vary in pricing due to many factors such as the IT power, tier rating, specifications, age of fit out, location, etc.;

e. The net property yield is lower than the net property yield range of Keppel DC REIT's Existing Portfolio. We understand from Management that in general, the yields in overseas markets typically trade at a higher yield than the Singapore market, thus the yield of combined geographical assets would likely to be higher when compared to a single Singapore asset; and

f. KDC SGP 4 is being sold with the existing lease agreements and a Rental Support which is expected to provide greater income stability to Keppel DC REIT.

(ii) <u>In relation to the Keppel Lease Agreement</u>

a. The terms, including lease period, of the Keppel Lease Agreement are similar to the Keppel lease agreements entered into for KDC SGP 1 and KDC SGP 2 at the time of the initial public offering of Keppel DC REIT, as well as KDC SGP 3 and KDC SGP 5;

b. As compared to Keppel DC REIT's Singapore Properties, the fixed rent property yield of KDC SGP 4 is lower than the range in the first year. We understand from Management that this is a commercially agreed position to be in line with the underlying income during the initial period post-acquisition where clients will be progressively powering up their racks and income will also progressively increase. The fixed rent property yield is within the range for the remaining lease period;

c. The methodology for calculating variable rent for KDC SGP 4 is similar to the methodology used for Keppel DC REIT's Singapore Properties;

d. The pass-through arrangement will allow the KDC SGP 4 to enjoy the benefits and assume the liabilities of the colocation arrangements entered into by the Keppel Lessee with the underlying end-user (being the clients); and

e. The lease period is of a shorter duration as compared to the Other Comparable Properties.

(iii) In relation to the Facility Management Agreement

a. The terms, including the facility management fee and project management fee, are similar to the facility management agreements of Keppel DC REIT's Singapore Properties;

b. With respect to the Other Comparable Properties, we observed that the methodology for calculating facility management fee is different and hence there is no basis for comparing the facility management fee; and

c. The terms of project management fee are generally in line with the respective facility management agreements of the Other Comparable Properties.

(iv) In relation to the LLP Agreement

a. The risk and rewards of the Keppel DC Singapore 4 LLP will be shared in proportion to the respective percentage interests of the partners.

(v) Based on the assumptions set out in the Circular, including the proposed method of financing, the Proposed KDC SGP 4 Transaction is expected to be DPU accretive; and

(vi) Upon entering into the Keppel Lease Agreement and Facility Management Agreement, Keppel DC REIT will be able to benefit from Keppel T&T's property management and operating expertise.

After carefully considering the information available to us and our analysis set out above as at the Latest Practicable Date, and based upon the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, and subject to our terms of reference set out in Section 2 of this letter, we are of the opinion that the KDC SGP 4 Transaction is on normal commercial terms and not prejudicial to Keppel DC REIT and its minority Unitholders.

Accordingly, we advise the Independent Directors and the Audit and Risk Committee to recommend that the minority Unitholders vote in favour of the Proposed KDC SGP 4 Transaction.

This opinion is prepared and delivered pursuant to Rule 921(4)(a) of the Listing Manual and the Property Funds Appendix, as well as addressed to the Independent Directors, the Audit and Risk Committee and the Trustee, in connection with and for the purpose of their consideration of the KDC SGP 4 Transaction. Any statement or recommendation made by the Independent Directors or the Audit and Risk Committee in respect of the terms of the KDC SGP 4 Transaction shall remain their responsibility. Our opinion does not and cannot take into account future circumstances, including market, economic, industry, monetary and other conditions after the Latest Practicable Date as these are factors beyond the ambit of our review.

A copy of this letter may be reproduced in the Circular.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours truly,

For and behalf of
KPMG Corporate Finance Pte Ltd

The Independent Directors and the Audit and Risk Committee

Keppel DC REIT Management Pte. Ltd.
(in its capacity as Manager of Keppel DC REIT)
(the "**Manager**")
1 HarbourFront Avenue
18-01 Keppel Bay Tower
Singapore 098632

Perpetual (Asia) Limited
(in its capacity as Trustee of Keppel DC REIT)
(the "**Trustee**")
8 Marina Boulevard
05-02 Marina Bay Financial Centre
Singapore 018981

8 October 2019

Dear Sirs

INDEPENDENT FINANCIAL ADVICE IN RESPECT OF THE PROPOSED ACQUISITION OF 100.0% INTEREST IN THE COMPANY WHICH HOLDS THE DATA CENTRE LOCATED AT 18 RIVERSIDE ROAD, SINGAPORE ("DC1")

*For the purpose of this letter, capitalised terms not otherwise defined herein shall have the same meaning as given in the circular to the unitholders of Keppel DC REIT (the "**Keppel DC REIT Unitholders**") dated 8 October 2019 (the "**Circular**").*

1. INTRODUCTION

On 16 September 2019, the Trustee entered into a conditional share purchase agreement with CityDC Pte. Ltd. ("**CityDC**") and WDC Development Pte. Ltd. ("**WDCD**") (collectively, the "**DC1 Vendors**") to acquire 1,000,000 ordinary shares being 100.0% of the issued share capital in DataCentre One Pte. Ltd. ("**DC1PL**", and the proposed acquisition of 100.0% of the issued share capital in DC1PL, the "**Proposed DC1 Acquisition**"), which holds DC1 for an estimated purchase consideration of S$201.8 million[1] ("**DC1 Purchase Consideration**") ("**DC1 Share Purchase Agreement**").

DC1 is located at 18 Riverside Road, Singapore 739088 and is a purpose-built five-storey data centre building featuring approximately 213,815 sq ft of floor area across four floors of data centre halls and one floor of office and ancillary space. DC1 was completed in 2016. It is currently on a triple-net master lease with approximately 17 years remaining, with an option to renew for another 7.6 years. The rental payable is approximately S$17.0 million to S$21.0 million yearly, with the rental payable monthly. Under the triple-net master lease, the lessee pays for rent and the following property-related expenses: (i) property tax, (ii) day-to-day repair and maintenance expenses, (iii) utilities and (iv) certain insurance relating to the property. This master lease was entered into on 12 April 2016 and would continue following completion of the Proposed DC1 Acquisition, and by approving the Proposed DC1 Acquisition, Unitholders will be deemed to have also approved the master lease. The master lessee, 1-Net Singapore Pte Ltd ("**1-Net Singapore**"), is an interested person of Keppel DC REIT as it is a wholly-owned subsidiary of Temasek Holdings (Private) Limited ("**THPL**"). For the avoidance of doubt, Keppel Corporation Limited ("**KCL**") has no interest in the master lessee.

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1 The actual amount of the DC1 Purchase Consideration payable to the DC1 Vendors will only be determined after the DC1PL Completion Date.

This is an existing master lease entered into by DC1PL and not an additional or new transaction to be entered into. Keppel DC REIT will be taking over the master lease as purchaser of the shares in DC1PL, and no new agreement will be entered into with 1-Net Singapore.

The table below sets out a summary of selected information on DC1.

Location	18 Riverside Road, Singapore 739088
Year of Completion	2016
Land Lease Title	Leasehold (70 years 5 months leasehold tenure from 1 March 1974)
Land Area (sq ft)	91,902
Lettable Area (sq ft)	213,815
Number of Clients	1
Lease Type	Master lease (fully-fitted/shell and core)
Weighted Average Lease Expiry ("WALE")	16.8 years as of 30 June 2019
Occupancy Rate	100%

Source: Circular, Appendix A

The principal terms of the DC1 Share Purchase Agreement include, among others, the following conditions precedent:

(i) the Proposed DC1 Acquisition having been approved by the unitholders of KIT at the meeting of the unitholders of KIT;

(ii) the obtaining of the DC1 JTC Consent, if required, on terms which are not materially adverse to either party of the DC1 Share Purchase Agreement, and there being no revocation of or amendment (which is materially adverse to either party) to the DC1 JTC Consent; and

(iii) the Proposed DC1 Acquisition having been approved by the Unitholders of Keppel DC REIT at the EGM.

The acquisition cost for the Proposed DC1 Acquisition ("**DC1 Acquisition Cost**") is estimated to be approximately S$207.2 million, comprising:

(i) the estimated DC1 Purchase Consideration of approximately S$201.8 million[(1)];

(ii) the acquisition fee (the "**DC1 Acquisition Fee**") payable in Units to the Manager for the Proposed DC1 Acquisition (the "**DC1 Acquisition Fee Units**") of approximately S$2.0 million[(2)] (being 1.0% of the DC1 Agreed Value); and

(iii) the estimated stamp duty, professional and other fees and expenses of approximately S$3.4 million incurred or to be incurred by Keppel DC REIT in connection with the Proposed DC1 Acquisition.

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1 The actual amount of the DC1 Purchase Consideration payable to the DC1 Vendors will only be determined after the DC1PL Completion Date.

2 As the Proposed Transactions (as defined in the Circular) constitute an "interested party transaction" under the Property Funds Appendix issued by the Monetary Authority of Singapore ("**MAS**"), the Acquisition Fee will be in the form of Acquisition Fee Units which shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

The Manager intends to finance the Total Acquisition Cost (as defined in the Circular) with (i) approximately S$438.6 million, being part of the net proceeds from the issuance of 276,989,617 new Units (the "**New Units**") which was announced on 16 September 2019 (the "**Equity Fund Raising**"), (ii) drawdown from debt facilities and (iii) the issue of the Acquisition Fee Units (as defined in the Circular) amounting to approximately S$5.9 million to the Manager.

The gross proceeds of the fully underwritten Equity Fund Raising consists of:

(i) the placement of 135,000,000 New Units (equivalent to approximately 10.0% of the total number of Units in issue prior to the Equity Fund Raising) for approximately S$235.4 million ("**Placement**"); and

(ii) the preferential offering of 141,989,617 New Units (equivalent to approximately 10.5% of the total number of Units in issue prior to the Equity Fund Raising) for approximately S$242.8 million ("**Preferential Offering**").

As at 25 September 2019, being the latest practicable date prior to the printing of this Circular (the "**Latest Practicable Date**"), THPL holds an aggregate interest in 349,833,399 Units, which is equivalent to approximately 23.52% of the total number of Units in issue, and is therefore regarded as a "controlling Unitholder" of Keppel DC REIT under both the Listing Manual and the Property Funds Appendix. In addition, by virtue of its approximately 21.74% interest in KCL, THPL is a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

One of the DC1 Vendors, CityDC, is wholly-owned by KIT, which is an associate of THPL under both the Listing Manual and the Property Funds Appendix. THPL, through KCL and its other subsidiaries and associated companies, is deemed interested in approximately 31.89% of KIT. KCL, through its wholly-owned subsidiary Keppel Infrastructure Holdings Pte. Ltd. holds an aggregate interest in 909,048,658 units in KIT, which is equivalent to approximately 18.20% of the total number of KIT units in issue.

Accordingly, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, CityDC (being an associate of a "controlling Unitholder" and a "controlling shareholder" of the Manager) is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of Keppel DC REIT.

Given that the DC1 Purchase Consideration is approximately S$201.8 million, (which is 13.7% of both the latest audited NTA and the NAV of Keppel DC REIT as at 31 December 2018), the value of the Proposed DC1 Acquisition exceeds 5.0% of the NTA and the NAV of Keppel DC REIT. Accordingly, the Manager is seeking the approval of Unitholders by way of an Ordinary Resolution of the Unitholders for the Proposed DC1 Acquisition.

KPMG Corporate Finance Pte Ltd ("**KPMG**") has been appointed by the Manager and the Trustee as the independent financial adviser, as required under Listing Rule 921(4)(a), as well as to advise the Independent Directors, the Audit and Risk Committee and the Trustee on the Proposed DC1 Acquisition and to provide an opinion on whether the Proposed DC1 Acquisition is on normal commercial terms and is not prejudicial to the interests of Keppel DC REIT and its minority Unitholders.

This letter sets out, inter alia, our views and evaluation of the Proposed DC1 Acquisition and our opinion thereon, and will form part of the Circular dated 8 October 2019 issued by Keppel DC REIT to be in relation to the Proposed DC1 Acquisition.

2. TERMS OF REFERENCE

Our responsibility is to provide an opinion in respect of the Proposed DC1 Acquisition.

Our opinion is prepared pursuant to Listing Rule 921(4)(a) as well as delivered for the use and benefit of the addressees of this letter (as appropriate) (the "**Addressees**") for their deliberations on the Proposed DC1 Acquisition, before arriving at a decision on the merits or demerits thereof, and in making any recommendations. We were not involved in any aspect of the negotiations pertaining to the Proposed DC1 Acquisition, nor were we involved in the deliberations leading up to the decisions of and recommendations by the Addressees (as appropriate) to proceed with these. The decisions of and recommendations made by the Addressees (as appropriate) shall remain their responsibility.

We have not conducted a comprehensive review of the business, operations or financial conditions of Keppel DC REIT. Our terms of reference also do not require us to evaluate or comment on the merits and/or risk, whether strategic, commercial, financial or otherwise, of the Proposed DC1 Acquisition, or on the future prospects of Keppel DC REIT and as such, we do not express opinions thereon. Such evaluations or comments remain the responsibility of the Addressees (as appropriate).

It is also not within our terms of reference to compare the relative merits of the Proposed DC1 Acquisition to any alternative transactions previously considered by, or that may have been available to, Keppel DC REIT or any alternative transactions that may be available in the future. Such evaluations or comments remain the responsibility of the Addressees (as appropriate), although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion.

In addition, we have not made any independent evaluation or appraisal of the existing or proposed assets or liabilities (including without limitation, real property) of Keppel DC REIT.

In formulating our opinion, we have held discussions with the directors of the Manager (the "**Directors**") and its management team. We have considered the information contained in the Circular, publicly available information collated by us as well as information, both written and verbal, provided by the Addressees' professional advisers, which may include solicitors, auditors, tax advisers, valuers and the Manager. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of and do not accept any responsibility for the accuracy, completeness or adequacy of all such information, provided or otherwise made available to us or relied on by us. We have nevertheless made reasonable enquiries and used our judgment in assessing and the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information.

We have relied upon the representation of the Directors including those who may have delegated detailed supervision of the Circular and the Proposed DC1 Acquisition that they have taken all reasonable care to ensure that all information and facts, both written and verbal, as provided to us by the Manager and the Addressees' professional

advisers (which may include solicitors, auditors, tax advisers and valuers) and facts as stated in the Circular are fair and accurate in all material respects and all material information and facts have been disclosed to us, and that no material information and facts have been omitted, the omission of which would render any statement in the Circular, information and facts disclosed to us or our opinion in this letter to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted responsibility in the "Directors' Responsibility Statement" of the Circular. Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information and facts.

Our opinion is based upon market, economic, industry, monetary and other conditions (where applicable) in effect on the Latest Practicable Date. Such conditions and information can change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in the light of any subsequent changes or developments after the Latest Practicable Date even if it may affect our opinion contained herein.

In rendering our opinion, we did not have regard to the general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of any Unitholder. As different Unitholders would have different investment objectives and profiles, we would advise the Addressees (as appropriate) to recommend that any Unitholder who may require specific advice in relation to his investment portfolio(s) should consult his or their stockbroker, bank manager, accountant or other professional advisers.

The Addressees (as appropriate) have been separately advised by their own professional advisers in the preparation of the Circular (other than this letter). We have no role or involvement and have not and will not provide any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this letter).

Our opinion should be considered in the context of the entirety of this letter and the Circular.

3. THE PROPOSED DC1 ACQUISITION

The full text of the details of the Proposed DC1 Acquisition, including its principal terms, is set out in Section 2 of the Circular. We recommend that the Independent Directors, the Audit and Risk Committee and the Trustee advise the minority Unitholders to read this section of the Circular carefully.

4. EVALUATION OF THE PROPOSED DC1 ACQUISITION

In our evaluation of the Proposed DC1 Acquisition, we have considered the following factors which we consider to be pertinent and to have a significant bearing on our assessment:

(i) Rationale for and benefits of the Proposed DC1 Acquisition;

(ii) Independent valuations of DC1;

(iii) Assessment of the Proposed DC1 Acquisition; and

(iv) Pro forma financial effects of the Proposed DC1 Acquisition.

We have also considered other relevant considerations which have a significant bearing on our assessment as set out in this letter.

4.1 Rationale for and benefits of the Proposed DC1 Acquisition

The full text of the rationale for and benefits of the Proposed Acquisitions (as defined in the Circular), covering the Proposed DC1 Acquisition, is set out in Section 3 of the Circular. We note that the Manager believes that the Proposed DC1 Acquisition will bring the following key benefits to Keppel DC REIT Unitholders:

(i) Distribution per Unit ("**DPU**") accretive acquisition consistent with Keppel DC REIT's investment strategy;

(ii) Strengthening of foothold in Singapore;

(iii) Greater income resilience through exposure to a larger portfolio;

(iv) Improvement in portfolio occupancy and lease profile; and

(v) Enlarged portfolio creates a stronger platform for growth.

4.2 Independent valuations of DC1

For the purpose of the Proposed DC1 Acquisition, two (2) independent valuations of DC1 were commissioned:

(i) Knight Frank Pte Ltd ("**Knight Frank**") (commissioned by the Manager); and

(ii) Edmund Tie & Company (SEA) Pte Ltd ("**Edmund Tie")** (commissioned by the Trustee)

(collectively, the "**Independent Valuations**" and the "**Independent Valuers**").

The summary valuation certificates of Knight Frank and Edmund Tie in respect of DC1 are attached as Appendix B of the Circular. The table below sets out a summary of the Independent Valuations.

Independent Valuer	Date of Valuation	Methods of Valuation	Key Assumptions	Open Market Values	Assumptions[1]
Knight Frank Pte Ltd	15 Aug 2019	Discounted Cash Flow Analysis	Discount Rate – 8.30%	S$200.5 million (based on 100% interest)	5.50% to 12.25%
			Terminal Yield – 7.65%		5.52% to 16.00%
		Income Capitalisation Approach	Capitalisation Rate – 7.40%		5.75% to 10.75%
Edmund Tie & Company (SEA) Pte Ltd	31 Aug 2019	Discounted Cash Flow Analysis	Discount Rate – 9.50%	S$201.5 million (based on 100% interest)	5.50% to 12.25%
			Terminal Yield – 8.25%		5.52% to 16.00%
		Income Capitalisation Approach	Capitalisation Rate – 8.00%		5.75% to 10.75%

Source: Independent valuation reports from Knight Frank and Edmund Tie, Keppel DC REIT's annual report for the financial year ended 31 December 2018

Note:

(1) Based on the assumptions used in the latest independent valuations of Keppel DC REIT's existing properties in Keppel DC REIT's annual report for the financial year ended 31 December 2018.

We note that both Knight Frank and Edmund Tie have adopted the same valuation methods and these are generally widely accepted methods for the purpose of valuing income producing properties.

Based on the table above, we note that:

(i) The discount rates used by the Independent Valuers in their valuation of DC1 are generally consistent with one another and are within the range of discount rates of 5.50% to 12.25% used in the latest independent valuations of Keppel DC REIT's existing properties;

(ii) The terminal yields used by the Independent Valuers in their valuation of DC1 are generally consistent with one another and are within the range of terminal yields of 5.52% to 16.00% used in the latest independent valuations of Keppel DC REIT's existing properties; and

(iii) The capitalisation rates used by the Independent Valuers in their valuation of DC1 are generally consistent with one another and are within the range of capitalisation rates of 5.75% to 10.75% used in the latest independent valuations of Keppel DC REIT's existing properties.

4.3 Assessment of the Proposed DC1 Acquisition

4.3.1 Computation of the DC1 Purchase Consideration

The DC1 Purchase Consideration is based on the adjusted net asset value ("**NAV**") of DC1PL as at the date of completion of the Proposed DC1 Acquisition ("**DC1PL Completion**", and the date of Completion, the "**DC1PL Completion Date**"). The estimated DC1 Purchase Consideration payable on the DC1PL Completion Date is S$201.8 million and is derived from:

(i) S$200.2 million, being the agreed value of DC1 (the "**DC1 Agreed Value**"); less

(ii) S$32.2 million, being the adjustments for DC1PL's adjusted net liabilities (excluding the carrying value of DC1) as at the DC1PL Completion Date[(1)]; plus

(iii) the existing shareholders' loan of S$33.8 million owed by DC1PL to the DC1 Vendors (the "**DC1PL Shareholder Loan**").

The actual amount of the DC1PL Purchase Consideration payable to the DC1 Vendors will only be determined after the DC1PL Completion Date.

The DC1 Agreed Value was negotiated on a willing-buyer and willing-seller basis taking into account the Independent Valuations of DC1.

We note that the DC1 Agreed Value of S$200.2 million is:

(i) at a discount of approximately 0.1% to Knight Frank's Independent Valuation; and

(ii) at a discount of approximately 0.6% to Edmund Tie's Independent Valuation.

For the purposes of our evaluation, we have set out below the discount percentage of the acquisition price of precedent property acquisitions by Keppel DC REIT in Singapore ("**Keppel DC REIT's Singapore Properties**") and precedent property acquisitions by other REITs in Singapore with the respective independent valuations.

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(1) For avoidance of doubt, DC1PL is in a net asset position if the carrying value of DC1 included in the adjusted net liabilities.

Exhibit 1 – Selected information on the Keppel DC REIT's Singapore Properties

Announcement Date	Buyer	Name of Property Acquired	Ownership Interest (%)	Type of Property	Acquisition Price (S$ Million)	Appraised Value (S$ Million)	Discount/(Premium) of Acquisition Price to Appraised Value (%)
7 May 2018	Keppel DC REIT	Keppel DC Singapore 5 ("**KDC SGP 5**")	99.0	Data Centre	298.1[(1)]	320.0[(2)]	6.8
17 Oct 2016	Keppel DC REIT	Keppel DC Singapore 3 ("**KDC SGP 3**")	90.0	Data Centre	225.0[(3)]	230.5[(4)]	2.4
5 Dec 2014	Keppel DC REIT	Keppel DC Singapore 2 ("**KDC SGP 2**")	100.0	Data Centre	162.0	162.0	0.0
5 Dec 2014	Keppel DC REIT	Keppel DC Singapore 1 ("**KDC SGP 1**")	100.0	Data Centre	262.8	262.8	0.0
Maximum					298.1	320.0	6.8
Minimum					162.0	162.0	0.0
Average					237.0	243.8	2.3
Median					243.9	246.7	1.2

Source: IPO prospectus dated 5 December 2014, Keppel DC REIT's annual report for the financial year ended 31 December 2018, circular to Keppel DC REIT Unitholders dated 18 October 2016 and relevant press releases of Keppel DC REIT

Notes:

(1) Based on 100.0% of the agreed property value.

(2) Based on 100.0% of the open market value of the target interest (without rental support).

(3) Based on 100.0% of the agreed property value.

(4) Based on the average of two independent valuations (with client II colocation charge guarantee) of S$230.0 million and S$231.0 million for 100.0%.

The Independent Directors, the Audit and Risk Committee and the Trustee should note that certain circumstances and terms relating to the Keppel DC REIT's Singapore Properties are unique and might not be identical to the Proposed DC1 Acquisition and are largely dependent on the market sentiments prevailing at the time of such Keppel DC REIT's Singapore Properties. The Keppel DC REIT's Singapore Properties may differ from DC1 in terms of tenure, building specifications, gross floor area ("**GFA**"), net lettable area ("**NLA**"), location, country, accessibility, composition of tenants, market risks, track record, future prospects and other relevant criteria. The information relating to the Keppel DC REIT's Singapore Properties has been compiled from relevant public sources where available. Consequently, the Independent Directors, the Audit and Risk Committee and the Trustee should note that the above comparison is merely for illustrative purposes and serves as a general guide only.

Exhibit 2 – Selected information on precedent property acquisitions by other REITs in Singapore within the last twelve months

Announcement Date	Buyer	Name of Property Acquired	Ownership Interest (%)	Type of Property	Acquisition Price (S$ Million)	Appraised Value (S$ Million)	Discount/(Premium) of Acquisition Price to Appraised Value (%)
17 Jun 2019	ESR-REIT	48 Pandan Road	100.0	Industrial	225.0	225.0	0.0
16 May 2019	Frasers Centrepoint Trust	Waterway Point	33.3	Retail	1,300.0[(1)]	1,300.0[(2)]	0.0
30 Apr 2018	SPH REIT	The Rail Mall	100.0	Retail	63.2	62.9	(0.5)
13 Dec 2018	Mapletree Industrial Trust	18 Tai Seng Drive	100.0	Industrial	268.3[(3)]	269.2[(4)]	0.3
10 Sep 2018	OUE Commercial Real Estate Investment Trust	Office components of OUE Downtown	100.0	Office	908.0	936.0[(5)]	3.0
27 Aug 2018	CapitaLand Mall Trust	Westgate	70.0	Retail	1,128.0[(6)]	1,127.5[(7)]	0.0
5 Jul 2018	Mapletree Logistics Trust	Five ramp-up properties	100.0	Logistics	730.0	755.2	3.3
24 Apr 2018	ESR-REIT	15 Greenwich Drive	100.0	Logistics	95.8[(8)]	96.4[(8)]	0.6
Maximum					1,300.0	1,300.0	3.3
Minimum					63.2	62.9	(0.5)
Average					589.8	596.5	0.8
Median					499.2	512.2	0.2

Source: Press releases for the respective acquisitions

Notes:

(1) Based on 100.0% of the agreed property value.

(2) Based on the average of two independent valuations of S$1,305.0 million and S$1,295.0 million for 100.0%.

(3) Based on the agreed property value.

(4) Based on the average of two independent valuations of S$268.3 million and S$270.0 million for 100.0%.

(5) Based on the average of two independent valuations of S$927.0 million and S$945.0 million for 100.0%.

(6) Based on 100.0% of the agreed market value.

(7) Based on the average of two independent valuations of S$1,130.0 million and S$1,125.0 million for 100.0%.

(8) Inclusive of upfront land premium payable for the balance lease term.

Whilst we have made our comparisons against precedent property acquisitions by other REITS in Singapore, we wish to highlight that these properties might be different from DC1 in terms of building size and design, location, tenant composition, operating history, GFA, NLA and other relevant factors. In addition, the list of selected precedent property acquisitions is by no means exhaustive and information relating to these were compiled from publicly available information. The Independent Directors and Trustee should note that the above comparison is merely for illustrative purposes and serves as a general guide only.

In reviewing the information above, we note that the discount percentage of the DC1 Agreed Value to the Independent Valuations is within the range of the discount percentage of the acquisition price to the appraised value of both the Keppel DC REIT's Singapore Properties and the precedent property acquisitions by other REITs in Singapore.

4.3.2 Comparison with relevant past transactions in Singapore

We have looked at publicly available information in respect of completed transactions of data centre properties located in Singapore. While we have identified past completed transactions of data centres in Singapore, we were unable to confirm if they were operated under a similar model and lease arrangement as DC1.

As such, we are unable to provide a meaningful comparison of these transactions of data centre properties located in Singapore with DC1.

4.3.3 Comparison with comparable properties in Singapore

We have looked at publicly available information in respect of recent valuations of data centre properties located in Singapore. While we have considered that there are other real estate investment trusts listed on the SGX-ST which also own data centre properties, we are unable to provide a meaningful comparison of these properties with DC1, primarily because of a lack of publicly available information to ascertain whether they operate under a similar model and lease arrangement as DC1.

As such, we are unable to provide a meaningful comparison of recent valuations of these data centre properties located in Singapore with DC1.

4.3.4 Comparison with Keppel DC REIT's existing portfolio

We have compared the net property yield of DC1 with the net property yield of other data centres under the existing portfolio of properties currently held by Keppel DC REIT (the "**Keppel DC REIT's Existing Portfolio**"). A summary of the comparison is set out in Exhibit 3 below:

Exhibit 3 – Net property yield of Keppel DC REIT's Existing Portfolio

Property	Country	Lease Type (Colocation/ Shell and Core/ Fully-fitted)	Occupancy Rate (%) (as at 30 June 2019)	Ownership Interest (%)	Market Value (S$ million)[2]	Net Property Income (S$ million)[3]	Net Property Yield (%)[3]
Keppel DC REIT's Existing Portfolio[1]							
KDC SGP 5[4]	Singapore	Colocation (Keppel lease)	84.2	99.0	316.8	112.4	8.0%
KDC SGP 3	Singapore	Colocation (Keppel lease)	100.0	90.0	231.3		
KDC SGP 2	Singapore	Colocation (Keppel lease)	100.0	100.0	169.0		
KDC SGP 1	Singapore	Colocation (Keppel lease)	86.9	100.0	287.0		
KDC DUB 1	Ireland	Colocation	61.8	100.0	76.0		
KDC DUB 2	Ireland	Colocation	90.7	100.0	103.8		
Basis Bay DC	Malaysia	Colocation	63.1	99.0	27.7		
Gore Hill DC[5]	Australia	Shell and Core (triple-net lease)/ Colocation	100.0	100.0	196.2		
Intellicentre 2 Data Centre	Australia	Shell and Core (triple-net lease)	100.0	100.0	51.0	16.3	9.5%
Milan Data Centre	Italy	Shell and Core (double-net lease)	100.0	100.0	56.7		
Cardiff Data Centre	United Kingdom	Shell and Core (triple-net lease)	100.0	100.0	64.9		

Property	Country	Lease Type (Colocation/ Shell and Core/ Fully-fitted)	Occupancy Rate (%) (as at 30 June 2019)	Ownership Interest (%)	Market Value (S$ million)[2]	Net Property Income (S$ million)[3]	Net Property Yield (%)[3]
iseek Data Centre	Australia	Fully-fitted (double-net lease)	100.0	100.0	32.9		
GV7 Data Centre	United Kingdom	Fully-fitted (triple-net lease)	100.0	100.0	63.0		
Almere Data Centre	Netherlands	Fully-fitted (double-net lease)	100.0	100.0	137.6	28.9	7.9%
maincubes Data Centre	Germany	Fully-fitted (triple-net lease)	100.0	100.0	134.1		
Maximum					316.8	112.4	9.5%
Minimum					27.7	16.3	7.9%
Average					129.9	52.6	8.4%
Median					103.8	28.9	8.0%
DC1	**Singapore**	**Fully-fitted/Shell and Core (triple-net lease)**	**100.0**	**100.0**	**200.2[6]**	**18.0[7]**	**9.0%[7]**

Source: Keppel DC REIT's annual report for the financial year ended 31 December 2018, Keppel DC REIT's investor presentation slide for 1H2019 as at 30 June 2019

Notes:

(1) We have excluded Intellicentre 3 East Data Centre as it is still under development.

(2) Based on Keppel DC REIT's investor presentation slide for 1H2019 as at 30 June 2019 and Appendix A of the Circular.

(3) As Keppel DC REIT only discloses the historical financial performance of its portfolio by lease type, the net property yields are computed based on the net property income for each lease type for the financial year ended 31 December 2018 divided by the aggregate valuation of the properties for each lease type.

(4) We note that the acquisition of KDC SGP 5 was completed on 12 June 2018. Hence, the net property income of KDC SGP 5 is for the period of 12 June 2018 to 31 December 2018.

(5) Based on our discussions with the Management, we understand that the market value of Gore Hill DC is classified under the Colocation lease type whereas the net property income is split between Colocation and Shell and Core. Further, we understand that a majority of the net property income is from the Colocation lease. We understand from the Management that the impact of this split on the net property yield for the respective lease types is deemed not to be material.

(6) Figure refers to DC1 Agreed Value.

(7) Based on the forecasted net operating income (EBITDA) figures as detailed in the discounted cash flow analysis methods of the Independent Valuations for year 1 as indicated in the Independent Valuers' reports, divided by the DC1 Agreed Value.

We note that the net property yield of DC1 of 9.0% is within the range of the net property yield of the Keppel DC REIT's Existing Portfolio.

We have also compared the DC1 Agreed Value psf of Attributable GFA of DC1 with the market value psf of attributable GFA of other data centres under the Keppel DC REIT's Existing Portfolio. A summary of the comparison is set out in Exhibit 4 below:

Exhibit 4 – Market value psf of attributable GFA of Keppel DC REIT's Existing Portfolio

Property Name	Land Lease Expiry[1]	Years to Land Lease Expiry[1]	Ownership Interest (%)	Date of Valuation	Market Value (S$ million)[2]	Attributable GFA (sf)[2][10]	Market Value per Attributable GFA (S$ psf)
Keppel DC REIT's Existing Portfolio[3]							
KDC SGP 5	31 Aug 2041	21	99.0	31 Dec 2018	316.8[4]	206,015[4]	1,538
KDC SGP 3	31 Jan 2052	32	90.0	31 Dec 2018	231.3[5]	120,490[5]	1,920
KDC SGP 2	31 Jul 2051	31	100.0	31 Dec 2018	169.0	106,726	1,583
KDC SGP 1	30 Sep 2055	36	100.0	31 Dec 2018	287.0	225,945	1,270
KDC DUB 1	11 Apr 2041	21	100.0	31 Dec 2018	76.0	125,044	608
KDC DUB 2	31 Dec 2997	978	100.0	31 Dec 2018	103.8	76,747	1,352
Basis Bay DC	Freehold	–	99.0	31 Dec 2018	27.7[6]	87,714[6]	316
Gore Hill DC	Freehold	–	100.0	31 Dec 2018	196.2	127,283	1,541
Intellicentre 2 Data Centre	Freehold	–	100.0	31 Dec 2018	51.0	87,930[9]	580
Milan Data Centre	Freehold	–	100.0	31 Dec 2018	56.7	165,389[9]	343
Cardiff Data Centre	Freehold	–	100.0	31 Dec 2018	64.9	79,439[9]	817
iseek Data Centre	29 Jun 2047	28	100.0	31 Dec 2018	32.9	28,955	1,136
GV7 Data Centre	28 Sep 2183	164	100.0	31 Dec 2018	63.0	34,848	1,808
Almere Data Centre	Freehold	–	100.0	31 Dec 2018	137.6	118,403[9]	1,162
maincubes Data Centre	Freehold	–	100.0	31 Dec 2018	134.1	97,043[9]	1,382
Maximum					316.8	225,945	1,920
Minimum					27.7	28,955	316
Average					129.9	112,531	1,157
Median					103.8	106,726	1,270
DC1	**1 Aug 2044**	**24**	**100.0**	**16 Sep 2019[7]**	**200.2[8]**	**213,815[9]**	**936**

Source: Keppel DC REIT's investor presentation slide for 1H2019 as at 30 June 2019

Notes:

(1) From Latest Practicable Date and taking into account the extension period upon expiry of the existing lease.

(2) Based on Keppel DC REIT's investor presentation slide for 1H2019 as at 30 June 2019 and Appendix A of the Circular.

(3) We have excluded Intellicentre 3 East Data Centre as it is still under development.

(4) Figure is based on Keppel DC REIT's 99.0% interest in KDC SGP 5.

(5) Figure is based on Keppel DC REIT's 90.0% interest in KDC SGP 3.

(6) Figure is based on Keppel DC REIT's 99.0% interest in Basis Bay DC.

(7) Figure refers to the date of sale and purchase agreement. The valuation dates are indicated in Section 4.2 of this letter.

(8) Figure refers to DC1 Agreed Value.

(9) For master leased assets where GFA is unavailable, lettable area is used.

(10) Attributable GFA is based on the ownership interest (%) of the respective data centres.

We note that the DC1 Agreed Value psf of Attributable GFA of S$936 is within the range of the market value psf of attributable GFA of the Keppel DC REIT's Existing Portfolio.

The Independent Directors, the Audit and Risk Committee and the Trustee should note that the above analysis is limited in its utility to the extent that DC1 differs from the Keppel DC REIT's Existing Portfolio in respect of tenure, building specifications, GFA, NLA, location, country, accessibility, composition of tenants, market risks, track record, future prospects and other relevant criteria. In addition, we note that the valuations of the Keppel DC REIT's Existing Portfolio were undertaken at different points in time under different market and economic conditions, and the information of Keppel DC REIT's Existing Portfolio has been compiled from relevant public sources where available. Consequently, the Independent Directors, the Audit and Risk Committee and the Trustee should note that the above comparison is merely for illustrative purposes and serves as a general guide only.

4.4 Pro forma financial effects of the Proposed DC1 Acquisition

The full text of the pro forma financial effects of the Proposed DC1 Acquisition is set out in Section 4 of the Circular.

Exhibit 5 – Pro forma DPU

Effects of Proposed DC1 Acquisition	Before the Proposed DC1 Acquisition	After the Proposed DC1 Acquisition
Net Profit Before Tax (S$'000)	151,021	165,237
Distributable Income (S$'000)	96,096	109,213
Issued Units ('000)	1,351,578[(1)]	1,442,558[(2)]
DPU (cents)	7.32	7.79
Accretion (%)	–	6.4

Notes:

(1) Number of Units issued as at 31 December 2018.

(2) Assuming (i) approximately 46.0 million New Units (at an illustrative issue price of S$1.744 per Unit) issued via the Placement, (ii) approximately 43.8 million New Units (at an illustrative issue price of S$1.71 per Unit) issued via the Preferential Offering, and (iii) approximately 1.1 million Acquisition Fee Units (at an illustrative issue price of S$1.770 per Unit) issuable to the Manager in relation to the Proposed DC1 Acquisition.

Based on the assumptions set out in the Circular, including the proposed method of financing, we note that the Proposed DC1 Acquisition is expected to be DPU accretive.

5. OTHER RELEVANT CONSIDERATIONS

5.1 DC1 is being sold with the existing master lease agreement

DC1 is currently on a triple-net master lease with a weighted average lease expiry of approximately 17 years as at 30 June 2019, with an option to renew for another 7.6 years. The master lease agreement would continue following completion of the Proposed DC1 Acquisition.

This master lease agreement was entered into on 12 April 2016, the terms of which were negotiated on an arm's length basis with full participation of the DC1 Vendors and the underlying tenant. The DC1 Vendors comprise of CityDC, which is wholly-owned by Keppel Infrastructure Trust ("**KIT**"), and WDCD, which is wholly-owned by Shimizu Corporation. CityDC and WDCD own 51.0% and 49.0% of DC1PL, respectively. The Management has confirmed that the terms of this master lease agreement have not been amended.

According to the circular dated 29 July 2014 issued to the unitholders of CitySpring Infrastructure Trust (now known as KIT) with regards to this master lease agreement, we note that the independent financial adviser had then opined that this master lease agreement was entered into on normal commercial terms and was subsequently approved by the then unitholders of CitySpring Infrastructure Trust at the EGM held in this regard.

Further, we also note that the long term nature of DC1's master lease is expected to provide greater income stability to Keppel DC REIT.

6. OPINION

6.1 In arriving at our opinion in respect of the Proposed DC1 Acquisition, we have reviewed and examined the following factors which we consider to be pertinent in our assessment:

(i) Rationale for and benefits of the Proposed DC1 Acquisition;

(ii) The DC1 Agreed Value represents a discount of approximately 0.1% and approximately 0.6% to Knight Frank and Edmund Tie's Independent Valuations respectively, which are within the range of the discount percentage of the Keppel DC REIT's Singapore Properties and the precedent property acquisitions by other REITs in Singapore;

(iii) The net property yield of DC1 is within the range of the net property yields of Keppel DC REIT's Existing Portfolio;

(iv) The DC1 Agreed Value psf of Attributable GFA is within the range of the market value psf of attributable GFA of the Keppel DC REIT's Existing Portfolio;

(v) Based on the assumptions set out in the Circular, including the proposed method of financing, the Proposed DC1 Acquisition is expected to be DPU accretive; and

(vi) With regards to the existing master lease agreement, according to the circular dated 29 July 2014 issued to the unitholders of CitySpring Infrastructure Trust (now known as KIT), the independent financial adviser had then opined that this master lease agreement was entered into on normal commercial terms and was subsequently approved by the then unitholders of CitySpring Infrastructure Trust

at the EGM held in this regard. The terms of this master lease agreement were negotiated on an arm's length basis with full participation of WDCD (wholly-owned by Shimizu Corporation), which owns 49.0% of DC1PL. The Management has confirmed that the terms of this master lease agreement have not been amended. Further since DC1 is being sold with this master lease agreement, it is expected to provide greater income stability to Keppel DC REIT.

After carefully considering the information available to us and our analysis set out above as at the Latest Practicable Date, and based upon the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, and subject to our terms of reference set out in Section 2 of this letter, we are of the opinion that the Proposed DC1 Acquisition is on normal commercial terms and not prejudicial to Keppel DC REIT and its minority Unitholders.

Accordingly, we advise the Independent Directors and the Audit and Risk Committee to recommend that the minority Unitholders vote in favour of the Proposed DC1 Acquisition.

This opinion is prepared and delivered pursuant to Rule 921(4)(a) of the Listing Manual and the Property Funds Appendix, as well as addressed to the Independent Directors, the Audit and Risk Committee and the Trustee, in connection with and for the purpose of their consideration of the Proposed DC1 Acquisition. Any statement or recommendation made by the Independent Directors or the Audit and Risk Committee in respect of the terms of the Proposed DC1 Acquisition shall remain their responsibility. Our opinion does not and cannot take into account future circumstances, including market, economic, industry, monetary and other conditions after the Latest Practicable Date as these are factors beyond the ambit of our review.

A copy of this letter may be reproduced in the Circular.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours truly,

For and behalf of
KPMG Corporate Finance Pte Ltd

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Keppel DC REIT

(Constituted in the Republic of Singapore pursuant to a trust deed dated 17 March 2011 (as amended))

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an **EXTRAORDINARY GENERAL MEETING** ("**EGM**") of Keppel DC REIT will be held on 23 October 2019 at 2.00 p.m. at Level 3, Hibiscus Ballroom 3601A-4 & 3701A-4, Sands Expo and Convention Centre, 10 Bayfront Avenue, Singapore 018956, for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

(1) ORDINARY RESOLUTION 1

THE PROPOSED ACQUISITION OF 99.0% INTEREST IN THE COMPANY WHICH HOLDS KEPPEL DC SINGAPORE 4 ("KDC SGP 4"), THE ENTRY INTO THE KEPPEL LEASE AGREEMENT, THE FACILITY MANAGEMENT AGREEMENT AND THE LLP AGREEMENT ("PROPOSED KDC SGP 4 TRANSACTION")

That:

(i) approval be and is hereby given for the proposed acquisition of 9,900,000 ordinary shares being 99.0% of the issued share capital in Keppel DC Singapore 4 Pte. Ltd. ("**KDCS4PL**" and (following the conversion of KDCS4PL into a limited liability partnership) collectively with Keppel DC Singapore 4 LLP, the "**KDC SGP 4 Target Entity**", and the proposed acquisition of 99.0% of the issued share capital in the KDC SGP 4 Target Entity, the "**Proposed KDC SGP 4 Acquisition**"), which holds KDC SGP 4 (as defined in the Circular), from Thorium DC Pte. Ltd. (the "**KDC SGP 4 Vendor**"), on the terms and conditions set out in the share purchase agreement (the "**KDC SGP 4 Share Purchase Agreement**") dated 16 September 2019 made between Perpetual (Asia) Limited (in its capacity as trustee of Keppel DC REIT) (the "**Trustee**") and the KDC SGP 4 Vendor, and the entry into the KDC SGP 4 Share Purchase Agreement be and is hereby approved and ratified;

(ii) approval be and is hereby given for the payment of all fees and expenses relating to the Proposed KDC SGP 4 Transaction;

(iii) approval be and is hereby given for the proposed entry into the lease agreement (the "**Keppel Lease Agreement**") between the KDC SGP 4 Target Entity and Keppel DC Singapore 2 Pte. Ltd. ("**KDCS2PL**" or the "**Keppel Lessee**" or the "**Facility Manager**") on the terms and conditions set out in the form of the Keppel Lease Agreement contained in the letter agreement between the Trustee, KDCS2PL and Keppel Data Centre Holdings Pte. Ltd. ("**Letter Agreement**");

(iv) approval be and is hereby given for the proposed entry into the facility management agreement (the "**Facility Management Agreement**") between the KDC SGP 4 Target Entity and the Facility Manager, on the terms and conditions set out in the form of the facility management agreement contained in the Letter Agreement;

(v) approval be and is hereby given for the proposed entry into the limited liability partnership agreement to convert KDCS4PL to a limited liability partnership (the "**LLP Agreement**") on the terms and conditions set out in the form of the LLP agreement contained in the Letter Agreement; and

(vi) Keppel DC REIT Management Pte. Ltd., as the manager of Keppel DC REIT, (the "**Manager**"), any director or Chief Executive Officer of the Manager, and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such director or Chief Executive Officer of the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of Keppel DC REIT to give effect to the Proposed KDC SGP 4 Acquisition, the entry into the Keppel Lease Agreement, the Facility Management Agreement, the LLP Agreement and all transactions in connection therewith.

(2) ORDINARY RESOLUTION 2

THE PROPOSED ACQUISITION OF 100.0% INTEREST IN THE COMPANY WHICH HOLDS THE DATA CENTRE LOCATED AT 18 RIVERSIDE ROAD, SINGAPORE ("DC1")

That:

(i) approval be and is hereby given for the proposed acquisition of 1,000,000 ordinary shares being 100.0% of the issued share capital in DataCentre One Pte. Ltd. ("**DC1PL**" and the proposed acquisition of 100.0% of the issued share capital in DC1PL, the "**Proposed DC1 Acquisition**"), which holds DC1 (as defined in the Circular), from CityDC Pte. Ltd. ("**CityDC**") and WDC Development Pte. Ltd. ("**WDCD**") (collectively, the "**DC1 Vendors**"), on the terms and conditions set out in the share purchase agreement (the "**DC1 Share Purchase Agreement**") dated 16 September 2019 made between Perpetual (Asia) Limited (in its capacity as trustee of Keppel DC REIT) (the "**Trustee**") and the DC1 Vendors, and the entry into the DC1 Share Purchase Agreement be and is hereby approved and ratified;

(ii) approval be and is hereby given for the payment of all fees and expenses relating to the Proposed DC1 Acquisition; and

(iii) Keppel DC REIT Management Pte. Ltd., as the manager of Keppel DC REIT, (the "**Manager**"), any director or Chief Executive Officer of the Manager, and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such director or Chief Executive Officer of the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of Keppel DC REIT to give effect to the Proposed DC1 Acquisition and all transactions in connection therewith.

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

Winnie Mak/Kelvin Chua
Company Secretaries
Singapore
8 October 2019

Important Notice:

(1) A unitholder of Keppel DC REIT ("**Unitholder**") who is not a relevant intermediary entitled to attend and vote at the EGM is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder.

(2) Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.

(3) A Unitholder who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than one proxy to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed in the Proxy Form (as defined below).

"**relevant intermediary**" means:

(a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds Units in that capacity; or

(c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

(4) The instrument appointing a proxy must be deposited at the Unit Registrar's office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 20 October 2019 at 2.00 p.m., being 72 hours before the time fixed for the EGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM of Keppel DC REIT and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the EGM of Keppel DC REIT (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM of Keppel DC REIT (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), and (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

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PROXY FORM

Keppel DC REIT

(Constituted in the Republic of Singapore pursuant to a trust deed dated 17 March 2011 (as amended))

EXTRAORDINARY GENERAL MEETING

IMPORTANT:

1. A relevant intermediary (as defined in the Notes Overleaf), may appoint more than one proxy to attend and vote at the Extraordinary General Meeting.
2. For CPF/SRS investors who have used their CPF monies to buy units in Keppel DC REIT ("Units"), this Circular is forwarded to them at the request of their CPF Agent Banks/SRS Operators and is sent solely FOR INFORMATION ONLY.
3. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. A CPF/SRS Investor who wishes to attend the Extraordinary General Meeting as proxy has to submit his/her request to his/her CPF Agent Bank/SRS Operator so that his/her CPF Agent Bank/SRS Operator may appoint him/her as its proxy within the specified timeframe (CPF Agent Bank/SRS Operator: Please refer to Notes 3 and 5 on the reverse side of this form on the required details.)

PLEASE READ THE NOTES TO THE PROXY FORM.

Personal data privacy
By submitting an instrument appointing proxy or proxies and/or representative(s), a unitholder of Keppel DC REIT accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 8 October 2019.

I/We _____
(Name(s) and NRIC Number(s)/Passport Number(s)/Company Registration Number)

of _____ (Address)
being a unitholder/unitholders of Keppel DC REIT, hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			No. of Units	%

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and if necessary, to demand a poll, at the Extraordinary General Meeting of Keppel DC REIT to be held at Level 3, Hibiscus Ballroom 3601A-4 & 3701A-4, Sands Expo and Convention Centre, 10 Bayfront Avenue, Singapore 018956, on 23 October 2019 at 2.00 p.m. and any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolution to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Extraordinary General Meeting.

No.	Resolution	Number of Votes For*	Number of Votes Against*
	ORDINARY RESOLUTION		
1.	To approve the Proposed Acquisition of 99.0% interest in the Company which holds Keppel DC Singapore 4 and the Entry into the Keppel Lease Agreement, the Facility Management Agreement and the LLP Agreement		
2.	To approve the Proposed Acquisition of 100.0% interest in the Company which holds the data centre located at 18 Riverside Road, Singapore		

* *If you wish to exercise all your votes "For" or "Against" against the relevant Resolution, please mark with an "X" within the relevant box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this _____ day of _____ 2019

Total number of Units held

_____
Signature(s) of Unitholder(s)/Common Seal of Corporate Unitholder

IMPORTANT: Please read the notes overleaf before completing this Proxy Form

Notes to the Proxy Form

1. A unitholder of Keppel DC REIT ("**Unitholder**") who is not a relevant intermediary entitled to attend and vote at the Extraordinary General Meeting ("**EGM**") is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a Unitholder.

2. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.

3. A Unitholder who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than one proxy to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, it should annex to the instrument appointing proxies (the "**Proxy Form**") the proxy or the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of unitholding (number of Units and percentage) in relation to which the proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank/SRS Operator who intends to appoint CPF/SRS investors as its proxies shall comply with this Note.

   "**relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds Units in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. A Unitholder should insert the total number of Units held in the Proxy Form. If the Unitholder has Units entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he/she should insert that number of Units. If the Unitholder has Units registered in his/her name in the Register of Unitholders of Keppel DC REIT, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders, he/she should insert the aggregate number of Units. If no number is inserted, this Proxy Form will be deemed to relate to all the Units held by the Unitholder.

5. The Proxy Form must be deposited at the Unit Registrar's office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 72 hours before the time set for the EGM.

6. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a duly certified copy of such power of attorney must (failing previous registration with the Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

8. The Manager and the Trustee shall have the right to reject any Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager: (a) may reject any Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by CDP to the Manager; and (b) shall be entitled and bound to accept as accurate the number of Units entered against the name of that Unitholder as shown in the Depository Register as at a time not earlier than 72 hours prior to the time of the EGM, supplied by CDP to the Trustee and to accept as the maximum number of votes which in aggregate that Unitholder and his/her proxy/ies (if any) are able to cast on a poll a number which is the number of Units entered against the name of that Unitholder as shown in the Depository Register, whether that number is greater or smaller than that specified by the Unitholder or in the Proxy Form.

9. All Unitholders will be bound by the outcome of the EGM regardless of whether they have attended or voted at the EGM.

10. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he/she is the Unitholder. There shall be no division of votes between a Unitholder who is present in person and voting at the EGM and his/her proxy(ies). A person entitled to more than one vote need not use all his/her votes or cast them in the same way.