

ENTRY INTO A SUPPLEMENTAL DEED IN RELATION TO DC1

1. INTRODUCTION

Keppel DC REIT Management Pte. Ltd., in its capacity as manager of Keppel DC REIT (the “**Manager**”), is pleased to announce that Keppel DC REIT, through Datacentre One Pte. Ltd., has entered into a deed (the “**Supplemental Deed**”) to supplement the existing master lease agreement dated 12 April 2016 (the “**Existing Master Lease Agreement**”) with the master lessee, 1-Net Singapore Pte. Ltd. (“**1-Net Singapore**”), in relation to the data centre located at 18 Riverside Road, Singapore 739088 (“**DC1**”).

2. DISCLOSURE REQUIREMENTS

As at the date of this announcement, Keppel Corporation Limited (“**KCL**”), through Keppel Telecommunications & Transportation Ltd (“**Keppel T&T**”) and Keppel Capital Holdings Pte. Ltd. (“**Keppel Capital**”), holds an aggregate interest in 377,917,648 units in Keppel DC REIT (“**Units**”), which is equivalent to approximately 23.2% 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 Singapore Exchange Securities Trading Limited (the “**Listing Manual**”) and Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the “**Property Funds Appendix**”). In addition, as the Manager is owned by (i) Keppel T&T through Keppel Data Centres Pte. Ltd. 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.

Based on information available to the Manager as at 10 December 2019, Temasek Holdings (Private) Limited (“**THPL**”) has no direct interest in the Units. However, THPL is, through certain independently-managed subsidiaries and associated companies, deemed interested in an aggregate of 388,496,245 Units, equivalent to approximately 23.82% 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 21.47% interest in KCL, THPL is a “controlling shareholder” of the Manager under both the Listing Manual and the Property Funds Appendix. For the avoidance of doubt, KCL has no interest in 1-Net Singapore.

The master lessee, 1-Net Singapore, is an interested person of Keppel DC REIT as it is a wholly-owned subsidiary of THPL. Therefore, the entry into the Supplemental Deed will constitute an “interested person transaction” under Chapter 9 of the Listing Manual.

3. RATIONALE

Under the Existing Master Lease Agreement, it is provided that Datacentre One Pte. Ltd. shall pay for the costs of the construction, installation and completion of Additional Core M&E to support the expansion of 1-Net's business and operations at the data centre. The Manager has negotiated for the payment of such costs to be made to the main contractor only at the completion of the works which will also be concurrent with the commencement of an additional stream of income which is expected to be DPU accretive.

The Manager believes the entry into the Supplemental Deed is beneficial to Unitholders as it allows for DC1 to be further optimised and that Unitholders would benefit from the additional stream of income for a period of 10 years.

4. DETAILS OF THE SUPPLEMENTAL DEED

Certain terms of the Supplemental Deed are as follows:

- (i) Keppel DC REIT shall pay up to S\$56.6 million to fund the costs of the additional core M&E to be installed for levels 2 and 3 of DC1 (the "**Additional Core M&E**"), with 1-Net Singapore to pay for any costs exceeding S\$56.6 million;
- (ii) 1-Net Singapore shall pay additional rent computed based on a certain percentage of the actual costs paid by Keppel DC REIT for the design, construction, installation and completion of the Additional Core M&E, subject to the additional rent being a minimum amount of S\$6.890 million per annum and the maximum amount will be S\$7.358 million per annum (the "**Additional Core M&E Rent**");
- (iii) 1-Net Singapore shall pay the Additional Core M&E Rent for a period of 10 years commencing on the date of the handover to 1-Net Singapore of the Additional Core M&E for levels 2 and 3 (the "**Relevant Period**"); and
- (iv) design, construction, installation and completion of the Additional Core M&E shall be carried out under the supervision and management of 1-Net Singapore but for the avoidance of doubt, no fees shall be borne by Keppel DC REIT or Datacentre One Pte. Ltd. in respect of such obligation of 1-Net Singapore to supervise, monitor and manage the design, construction, installation and completion of the Additional Core M&E for the Additional Floors. The vendor(s) designing, constructing and/or installing the Additional Core M&E shall be solely liable for any and all delay and/or quality issues in relation to the design, construction and installation of the Additional Core M&E.

5. AUDIT AND RISK COMMITTEE STATEMENT

The audit and risk committee of the Manager is of the view that the terms of the Supplemental Deed is on normal commercial terms and is not prejudicial to the interests of Keppel DC REIT and its minority unitholders.

6. OTHER INTERESTED PERSON TRANSACTIONS

As at the date of this announcement, the aggregate transaction value of the Supplemental Deed together with the other transactions entered into between (1) Keppel DC REIT and (2) THPL and their subsidiaries and associates in the current financial year is approximately S\$73.6 million (taking into account the definition of “same interested person” as set out in Rule 908 of the Listing Manual) (inclusive of the value of the Supplemental Deed). The aggregate transaction value of all interested person transactions in the current financial year is approximately S\$1,295.6 million (inclusive of the value of the Supplemental Deed).

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

Winnie Mak / Kelvin Chua
Company Secretaries
10 December 2019

Important Notice:

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

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events. The past performance of Keppel DC REIT and the Manager are not necessarily indicative of the future performance of any of them.

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of Keppel DC REIT may only deal in their Units through trading on Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.