Keppel Ltd.
1 HarbourFront Avenue Level 2 Keppel Bay Tower Singapore 098632
T +65 6270 6666 **F** +65 6413 6391 keppel.com
UEN 196800351N

ADJUSTED LEASE EXTENSION AGREEMENT FOR DATA CENTRE BUILDINGS AT 82 GENTING LANE, SINGAPORE 349567

Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings given to them in the 19 November 2024 Announcement (as defined below).

1. BACKGROUND

1.1 Introduction

Keppel Ltd. ("**Keppel**" or the "**Company**") refers to the announcements dated (a) 19 November 2024 (the "**19 November 2024 Announcement**") in relation to the proposed disposal of its effective interests in two data centre buildings, namely, KDC SGP 7 and KDC SGP 8, both of which are located at 82 Genting Lane, Singapore 349567 (the "**Property**"), to Perpetual (Asia) Limited, in its capacity as trustee of KDCR Singapore Sub-Trust 1 (the "**Purchaser**")[1]; (b) 27 December 2024 in relation to the completion of the disposal of such interests in KDC SGP 7 and KDC SGP 8 to the Purchaser; and (c) 3 September 2025 in relation to the exercise of the Call Option by the Purchaser pursuant to which Keppel's wholly-owned subsidiary, Keppel Griffin Pte. Ltd. ("**Keppel Griffin**"), divested to the Purchaser the remaining 51% interest in Memphis 1 Pte. Ltd. ("**Memphis 1**") and the remaining 0.51% interest in the New Class B Notes issued by Memphis 1. Keppel no longer holds any interests in Memphis 1 nor economic interests in KDC SGP 7 and KDC SGP 8.

1.2 Land Tenure Lease Extension

As disclosed in the 19 November 2024 Announcement:

(a) the initial leasehold term granted by JTC Corporation ("**JTC**") in respect of the Property is 60 years commencing from 16 July 1980 and expiring on 15 July 2040 (the "**JTC Initial Lease**");

(b) following the exercise of the Call Option, (i) Keppel DC Services Pte. Ltd. (formerly known as Geras DC Pte. Ltd.) ("**Keppel DC**") and TPM Pte. Ltd. ("**TPM**")[2] (collectively, the "**Sellers**"), (ii) Alpha DC Fund Private Limited ("**ADCF**"), ADC Geras Pte. Ltd. ("**ADC Geras**"), ADCF C Private Limited ("**ADCF C**"), Keppel DC Singapore 6 Pte. Ltd. ("**Keppel DC SG6**") and Times Genting Pte. Ltd. ("**Times**

[1] The Purchaser is wholly-owned by Keppel DC REIT, which is a real estate investment trust listed on the SGX-ST. Keppel has a 19.1% interest in Keppel DC REIT and the manager of Keppel DC REIT (Keppel DC REIT Management Pte. Ltd.) is a wholly-owned subsidiary of Keppel. Keppel's interest in Keppel DC REIT arises from its shareholdings in (i) Keppel DC Investment Holdings Pte. Ltd., a wholly-owned subsidiary of Keppel Management Ltd., which is in turn a subsidiary of Keppel, and (ii) Keppel DC REIT Management Pte. Ltd., a wholly-owned subsidiary of Keppel Capital Holdings Pte. Ltd., which is in turn a subsidiary of Keppel.

[2] TPM is a wholly-owned subsidiary of Cuscaden Peak Investments Private Limited ("**Cuscaden Peak Investments**"), which is in turn a subsidiary of Temasek Holdings (Private) Limited, Keppel's controlling shareholder.

Genting")[3] (collectively, the "**Previous Noteholders**") and (iii) Keppel Griffin would submit an application to the relevant authorities to extend the land tenure of the Property for another 10 years until 15 July 2050; and

(c) in the event that the land tenure of the Property is extended by the relevant authorities for another 10 years until 15 July 2050 during the five-year period from the date of the application to the relevant authorities, the Purchaser would pay the Sellers, the Previous Noteholders and Keppel Griffin an additional amount of S$350.0 million (the "**JTC Extension Consideration**").

2. ADJUSTED LEASE EXTENSION AGREEMENT

2.1 Land Tenure Lease Extension

Following completion of the Call Option and as disclosed in the 19 November 2024 Announcement, the Sellers, the Previous Noteholders and Keppel Griffin submitted an application to the relevant authorities to extend the land tenure of the Property.

In response, JTC has issued a cover letter to Memphis 1 (the "**JTC Cover Letter**") which contains the terms of the offer letter to be issued subsequently by JTC in relation to the lease extension offer (the "**JTC Offer Letter**"), stating that a land tenure lease extension for another 10 years until 15 July 2050 (the "**10-year Land Tenure Lease Extension**") has been approved, subject to certain conditions to be met by Memphis 1. In particular, this includes certain conditions which will be fulfilled through the development of the planned third data centre on the Property ("**KDC SGP 9**") by Memphis 2 (DC2) Pte. Ltd.[4] ("**Memphis 2**"), which is held by various Keppel investment funds and managed by Keppel as the fund manager (the "**Lease Extension Conditions**").

2.2 Adjusted Lease Extension Agreement

Keppel is accordingly pleased to announce that the Sellers, the Previous Noteholders and Keppel Griffin have today entered into an adjusted lease extension agreement (the "**Adjusted Lease Extension Agreement**") with the Purchaser and Memphis 1 in relation to the JTC Extension Consideration payable by the Purchaser for the lease extension for the Property on the basis of the 10-year Land Tenure Lease Extension (the "**Transaction**"). Pursuant to the Adjusted Lease Extension Agreement, the JTC Extension Consideration payable by the Purchaser to the Sellers, the Previous Noteholders and Keppel Griffin for the 10-year Land Tenure Lease Extension is S$350.0 million, conditional upon the entry into the Payment Undertaking Deeds (as defined below) and based on the terms in the JTC Offer Letter being substantially in the form attached in the JTC Cover Letter and any differences not being prejudicial to Keppel DC REIT, Memphis 1 or the value of the Property. As disclosed in the 19 November 2024 Announcement, the JTC Extension Consideration had been negotiated taking

[3] Times Genting is a wholly-owned subsidiary of Cuscaden Peak Investments, which is in turn a subsidiary of Temasek Holdings (Private) Limited, Keppel's controlling shareholder.

[4] Memphis 1 (as lessor) and Memphis 2 (as lessee) have entered into a sub-lease agreement on 19 November 2024 in respect of KDC SGP 9 (the "**Original Sublease**"). Pursuant to the Original Sublease, the term of the sub-lease expires one day prior to the expiry of the head lease in relation to the Property. See paragraph 2.2 of the 19 November 2024 Announcement for more details.

into account the valuations of KDC SGP 7 and KDC SGP 8 with and without the 10-year Land Tenure Lease Extension as at 1 September 2024.

Of the S$350.0 million payable by the Purchaser for the 10-year Land Tenure Lease Extension, approximately S$70.9 million will be attributable to Keppel, based on Keppel's effective economic interests in the JTC Extension Consideration which is attributable to Keppel DC, Keppel Griffin, ADC Geras, ADCF and Keppel DC SG6 (the "**Keppel Bloc**").

2.3 Payment Undertaking Deeds

In connection with the Adjusted Lease Extension Agreement, Keppel Data Centres Holding Pte. Ltd., a wholly-owned subsidiary of the Company (the "**Keppel Undertaking Entity**") has today also entered into a payment undertaking deed with the Purchaser (the "**Keppel Payment Undertaking Deed**") pursuant to which the Keppel Undertaking Entity undertakes, in accordance with the terms of the Keppel Payment Undertaking Deed, to pay to the Purchaser clawback amounts attributable to the Keppel Bloc in the event that the JTC Extension Consideration has been paid by the Purchaser but where (i) the terms of the JTC Offer Letter are not substantially in the form attached in the JTC Cover Letter and any differences are prejudicial to Keppel DC REIT, Memphis 1 or the value of the Property, and (1) the parties to the Adjusted Lease Extension Agreement have unanimously agreed to reject the JTC Offer Letter; or (2) the relevant term or condition is not removed or modified by JTC by the end of the relevant period[5]; or (3) the parties to the Adjusted Lease Extension Agreement are unable to reach a unanimous agreement by the end of the relevant period to accept the 10-year Land Tenure Lease Extension; or (ii) during the relevant period, the Confirmation of Tenure (as defined below) is not received by Memphis 1 or JTC does not grant or revokes the grant of the 10-year Land Tenure Lease Extension (each, a "**Relevant Event**"), as follows:

(a) 30.498% (being the percentage attributable to the Keppel Bloc) of the JTC Extension Consideration, amounting to approximately S$106.7 million; and

(b) 30.498% (being the percentage attributable to the Keppel Bloc) of all actual and reasonable:

(I) finance costs incurred by Keppel DC REIT, the Purchaser and Memphis 1 in connection with the payment of the JTC Extension Consideration, including but not limited to break fund costs ("**Finance Costs**"); and

(II) costs and expenses incurred by Keppel DC REIT, the Purchaser and Memphis 1 in connection with the 10-year Land Tenure Lease Extension (including stamp duty and legal fees but excluding (a) any costs and expenses the treatment of which has been prescribed in the Master

[5] For these purposes, "relevant period" means the period commencing from the date of payment of the JTC Extension Consideration and ending on (i) 30 June 2029; or (ii) in the event that the JTC Offer Letter (or any other letter of offer from JTC in relation to the extension of the initial term granted by JTC in relation to the Property beyond 16 July 2040) has not been issued or the Confirmation of Tenure (as defined below) is not received by Memphis 1, in each case by 30 June 2029, the relevant period will automatically extend to 6 November 2030; or (iii) such later date following a further extension of time made pursuant to the terms of the Adjusted Lease Extension Agreement.

Agreement and (b) all other professional fees and audit costs) ("**Other Costs and Expenses**"),

The aggregate amount of Finance Costs and Other Costs and Expenses which may in fact be payable by the Keppel Undertaking Entity to the Purchaser, if a Relevant Event occurs, would depend on when that Relevant Event occurs, and (subject to the terms of the Keppel Payment Undertaking Deed) would not exceed S$18,298,800, for amounts payable which are attributable to the period up to and including 6 November 2030.

For the avoidance of doubt, the Keppel Undertaking Entity shall not be required to pay to the Purchaser the above clawback amounts should (i) Memphis 1 receive JTC's confirmation letter in writing during the relevant period that the 10-year Land Tenure Lease Extension has been granted ("**Confirmation of Tenure**"); or (ii) during the relevant period, JTC does not grant or revokes the grant of the 10-year Land Tenure Lease Extension, due to a fault, act or omission by Memphis 1 and/or the Purchaser in accordance with the terms of the Keppel Payment Undertaking Deed.

Corresponding payment undertakings (collectively with the Keppel Payment Undertaking Deed, the "**Payment Undertaking Deeds**") have today also been given to the Purchaser by (i) an entity affiliated to ADCF C (the "**ADCF C Undertaking Entity**") in relation to the clawback amounts attributable to ADCF C, and (ii) Times Properties Private Limited (the "**Cuscaden Undertaking Entity**") in relation to the clawback amounts attributable to TPM and Times Genting (the "**Cuscaden Entities**") [6].

2.4 Side Agreements

In connection with the Payment Undertaking Deeds given by each of the ADCF C Undertaking Entity and the Cuscaden Undertaking Entity, the Keppel Undertaking Entity has today also entered into side agreements with each of them (the "**Side Agreements**"), pursuant to which the Keppel Undertaking Entity undertakes, in accordance with the terms of the respective Side Agreements, to pay, on behalf of each of the ADCF C Undertaking Entity and the Cuscaden Undertaking Entity, the percentages respectively attributable to each of them [7] of all or part of the Finance Costs and the Other Costs and Expenses which may be payable by each of them to the Purchaser on the occurrence of a Relevant Event under the relevant Payment Undertaking Deed, up to the date of termination of the relevant Payment Undertaking Deed.

The aggregate amount of Finance Costs and Other Costs and Expenses which may in fact be payable by the ADCF C Undertaking Entity and the Cuscaden Undertaking Entity to the Purchaser, if a Relevant Event occurs, would depend on when that Relevant Event occurs, and (subject to the terms of the relevant Payment Undertaking Deeds) would not exceed S$41,701,200 in the aggregate, for amounts payable which are attributable to the period up

[6] The clawback amounts payable to the Purchaser would be attributed to the Keppel Undertaking Entity, the ADCF C Undertaking Entity and the Cuscaden Undertaking Entity in the respective proportions of 30.498%, 29.502% and 40.0%, based on the respective effective economic interests of (a) the Keppel Bloc, (b) ADCF C and (c) the Cuscaden Entities in the JTC Extension Consideration.

[7] The percentage attributable to the ADCF C Undertaking Entity is 29.502% and the percentage attributable to the Cuscaden Undertaking Entity is 40.0%.

to and including 6 November 2030.

For the avoidance of doubt, such amounts shall not be required to be paid to the Purchaser should (i) Memphis 1 receive the Confirmation of Tenure during the relevant period; or (ii) during the relevant period, JTC does not grant or revokes the grant of the 10-year Land Tenure Lease Extension, due to a fault, act or omission by Memphis 1 and/or the Purchaser in accordance with the terms of the relevant Payment Undertaking Deeds.

The Cuscaden Undertaking Entity is a wholly-owned subsidiary of Cuscaden Peak Investments, which is in turn a subsidiary of Temasek Holdings (Private) Limited, Keppel's controlling shareholder.

In consideration for the above payment undertakings under the Side Agreements, each of the ADCF C Undertaking Entity and the Cuscaden Undertaking Entity will pay a fee to the Keppel Undertaking Entity, which is computed on the basis of 5% per annum of the amounts that might be payable or are actually paid by the Keppel Undertaking Entity on behalf of each of them to the Purchaser under the relevant Payment Undertaking Deeds in respect of the period of time to which such amount relates.

2.5 Amended Sub-Lease Agreement for KDC SGP 9

Memphis 1 and Memphis 2 have today also entered into an amended sub-lease agreement in relation to KDC SGP 9, to vary the terms of the Original Sublease to take into account the 10-year Land Tenure Lease Extension. In particular, the amendments will reflect that Memphis 2 will not be liable to pay any compensation to Memphis 1, and Memphis 1 shall not make any claims against Memphis 2 for damages, losses, costs and expenses of any nature which Memphis 1 may suffer or incur as a result of, *inter alia*, the 10-year Land Tenure Lease Extension not being granted by reason of Memphis 2's failure to fulfil the relevant Lease Extension Conditions.

3. PRO FORMA FINANCIAL IMPACT

Based on the latest audited financial statements for the Company for the financial year ended 31 December 2024 ("**FY2024**"):

(a) had the Transaction been completed on 31 December 2024, the net tangible asset per share as at 31 December 2024 would have increased from S$5.12 (before the Transaction) to S$5.16 (after the Transaction);

(b) had the Transaction been completed on 1 January 2024, the earnings per share for FY2024 would have increased from 51.6 cents (before the Transaction) to 55.7 cents (after the Transaction);

(c) had the aggregate maximum amounts of Finance Costs and Other Costs and Expenses under (i) the Keppel Payment Undertaking Deed and (ii) the Side Agreements (collectively, the "**Undertakings**") been paid by the Keppel Undertaking Entity in FY2024, the net tangible asset per share as at 31 December

2024 would have decreased from S$5.12 (before the Undertakings) to S$5.09 (after the Undertakings); and

(d) had the aggregate maximum amounts under the Undertakings been paid by the Keppel Undertaking Entity in FY2024, the earnings per share for FY2024 would have decreased from 51.6 cents (before the Undertakings) to 48.3 cents (after the Undertakings).

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

4.1 Directors' Interests

Save for (i) any shares in the Company which they may hold, (ii) units in Keppel DC REIT which they may hold and/or (iii) interests, direct or indirect, which they may have in the Keppel investment funds which are the Previous Noteholders or shareholders of Memphis 2, none of the Directors has any interest, direct or indirect, in the Transaction or the Undertakings.

4.2 Controlling Shareholder's Interests

Save for any interests, direct or indirect, in shares or units (as the case may be) in Keppel (and subsidiaries of Keppel), Keppel DC REIT and Cuscaden Peak Investments (and subsidiaries of Cuscaden Peak Investments), Temasek Holdings (Private) Limited, Keppel's controlling shareholder, does not have any interest, direct or indirect, in the Transaction or the Undertakings.

26 December 2025