

Keppel DC REIT Management Pte. Ltd.

(Co Reg No. 199508930C)

Tel: (65) 6803 1818

230 Victoria Street

Fax: (65) 6803 1717

#05-08 Bugis Junction Towers

Singapore 188024

www.keppeldcreit.com

ACQUISITION OF 99.0% INTEREST IN THE PROPERTY LOCATED AT 13 SUNVIEW WAY, SINGAPORE 627541 BY WAY OF ACQUIRING 99.0% INTEREST IN KINGSLAND DATA CENTER PTE. LTD.**1. INTRODUCTION****1.1 Details of the Acquisition and related transactions**

The Board of Directors of Keppel DC REIT Management Pte. Ltd., as manager of Keppel DC REIT (the “**Manager**”), is pleased to announce that Perpetual (Asia) Limited, in its capacity as trustee of Keppel DC REIT (the “**Trustee**”), has on 7 May 2018 entered into a conditional share purchase agreement (the “**Share Purchase Agreement**”) with Kingsland Development Pte. Ltd. (“**Kingsland**”), Nylect Holdings Pte Ltd and Nylect International Pte. Ltd. (collectively, the “**Vendors**”) in relation to the acquisition (the “**Acquisition**”) of 29,700,000 ordinary shares (the “**Sale Shares**”), being 99.0% of the issued share capital in Kingsland Data Center Pte. Ltd. (“**KDCPL**”¹), which holds the property located at 13 Sunview Way, Singapore 627541 (the “**Property**”). Kingsland will retain 300,000 ordinary shares, being 1.0% of the issued share capital in KDCPL.

In connection with the Acquisition and on the date of completion of the Acquisition (the “**Completion Date**”), it is intended that the Target Entity will enter into the Keppel Lease Agreement and the Facility Management Agreement (each as defined herein) with Keppel DCS3 Services Pte. Ltd. (a subsidiary of Keppel Telecommunications & Transportation Ltd (“**Keppel T&T**”)) which is for the purposes of the Listing Manual of the SGX-ST (the “**Listing Manual**”) an “interested person” of Keppel DC REIT.

On completion of the Acquisition (“**Completion**”), it is also intended that the Target Entity will enter into a business transfer agreement with the Facility Manager (as defined herein) to transfer its employees and contracts (the “**Business Transfer Agreement**”) to the Facility Manager.

Following Completion, it is intended that KDCPL will be converted to a limited liability partnership pursuant to Section 21 of the Limited Liability Partnerships Act (Chapter 163A of Singapore) (the “**Conversion**”) and Kingsland and the Trustee, as partners of the Target Entity, will enter into a limited liability partnership agreement (the “**LLP Agreement**”) to regulate the relationship between them inter se as partners of the limited liability partnership, subject to the approval of JTC Corporation (“**JTC**”).

The Acquisition is expected to be completed in the second quarter of 2018.

¹ KDCPL and following the conversion into a limited liability partnership, Keppel DC Singapore 5 LLP (the “**LLP**”) shall be referred to as the “**Target Entity**”, where “**Target Entity**” may refer to either KDCPL, or as the case may be, the LLP.

1.2 Information on the Property

The Property has a lettable area of approximately 98,769 sq ft and is a five-storey purpose-built carrier-neutral data centre providing data centre solutions and 24x7 technical support.

2. DETAILS OF THE ACQUISITION

2.1 Purchase Consideration and Valuation

The estimated purchase consideration (the “**Purchase Consideration**”) payable to the Vendors in cash on the Completion Date is approximately S\$141.2 million¹ and is derived from:

- (i) S\$295.1 million, being 99.0% of the agreed value of the Property (the “**Agreed Value**”); less
- (ii) approximately S\$153.9 million, being the adjustments for the 99.0% share of the Target Entity’s net liabilities (excluding the carrying value of the Property)².

The Agreed Value was negotiated on a willing-buyer and willing-seller basis taking into account the independent valuation of the 99.0% interest in the Property (the “**Target Interest**”).

The Manager and the Trustee have commissioned an independent property valuer, Knight Frank Pte Ltd (the “**Independent Valuer**”), to value the Target Interest. The open market value of the Target Interest is S\$316.8 million without the rental support (the terms of which are set out in paragraph 2.4 of this Announcement), as stated by the Independent Valuer in its valuation report dated 2 May 2018. The methods used by the Independent Valuer were the discounted cash flow analysis, the capitalisation approach and the comparable sales method.

2.2 Estimated Total Acquisition Cost

The total cost of the Acquisition (the “**Total Acquisition Cost**”) is estimated to be approximately S\$309.6 million, comprising:

- (i) the estimated Purchase Consideration of approximately S\$141.2 million¹;
- (ii) the estimated indebtedness of the Target Entity of approximately S\$159.6 million to be repaid on Completion;
- (iii) the acquisition fee payable to the Manager for the Acquisition (the “**Acquisition Fee**”) of approximately S\$3.0 million (being 1.0% of the Agreed Value);
- (iv) the estimated stamp duty, professional and other fees and expenses of approximately S\$1.9 million incurred or to be incurred by Keppel DC REIT in connection with the Acquisition; and
- (v) the estimated upfront land premium of approximately S\$3.9 million payable to JTC in connection with the Conversion.

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

² Based on the illustrative pro-forma balance sheet of the Target Entity as set out in the Share Purchase Agreement.

2.3 Certain Terms and Conditions of the Share Purchase Agreement

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

- 2.3.1 there being no resolution, proposal, scheme, order for the compulsory acquisition or intended acquisition by the Singapore Government of the building erected on the Property or 4% or more of the land area of the Property on or before the date fixed for Completion;
- 2.3.2 there being no material damage to the Property and/or the plant, mechanical and electrical equipment, fixtures and fittings located in or on or which otherwise relate to the Property (“**Mechanical and Electrical Equipment**”) on or before Completion; and
- 2.3.3 obtaining the consent of JTC to the lease of the Property by the Target Entity (as landlord) to the Keppel Lessee (as defined herein).

2.4 Rental Support

2.4.1 Terms of the Rental Support

For the Acquisition, the Vendors are providing rental support such that where the Adjusted Net Property Income¹ received by KDCPL for the period commencing on the Completion Date and ending 12 months after the Completion Date (“**Rental Support Period**”) is less than S\$25.0 million (the “**Threshold Income Amount**”), the Trustee will be able to draw on the rental support.

By the end of (i) each of the quarterly periods ending on 31 March, 30 June, 30 September and 31 December or (ii) for the last period prior to the expiry of the Rental Support Period the period ending on the date falling 12 months after the Completion Date (each such period, a “**Quarterly Period**”), in the event that the Trustee determines, in its discretion, that the Adjusted Net Property Income for that Quarterly Period is likely to be less than the Threshold Income Amount corresponding to such period, the Trustee shall withdraw an amount, as determined by the Trustee (each, a “**Top-Up Payment**”) as a top-up payment such that after the payment of GST² and/or income tax (if applicable), the sum of the Adjusted Net Property Income and the Top-Up Payment is not more than the Threshold Income Amount corresponding to such period, provided that the aggregate of all Top-Up Payments does not exceed S\$8.0 million (the “**Total Rental Support Amount**”).

2.4.2 Principal Assumptions of the Rental Support

The Threshold Income Amount of S\$25.0 million was derived based on the Independent Valuer’s opinion that such an 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.

1 The “**Adjusted Net Property Income**” refers to 99% of income accruing or resulting from the operations of the Property, less 99% of 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.

2 “**GST**” means goods and services tax charged under the Goods and Services Tax Act, Chapter 117A of Singapore.

2.4.3 Rationale for the Rental Support

The current occupancy is 67.7% and agreements have been executed such that the IT power in the Property has been fully committed, and as a result the occupancy will increase to 84.2%, with the vacancy in the Property being office. The rental support provided by the Vendor will bring up the Adjusted Net Property Income partially but below the expected Adjusted Net Property Income of the Property when the Property reaches 84.2% occupancy.

2.4.4 Safeguards

For the purpose of providing the Top-Up Payments, on Completion, the amount of the Total Rental Support Amount shall be deducted from the Purchase Consideration and deposited into a designated account (“**Designated Account**”) of the Trustee and the said deduction of the Total Rental Support Amount from the Purchase Consideration shall constitute full and final discharge of the Vendors’ obligations and liabilities in relation to Total Rental Support Amount. In the event that there is any amount not withdrawn in the Designated Account for Top-Up Payments during the Rental Support Period, such amount shall be refunded to the Vendors in a proportion equal to the shares held by each Vendor just prior to Completion.

2.4.5 Directors’ Opinion

The directors of the Manager are of the view that the rental support (the terms of which are set out in paragraph 2.4 of this Announcement) is on normal commercial terms and is not prejudicial to the interests of Keppel DC REIT and its minority Unitholders on the basis of the Independent Valuer’s opinion as set out in paragraph 2.4.2 above that the Threshold Income Amount of S\$25.0 million 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.

2.5 Principal Terms and Conditions of the Limited Liability Partnership Agreement

Under the terms of the LLP Agreement, each partner of the Target Entity shall have the right to appoint one representative to the management committee for every 33.3% interest in the LLP held. The management committee of the LLP shall comprise a maximum of two representatives.

3. RATIONALE FOR AND BENEFITS OF THE ACQUISITION

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

3.1 Distribution per Unit accretive acquisition consistent with Keppel DC REIT’s investment strategy

The Acquisition is consistent with the Manager’s investment strategy of acquiring quality income-producing data centre properties that would enhance total return to Unitholders and increase potential opportunities for future income and capital growth. Keppel DC REIT’s overall portfolio quality and market competitiveness is also expected to improve with the Acquisition.

As illustrated in paragraph 4 under the pro forma financial impact for the financial year ended 31 December 2017, the Acquisition is expected to be accretive to the distribution per unit (“Unit”, and the distribution per Unit, “DPU”) and net asset value (“NAV”) per Unit in Keppel DC REIT.

The Acquisition is also in line with the Manager’s investment strategy of principally investing, 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, with an initial focus on Asia Pacific and Europe.

3.2 Strengthening of foothold and creation of further synergy in Singapore

Singapore is one of the key data centre hubs in Asia and has shown strong momentum in the recent years. Given Singapore’s status as the financial hub of the region, robust telecommunications infrastructure and strong government support for the data centre sector, Singapore continues to attract multinational corporations looking to locate data centres in the region.

The Acquisition represents an opportunity to acquire an income-producing purpose-build data centre in the tightly held Singapore market where data centres are rarely transacted. The Property is located in Jurong, allowing Keppel DC REIT to establish a presence in the western part of Singapore.

Completed in phases starting from 2015, the Property is a quality asset which will increase Keppel DC REIT’s portfolio assets and presence in Singapore, thereby strengthening its foothold in this market. Post-Completion, the proportion of Keppel DC REIT’s assets under management (“AUM”) in Singapore will increase from 40.6% to 49.8%¹.

Keppel DC REIT will also be able to harness greater synergy from Keppel Group as well as Keppel T&T’s established track record and technical expertise from over 13 years of designing, building and managing data centres. It is intended for the asset to be managed by Keppel Data Centres Holding Pte. Ltd. through a wholly owned subsidiary, similar to other Singapore assets in Keppel DC REIT’s portfolio.

3.3 Greater income resilience through exposure to a larger portfolio

The Acquisition 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 15 assets.

The Acquisition is also in line with the strategic direction of Keppel DC REIT, which is to acquire assets that complement the portfolio and drive long-term growth and sustainability in terms of income.

3.4 Expanded portfolio creates a stronger platform for growth

The Acquisition will increase Keppel DC REIT’s AUM from S\$1.66 billion to S\$1.97 billion. The Manager believes that the expanded portfolio will provide greater financial flexibility to Keppel DC REIT. The higher AUM, the fully unencumbered portfolio and the higher free float, may lead to better access to debt and equity capital markets.

¹ Based on Keppel DC REIT’s AUM as at 31 March 2018.

3.5 Lower risk profile of Singapore asset

As the Property is an asset located in Singapore, Keppel DC REIT would not have any foreign exchange risks and would not need to pay any withholding tax for the Target Entity.

4. METHOD OF FINANCING AND FINANCIAL EFFECTS

4.1 Method of Financing

The Manager intends to finance the Total Acquisition Cost with the net proceeds from the private placement of 224.0 million new Units which was announced on 7 May 2018 (the “**Private Placement**”)¹ and the remaining net proceeds from the pro-rata preferential offering launched on 17 October 2016 (the “**Preferential Offering Proceeds**”).

4.2 Pro Forma Financial Effects of the Acquisition assuming that the Acquisition is fully funded by equity

It is intended for the Acquisition to be funded by the net proceeds from the Private Placement and the balance from the remaining Preferential Offering Proceeds.

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisition on the DPU and NAV per Unit presented below are strictly for illustrative purposes and were prepared based on the audited financial statements of Keppel DC REIT and its subsidiaries (the “**Keppel DC REIT Group**”) for the financial year ended 31 December 2017 (the “**Keppel DC REIT Group 2017 Audited Financial Statements**”) and unaudited management accounts for the Target Entity. The pro forma financial effects do not represent Keppel DC REIT’s DPU and NAV per Unit following the completion of the Acquisition.

The pro forma financial effects of the Acquisition are prepared based on following assumptions:

- (i) S\$298.9 million of the Total Acquisition Cost to be funded from the net proceeds of the Private Placement;
- (ii) remaining S\$10.7 million of the Total Acquisition Cost to be funded by Preferential Offering Proceeds; and
- (iii) the Manager elected to receive 50% of its base and performance fees in relation to the Acquisition in Units.

4.2.1 Pro Forma DPU

An application will be made to Inland Revenue Authority of Singapore (“**IRAS**”) for a ruling for the LLP’s tax transparency treatment. The effects of both scenarios are presented below.

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisition on Keppel DC REIT’s DPU for the financial year ended 31 December 2017 (“**FY2017**”), as if the Acquisition was completed on 1 January 2017 and Keppel DC REIT held and operated 99.0% of the Target Entity through to 31 December 2017 are as follows:

¹ Should the Acquisition not proceed, the net proceeds from the Private Placement will be deployed to fund future investments, capital expenditure and/or to pare down debt.

	Before the Acquisition	After the Acquisition	
		Effects if Tax Transparency is Granted	Effects if Tax Transparency is not Granted
Net Profit before Tax (S\$'000)	77,591	97,527 ⁽³⁾	97,527 ⁽³⁾
Distributable Income (S\$'000) ⁽¹⁾	80,629	101,221	97,810
Issued Units ('000)	1,127,171 ⁽²⁾	1,351,990 ⁽⁴⁾	1,351,990 ⁽⁴⁾
DPU (cents) ⁽¹⁾	6.97	7.27	7.01
Accretion (%)	-	+4.3	+0.6

Notes:

- (1) Excluding a one-off capital distribution of S\$1.7 million or 0.15 cents per Unit for the month of December 2016 arising from the later completion of the acquisition of Keppel DC Singapore 3 and where the vendor had agreed that all the rights and obligations shall pass to Keppel DC REIT as if completion of the acquisition of Keppel DC Singapore 3 had occurred on 1 December 2016.
- (2) Number of Units as at 31 December 2017
- (3) Based on Keppel DC REIT's 99.0% share of the unaudited net profit before tax of the Target Entity and includes the top-up payment to achieve the expected contribution from 99.0% of the Target Entity.
- (4) Includes 224.0 million new Units issued (at an issue price of S\$1.353 per Unit) pursuant to the Private Placement.

4.2.2 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisition on Keppel DC REIT's NAV per Unit as at 31 December 2017 as if the Acquisition was completed on 31 December 2017, are as follows:

	Before the Acquisition	After the Acquisition
NAV (S\$'000)	1,089,716	1,388,617
Issued Units ('000)	1,127,171	1,351,171 ⁽¹⁾
NAV per Unit (S\$)	0.97	1.03

Note:

- (1) Includes 224.0 million new Units issued (at an issue price of S\$1.353 per Unit) pursuant to the Private Placement.

The impact on NAV per Unit as at 31 December 2017 is the same regardless whether tax transparency is granted by IRAS or otherwise.

4.3 Pro Forma Financial Effects of the Acquisition (assuming that the Acquisition is 70% funded by equity and 30% funded by debt)

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisition on the DPU and NAV per Unit presented below are strictly for illustrative purposes and were prepared based on the Keppel DC REIT Group 2017 Audited Financial Statements and unaudited management accounts for the Property to be acquired. The pro forma financial effects do not represent Keppel DC REIT's DPU and NAV per Unit following the completion of the Acquisition.

Keppel DC REIT intends to have a long term capital structure comprising 70% equity funding and 30% debt funding managed at a portfolio level. For illustrative purposes, the pro forma effects of this Acquisition assuming 70% funding by equity and 30% funding by debt are shown below. Capital structure and aggregate leverage are managed at the Keppel DC REIT level and not on per transaction-basis.

The pro forma financial effects of the Acquisition are prepared based on the following assumptions:

- (i) S\$216.7 million, or 70% of the Total Acquisition Cost was satisfied by way of issue of new Units;
- (ii) S\$92.9 million, or 30% of the Total Acquisition Cost was funded by debt at an average cost of debt of 3.5%; and
- (iii) the Manager elected to receive 50% of its base and performance fees in relation to the Acquisition in Units.

4.3.1 Pro Forma DPU

An application will be made to IRAS for a ruling for the LLP's tax transparency treatment. The pro forma financial effects of both scenarios are presented below.

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisition on Keppel DC REIT's DPU for FY2017, as if the Acquisition was completed on 1 January 2017 and Keppel DC REIT held and operated 99.0% of the Target Entity through to 31 December 2017 are as follows:

	Before the Acquisition	After the Acquisition	
		Effects if Tax Transparency is Granted	Effects if Tax Transparency is not Granted
Net Profit before Tax (S\$'000)	77,591	94,276 ⁽³⁾	94,276 ⁽³⁾
Distributable Income (S\$'000) ⁽¹⁾	80,629	98,003	94,591
Issued Units ('000)	1,127,171 ⁽²⁾	1,288,177 ⁽⁴⁾	1,288,177 ⁽⁴⁾
DPU (cents) ⁽¹⁾	6.97	7.37	7.11
Accretion (%)	-	+5.7	+2.0

Notes:

- (1) Excluding a one-off capital distribution of S\$1.7 million or 0.15 cents per Unit for the month of December 2016 arising from the later completion of the acquisition of Keppel DC Singapore 3 and where the vendor had agreed that all the rights and obligations shall pass to Keppel DC REIT as if completion of the acquisition of Keppel DC Singapore 3 had occurred on 1 December 2016.
- (2) Number of Units as at 31 December 2017.
- (3) Based on Keppel DC REIT's 99.0% share of the unaudited net profit before tax of the Target Entity and includes the top-up payment to achieve the expected contribution from 99.0% of the Target Entity.
- (4) Includes approximately 160.2 million new Units issued (at an issue price of S\$1.353 per Unit) pursuant to the Private Placement.

4.3.2 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisition on Keppel DC REIT's NAV per Unit as at 31 December 2017 as if the Acquisition was

completed on 31 December 2017, are as follows:

	Before the Acquisition	After the Acquisition
NAV (S\$'000)	1,089,716	1,306,450
Issued Units ('000)	1,127,171	1,287,359 ⁽¹⁾
NAV per Unit (S\$)	0.97	1.01

Note:

(1) Includes approximately 160.2 million new Units issued (at an issue price of S\$1.353 per Unit) pursuant to the Private Placement.

The impact on NAV per Unit as at 31 December 2017 is the same regardless whether tax transparency is granted by IRAS or otherwise.

5. THE KEPPEL LEASE AGREEMENT, FACILITY MANAGEMENT AGREEMENT AND THE BUSINESS TRANSFER AGREEMENT

5.1 Entry into Keppel Lease Agreement, Facility Management Agreement and the Business Transfer Agreement

On the Completion Date, it is intended that the Target Entity will enter into:

- (i) a lease agreement (the "**Keppel Lease Agreement**") with Keppel DCS3 Services Pte. Ltd. (the "**Keppel Lessee**" or the "**Facility Manager**") in relation to the lease of the Property to the Keppel Lessee;
- (ii) 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 in relation to the Property (the "**Facility Services**"); and
- (iii) the Business Transfer Agreement.

5.2 Relationship with the Keppel Lessee/Facility Manager

As at the date of this announcement, Keppel Corporation Limited ("**KCL**"), through Keppel T&T, Keppel Land Limited ("**KLL**") and Keppel Capital Holdings Pte. Ltd. ("**Keppel Capital**"), holds an aggregate interest in 395,546,763 Units, which is equivalent to approximately 35.09% of the total number of Units in issue, and is therefore regarded as a "controlling Unitholder" of Keppel DC REIT under the Listing Manual. In addition, as the Manager is owned by Keppel T&T and Keppel Capital (both of which are subsidiaries of KCL) in equal proportions, KCL is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

The Keppel Lessee/Facility Manager is an indirect subsidiary of KCL. Accordingly, for the purposes of Chapter 9 of the Listing Manual, the Keppel Lessee/Facility Manager (being a subsidiary of a "controlling Unitholder" and a "controlling shareholder" of the Manager) are for the purposes of the Listing Manual an "interested person" of Keppel DC REIT.

Therefore, the entry into the Keppel Lease Agreement and the Facility Management Agreement will constitute an "interested person transaction" under Chapter 9 of the Listing

Manual. However, the aggregate value of the Keppel Lease Agreement, the Facility Management Agreement and the Business Transfer Agreement, when aggregated with the existing interested person transactions for the current financial year, is less than 3.0% of the net tangible asset value (“**NTA**”) and the NAV of Keppel DC REIT as at 31 December 2017. As such, Unitholders’ approval is not required for entry into such agreements.

6. INTERESTS OF DIRECTORS AND CONTROLLING UNITHOLDERS

As at the date of this announcement, certain directors of the Manager (the “**Directors**”) collectively hold an aggregate direct and indirect interest in 330,350 Units. Further details of the interests in Units of the Directors and Substantial Unitholders¹ are set out below.

Ms Christina Tan is the Chairman and a Non-Executive Director of the Manager and the Chief Executive Officer of Keppel Capital. Mr Lee Chiang Huat is an Independent Director and Chairman of the Audit and Risk Committee of the Manager. Mr Leong Weng Chee is an Independent Director of the Manager. Mr Dileep Nair is an Independent Director of the Manager. Dr Tan Tin Wee is an Independent Director of the Manager. Mr Thomas Pang Thieng Hwi is a Non-Executive Director of the Manager and the Chief Executive Officer of Keppel T&T.

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 date of this announcement:

Name of Directors	Direct Interest		Deemed Interest		Total No. of Units held	%(¹)
	No. of Units	%	No. of Units	%		
Christina Tan	50,000	0.004	-	-	50,000	0.004
Lee Chiang Huat	95,550	0.008	-	-	95,550	0.008
Leong Weng Chee	-	-	-	-	-	-
Dileep Nair	25,500	0.002	-	-	25,500	0.002
Tan Tin Wee	95,600	0.008	-	-	95,600	0.008
Thomas Pang Thieng Hwi	63,700	0.006	-	-	63,700	0.006

Note:

(1) The percentage is based on 1,127,321,403 Units in issue as at the date of this announcement.

The table below sets out the interest in KCL shares which are held by the Directors as at the date of this announcement.

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

Name of Directors	Direct Interest		Deemed Interest		Total No. of Shares held	%	No. of Outstanding Share Options	Contingent Award of KCL Shares ⁽²⁾		
	No. of KCL Shares	% ⁽¹⁾	No. of KCL Shares	% ⁽¹⁾				KCL Restricted Share Plan ("KCL RSP") ⁽²⁾	KCL Performance Share Plan ("KCL PSP") ⁽³⁾	KCL PSP – Transformation Incentive ⁽⁴⁾
Christina Tan	96,685	0.005	-	-	96,685	0.005	-	83,172	280,000	275,000
Lee Chiang Huat	-	-	-	-	-	-	-	-	-	-
Leong Weng Chee	-	-	-	-	-	-	-	-	-	-
Dileep Nair	-	-	-	-	-	-	-	-	-	-
Tan Tin Wee	-	-	-	-	-	-	-	-	-	-
Thomas Pang Thieng Hwi	185,737	0.010	-	-	185,737	0.010	110,000	-	-	200,000

Notes:

- (1) The percentage is based on 1,816,355,874 issued shares (excluding 2,038,306 treasury shares) of KCL as at the date of this announcement.
- (2) Refers to the number of KCL shares which are the subject of awards granted which have been released under the KCL RSP on satisfaction of performance conditions (where applicable), but not vested.
- (3) Refers to the number of KCL shares which are the subject of contingent awards granted but not released under the KCL PSP. Based on the achievement factor, the actual release of awards could range from zero to a maximum of 150% under the KCL PSP.
- (4) Refers to the number of KCL shares which are the subject of contingent awards granted but not released under the KCL PSP pursuant to a one-off Transformation Incentive Plan with 6-year performance period. Based on the achievement factor, the actual release of awards could range from zero to a maximum of 150% under the KCL PSP.

The table below sets out the interest in Keppel T&T shares which are held by the Directors as at the date of this announcement.

Name of Directors	Direct Interest		Deemed Interest		Total No. of Shares held	%	Contingent Award of Keppel T&T Shares ⁽²⁾	
	No. of Keppel T&T Shares	% ⁽¹⁾	No. of Keppel T&T Shares	% ⁽¹⁾			Keppel T&T Restricted Share Plan ("Keppel T&T RSP") ⁽²⁾	Keppel T&T Performance Share Plan ("Keppel T&T PSP") ⁽³⁾
Christina Tan	-	-	-	-	-	-	-	-
Lee Chiang Huat	-	-	-	-	-	-	-	-
Leong Weng Chee	-	-	-	-	-	-	-	-
Dileep Nair	-	-	-	-	-	-	-	-
Tan Tin Wee	-	-	-	-	-	-	-	-
Thomas Pang Thieng Hwi	211,454	0.038	-	-	211,454	0.038	213,110	320,000

Notes:

- (1) The percentage is based on 559,100,938 issued shares of Keppel T&T as at the date of this announcement.

- (2) Refers to the number of Keppel T&T shares which are the subject of awards granted which have been released under the Keppel T&T RSP on satisfaction of performance conditions (where applicable), but not vested.
- (3) Refers to the number of Keppel T&T shares which are the subject of contingent awards granted but not released under the Keppel T&T PSP. Based on the achievement factor, the actual release of awards could range from zero to a maximum of 150% under the Keppel T&T PSP.

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Manager, the Substantial Unitholders of Keppel DC REIT and their interests in the Units as at the date of this announcement 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)		
Temasek Holdings (Private) Limited ⁽²⁾	-	-	410,432,503	36.408	410,432,503	36.408
KCL ⁽³⁾	-	-	395,546,763	35.087	395,546,763	35.087
Keppel T&T ⁽⁴⁾	-	-	340,428,427	30.198	340,428,427	30.198
Keppel DC Investment Holdings Pte. Ltd. ("KDCIH")	338,580,976	30.034	-	-	338,580,976	30.034

Notes:

- (1) The percentage is based on 1,127,321,403 Units in issue as at the date of this announcement.
- (2) Temasek Holdings (Private) Limited's ("**Temasek**") deemed interest arises from the deemed interest held by KCL and other associated companies of Temasek.
- (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, (ii) DC REIT Holdings Pte. Ltd., a wholly-owned subsidiary of KLL, which is in turn a subsidiary of KCL and (iii) Keppel DC REIT Management Pte. Ltd., a joint venture 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 Keppel T&T and Keppel Capital.

Temasek has a total interest of 20.48% in the issued share capital of KCL and KCL in turn holds 79.22% of the total issued share capital in Keppel T&T.

Save as disclosed above and based on information available to the Manager as at the date of this announcement, none of the Directors or the Substantial Unitholders have an interest, direct or indirect, in the Acquisition or the entry into the Keppel Lease Agreement and/or the Facility Management Agreement.

7. OTHER INFORMATION

7.1 Directors' Service Contracts

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

7.2 Disclosure under Rule 1006 of the Listing Manual

Chapter 10 of the Listing Manual classifies transactions by Keppel DC REIT into (i) non-discloseable transactions, (ii) discloseable transactions, (iii) major transactions and (iv) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures

computed on, *inter alia*, the following applicable bases of comparison set out in Rules 1006(b), 1006(c) and 1006(d) of the Listing Manual:

- (i) the net profits attributable to the assets acquired, compared with Keppel DC REIT's net profits;
- (ii) the aggregate value of the consideration given, compared with Keppel DC REIT's capitalisation; and
- (iii) the number of Units issued by Keppel DC REIT as consideration for the Acquisition, compared with the number of Units previously in issue.

The relative figures for the Acquisition using the applicable bases of comparison described above are set out in the table below.

Comparison of	Acquisition	Keppel DC REIT	Relative figure (%)
Profits (S\$ million)	3.0 ⁽¹⁾	27.1 ⁽²⁾	11.1
Consideration against market capitalisation (S\$ million)	141.2 ⁽³⁾	1,603.1 ⁽⁴⁾	8.8
Units issued as consideration against Units previously in issue ('000)	NA	NA	NA

Notes:

- (1) The figure is based on Keppel DC REIT's 99.0% share of the estimated unaudited net profit before tax of the Target Entity for three months. The amount has been adjusted to exclude depreciation of the Property (which was included in the Target Entity's unaudited accounts) to align with Keppel DC REIT's accounting policy for investment properties.
- (2) The figure is based on the unaudited net profit before tax of Keppel DC REIT for the three-month period ended 31 March 2018.
- (3) The figure represents the estimated Purchase Consideration. The actual Purchase Consideration for the Acquisition will be determined in the manner as set out in paragraph 2.1 above.
- (4) The figure is based on the weighted average traded price of S\$1.4220 per Unit on the SGX-ST as at 4 May 2018, being the market day immediately preceding the date of the Share Purchase Agreement.

7.3 Documents on Display

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager¹ at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632 for a period of three months commencing from the date of this announcement:

- (i) the Share Purchase Agreement (which contains the form of the LLP Agreement); and
- (ii) the independent valuation report on the Property issued by the Independent Valuer.

The trust deed dated 17 March 2011 constituting Keppel DC REIT, as amended, varied or supplemented from time to time will also be available for inspection at the registered office of the Manager for so long as Keppel DC REIT is in existence.

¹ Inspection of the documents is by appointment only. The Manager can be reached at +65 6803 1818.

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

Kelvin Chua
Company Secretary
Singapore
7 May 2018

Important Notice:

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

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

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

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