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PROPOSED ACQUISITION OF 90.0% INTEREST IN KEPPEL DC SINGAPORE 3 (FORMERLY KNOWN AS T27 OR KEPPEL DATAHUB 2) BY WAY OF ACQUIRING 90.0% INTEREST IN KEPPEL DC SINGAPORE 3 PTE. LTD. (FORMERLY KNOWN AS KEPPEL DATAHUB 2 PTE. LTD.)

1. INTRODUCTION

1.1 Proposed Transaction

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 17 October 2016 entered into a conditional share purchase agreement (the "**Share Purchase Agreement**") with Keppel Data Centres Holding Pte Ltd (the "**Vendor**") in relation to the proposed acquisition (the "**Proposed Acquisition**") of 90 ordinary shares, being 90.0% of the issued share capital in Keppel DC Singapore 3 Pte. Ltd. ("**KDCS3PL**"¹), which holds Keppel DC Singapore 3 ("**KDC SGP 3**" or the "**Property**"). The Vendor is a joint venture company held by Keppel Telecommunications & Transportation Ltd ("**Keppel T&T**") and Keppel Land Limited ("**KLL**") in the proportion of 70.0% and 30.0% respectively, which are in turn subsidiaries of Keppel Corporation Limited ("**KCL**").

In connection with the Proposed Acquisition and on the date of completion of the Proposed Acquisition (the "**Completion Date**"), the Target Entity will also 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 for a term of ten years with an option to renew for a further term of five years (the "**Lease**"); and
- (ii) a facility management agreement (the "**Facility Management Agreement**") with the Facility Manager where Facility Manager will be appointed to provide certain

¹ KDCS3PL and (following the conversion into a limited liability partnership), Keppel DC Singapore 3 LLP ("**KDCS3LLP**") shall be referred to as the "**Target Entity**", where "**Target Entity**" may refer to either KDCS3PL, or as the case may be, KDCS3LLP.

DBS Bank Ltd. and Standard Chartered Securities (Singapore) Pte. Limited are the Joint Financial Advisers and Issue Managers to the initial public offering of Keppel DC REIT (the "**Offering**"). DBS Bank Ltd., Standard Chartered Securities (Singapore) Pte. Limited and Credit Suisse (Singapore) Limited are the Joint Global Coordinators to the Offering. DBS Bank Ltd., Standard Chartered Securities (Singapore) Pte. Limited, Credit Suisse (Singapore) Limited, Deutsche Bank AG, Singapore Branch and Goldman Sachs (Singapore) Pte. are the Joint Bookrunners and Underwriters to the Offering (collectively, the "**Joint Bookrunners**").

The Joint Bookrunners for the Offering assume no responsibility for the contents of this announcement.

facilities management and maintenance services in relation to the Property (the “**Facility Services**”).

Following the completion of the Proposed Acquisition (“**Completion**”), the Target Entity will enter into a business transfer agreement with Facility Manager to transfer the employees, contracts and certain assets (assets for the purpose of providing facility management services) of the Target Entity (the “**Business Transfer Agreement**”) to Facility Manager. Following Completion, KDCS3PL will be converted to a limited liability partnership pursuant to Section 21 of the Limited Liability Partnerships Act (Chapter 163A of Singapore) and the Vendor 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. Following the conversion into the limited liability partnership, the Trustee and the Vendor as partners of the limited liability partnership would inject equity in the proportion of 90.0% and 10.0% (being their proportionate interest in the limited liability partnership) (the “**Equity Injection**”) to repay the shareholder loan of S\$100.0 million which is assigned to Keppel DC REIT on Completion and to repay the external bank loan of S\$80.0 million. The Trustee’s share of this equity injection is S\$162.0 million (the “**Equity Injection Amount**”).

The Proposed Acquisition and the entry into the Keppel Lease Agreement, the Facility Management Agreement and the LLP Agreement in relation to the conversion of KDCS3PL into a limited liability partnership following Completion and the Equity Injection collectively constitutes the “**Proposed Transaction**”.

1.2 Information on the Property

The Property is located at 27 Tampines Street 92, Singapore 528878, has a lettable area of 50,245 sq ft and is the first data centre in Singapore to achieve the BCA-IDA Green Mark Platinum Award for New Data Centres, the highest green accolade from the Building and Construction Authority of Singapore and the Infocomm Development Authority of Singapore.

The Property is a five-storey carrier-neutral data centre providing data centre solutions, dedicated colocation suites, as well as 24x7 technical support. Built to energy-efficient specifications, the Property is also equipped with redundant power and cooling infrastructure to meet high powered rack requirements.

1.3 Relationship with the Vendor

As at 12 October 2016 (the “**Latest Practicable Date**”), Keppel Corporation Limited (“**KCL**”), through Keppel T&T, KLL and Keppel Capital Holdings Pte. Ltd. (“**Keppel Capital**”), holds an aggregate interest in 309,213,134 units in Keppel DC REIT (“**Units**”), which is equivalent to approximately 35.01% 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 Keppel T&T and 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.

As the Vendor is a joint venture company held by Keppel T&T and KLL in the proportion of 70.0% and 30.0% respectively, which are in turn subsidiaries of KCL, the Vendor is an indirect subsidiary of KCL. Additionally, as the Keppel Lessee/Facility Manager is a

subsidiary of the Vendor, the Keppel Lessee/Facility Manager 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 Vendor and the Keppel Lessee/Facility Manager (being subsidiaries of a “controlling Unitholder” and a “controlling shareholder” of the Manager) are (for the purposes of the Listing Manual) “interested persons” and (for the purposes of the Property Funds Appendix) “interested parties” of Keppel DC REIT.

Therefore, the Proposed 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 of Keppel DC REIT (“**Unitholders**”) is required. The entry into the Keppel Lease Agreement, the Facility Management Agreement and the LLP Agreement and the Equity Injection will also constitute an “interested person transaction” under Chapter 9 of the Listing Manual.

A circular is expected to be issued to Unitholders in due course (the “**Circular**”), together with a notice of an extraordinary general meeting, for the purpose of seeking the approval of Unitholders for the Proposed Transaction.

2. DETAILS OF THE PROPOSED TRANSACTION

2.1 Purchase Consideration, Completion Amount and Valuation

The estimated purchase consideration (the “**Purchase Consideration**”) payable to the Vendor on the Completion Date is S\$140.8 million¹ and is derived from:

- (i) S\$202.5 million, being 90.0% of the of the agreed value of the Property (the “**Agreed Value**”); less
- (ii) S\$161.7 million, being the adjustments for the 90.0% share of the Target Entity’s adjusted net liabilities (excluding the carrying value of the Property) as at the Completion Date; plus
- (iii) the existing shareholder’s loan of S\$100.0 million (the “**Shareholder Loan**”) owed by the Target Entity to the Vendor.

Taking into account the Equity Injection Amount, the Purchase Consideration and less the amount of Shareholder Loan repaid with the Equity Injection, the estimated total amount which the Trustee is required to pay for the Proposed Acquisition is approximately S\$202.8 million (based on the estimated Purchase Consideration payable on the Completion Date) (the “**Completion Amount**”).

The Agreed Value was negotiated on a willing-buyer and willing-seller basis taking into account the independent valuations of the 90.0% interest in the Property (the “**Target Interest**”).

The Manager has commissioned an independent property valuer, Cushman & Wakefield VHS Pte. Ltd. (“**Cushman & Wakefield**”), and the Trustee has commissioned another independent property valuer, Savills Valuation and Professional Services (S) Pte Ltd (“**Savills**”, and together with Cushman & Wakefield, the “**Independent Valuers**”), to value

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

the Target Interest. The open market value of the Target Interest is (i) S\$207.0 million and S\$205.56 million (without the Client II Colocation Charge Guarantee (as defined herein)) as stated by Cushman & Wakefield in its valuation report dated 1 October 2016 and (ii) S\$208.0 million and S\$207.0 million (without the Client II Colocation Charge Guarantee) as stated by Savills in its valuation report dated 30 September 2016. The methods used by the Independent Valuers were the discounted cash flow analysis method and the income capitalisation method.

2.2 Estimated Total Acquisition Cost

The total cost of the Proposed Acquisition (the “**Total Acquisition Cost**”) is estimated to be approximately S\$210.6 million, comprising:

- (i) the estimated Completion Amount of approximately S\$202.8 million¹;
- (ii) the acquisition fee (the “**Acquisition Fee**”) payable in Units to the Manager for the Proposed Acquisition (the “**Acquisition Fee Units**”) of approximately S\$2.0 million² (being 1.0% of the Agreed Value);
- (iii) the estimated stamp duty, professional and other fees and expenses of approximately S\$2.0 million incurred or to be incurred by Keppel DC REIT in connection with the Proposed Acquisition; and
- (iv) the estimated upfront land premium of approximately S\$3.8 million payable to the Housing and Development Board (“**HDB**”) in connection with the Proposed Acquisition.

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 the Proposed Acquisition having been approved by the Unitholders of Keppel DC REIT at an extraordinary general meeting;
- 2.3.2 there being no resolution, proposal, scheme, order for the compulsory acquisition or intended acquisition by the Singapore Government of the Property for 3% or more of the land area of the Property on or before the date fixed for Completion;
- 2.3.3 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;
- 2.3.4 the completion of the drawdown of the refinancing loan to repay the S\$80 million shareholder loan extended jointly by Keppel T&T and Keppel Land Financial Services Pte. Ltd. in favour of the Target Entity; and
- 2.3.5 obtaining the approval of HDB, and where required by HDB, the competent

1 The actual amount of the Completion Amount payable to the Vendor will only be determined after the Completion Date.

2 As the Proposed Transaction will constitute an “**interested party transaction**” under Appendix 6 of the Code on Collective Investment Schemes (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.

authorities, for the sale of the 90 ordinary shares being 90.0% of the issued share capital in the Target Entity, by the Vendor to the Trustee.

Please refer to the Circular for further details of the Share Purchase Agreement.

2.4 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 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 with the Keppel Lessee. However, due to the pass-through arrangement of the Keppel Lease, the 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). 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 Completion Date and will be for a term of 10 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:

2.4.1 the term of the Keppel Lease is for 10 years commencing from (and including) the commencement date of the Keppel Lease Agreement, and the Keppel Lessee will be given an option to renew the Keppel Lease for a further five years subject to HDB’s consent and the compliance of any regulatory requirement by the Target Entity and at such revised rent and on terms and conditions as may be mutually agreed between the parties;

2.4.2 the Keppel Lessee is required to pay rent which shall comprise:

(i) a fixed rent of S\$5.0 million for the first year, with an annual escalation of 3.0%¹; and

(ii) a variable rent computed in respect of each financial year, based on an amount equivalent to 99.0% of the Cash EBITDA Amount² in respect of each financial year (or such larger amount as the parties may agree in writing) less the amount equivalent to 8.5% of the gross revenue of the Target Entity in any such financial year to be set aside for each monthly period towards the reserve established for the purpose of funding capex works,

with the aggregate of the power service charges, the additional net security services charges and the maintenance costs which form part of the EBITDA computation based on pre-agreed amounts; and

1 As mentioned above in paragraph 2.4, the Keppel Lease is a pass-through arrangement whereby the Target Entity will substantially enjoy the benefits and assume the liabilities of the colocation arrangements entered into by the Keppel Lessee. The amount of variable rent expected to be received is more than the fixed rent and for the 12 months ended 30 September 2016, the gross revenue received by the Target Entity is significantly more than the S\$5.0 million fixed rent amount per annum.

2 “**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 the Property in a financial year.

- 2.4.3 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 the computations of the variable rent based on an expert's determination on the Cash EBITDA Amount for that financial year.

Please refer to the Circular for further details of the Keppel Lease Agreement.

2.5 Principal Terms and Conditions of the Facility Management Agreement

The Facility Management Agreement will commence on the Completion Date. The principal terms of the Facility Management Agreement include, among others, the following:

- 2.5.1 the Facility Management Agreement and the provision of the facility services shall commence on and from the commencement date of the Facility Management Agreement and shall be for a period of 10 years or until terminated in accordance with the terms of the Facility Management Agreement. In the event the Keppel Lease is renewed for a further term of five years, the Facility Management Agreement shall also be automatically renewed for a further period of five years on the same terms as the Facility Management Agreement;
- 2.5.2 the Facility Manager will be entitled to the facility management fee of an amount equivalent to 4.0% of the Cash EBITDA Amount in respect of each financial year;
- 2.5.3 the Facility Manager will be entitled to the following project management fees for the refurbishment, retrofitting and renovation works on the 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 of not more than 1.5% of the construction costs; and
- 2.5.4 the Facility Management Agreement shall terminate if the Keppel Lease Agreement is terminated for any reason whatsoever in accordance with its terms.

Please refer to the Circular for further details of the Facility Management Agreement.

2.6 Principal Terms and Conditions of the Limited Liability Partnership

Under the terms of the LLP Agreement, each partner of the Target Entity shall have the right to appoint members to the management committee.

Under the terms of the LLP Agreement, the following matters shall require unanimous approval of the partners (being Keppel DC REIT and the Vendor):

- 2.6.1 amendment of the LLP Agreement or (where applicable) other constitutive documents of the Target Entity;

- 2.6.2 cessation or change or expansion of the business of the Target Entity;
- 2.6.3 (i) the consolidation, merger or amalgamation of the Target Entity with or into any other person, or (ii) any internal restructuring involving the Target Entity and where applicable, its subsidiaries;
- 2.6.4 the winding up or dissolution (as the case may be) of the Target Entity;
- 2.6.5 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 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;
- 2.6.6 the giving of any loan, guarantee or indemnity by the Target Entity to secure the liabilities or obligations of any person;
- 2.6.7 the raising of any financing or the procurement of any financial support by the Target Entity from its partners;
- 2.6.8 creation of any form of security over any assets held by the Target Entity;
- 2.6.9 the admission of an additional partner, which is not a substitute partner, to the Target Entity; and
- 2.6.10 the 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 \$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.

2.7 Client II Colocation Charge Guarantee

2.7.1 Terms of the Client II Colocation Charge Guarantee

The Vendor guarantees (the “**Client II Colocation Charge Guarantee**”) to Keppel DC REIT that the Client II Colocation Charge received by the Target Entity shall not be less than S\$395,000 per month (pro-rated for any period which is less than one month) (the “**Guaranteed Amount**”) for the period from the date of Completion until the date which the Property can satisfy all the requirements of Client II on the Property such that Client II is obliged to commence paying the Client II Colocation Charge pursuant to the colocation contract dated 17 March 2016 with the Target Entity¹ (“**Support Period**”). It is expected that the foregoing requirements of Client II will be met, and Client II will commence payment of the Client II Colocation Charge by the second quarter of 2017. For the avoidance of doubt, there is no delay in payment by Client II as Client II is only obliged under the colocation contract to commence payment of the Client II Colocation Charge when requirements pertaining to certain works to the space which it will utilise in the Property has been completed.

¹ A colocation charge is an amount payable by a client to use the premises under the colocation contract.

In the event that the Client II Colocation Charge for each month during the Support Period is less than the Guaranteed Amount, the Vendor undertakes to pay to the Target Entity a sum (each, a “**Top-Up Payment**”) based on the following formula.

$$\text{Top-Up Payment} = \text{S\$}395,000 \times \frac{\text{Number of days in the month that Client II is not paying the Client II Colocation Charge}}{\text{Number of days in the month}}$$

The Top-Up Payment shall be made monthly in arrears.

2.7.2 Safeguards

The Vendor would provide a banker’s guarantee to the Trustee of S\$1.422 million (equivalent to four months of 90% of the Guaranteed Amount) in relation to the Top-Up Payment for a rolling period of 120 days until the end of the Support Period. The Manager is of the opinion that the banker’s guarantee would be a sufficient safeguard given the expected short duration of the Support Period and quantum of the Top-Up Payment.

2.7.3 Directors’ Opinion

The independent directors of the Manager are of the view that the Client II Colocation Charge Guarantee is on normal commercial terms and is not prejudicial to the interests of Keppel DC REIT and its minority Unitholders as (i) the Guaranteed Amount is equal to the Client II Colocation Charge which Client II is contractually obliged to pay under the colocation contract dated 17 March 2016 with the Target Entity and (ii) the Client II Colocation Charge Guarantee is to cover the period where payment of the Client II Colocation Charge has yet to commence while certain works to the space which Client II will utilise in the Property is being completed.

2.7.4 Independent Valuers’ Opinion

The Independent Valuers are of the opinion that the Guaranteed Amount is in line with market on the basis that it is exactly the actual contracted monthly amount of colocation charge which would be payable by Client II.

3. RATIONALE FOR AND BENEFITS OF THE PROPOSED TRANSACTION

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

- Distribution per unit accretive acquisition consistent with Keppel DC REIT’s investment strategy;
- Strengthening of foothold in Singapore;
- Greater income resilience through exposure to a larger portfolio;
- Improvement in portfolio occupancy and lease profile;
- Expanded portfolio creates a stronger platform for growth; and
- Alignment of interests with the fully underwritten preferential offering.

Please refer to the Circular for further details of the benefits of the Proposed Transaction to Keppel DC REIT and its Unitholders.

4. METHOD OF FINANCING AND FINANCIAL EFFECTS

4.1 Method of Financing

The Manager intends to finance the Total Acquisition Cost with (i) part of the net proceeds from the fully underwritten preferential offering of 242.0 million new Units which was announced on 17 October 2016 (the “**Preferential Offering**”) of approximately S\$275.3 million (the “**Preferential Offering Proceeds**”)¹ and (ii) the issue of the Acquisition Fee Units amounting to approximately S\$2.0 million to the Manager.

4.2 Pro Forma Financial Effects of the Proposed Acquisition

Relevant information relating to the pro forma financial effects of the Proposed Acquisition, including its impact on the net asset value per Unit, the distribution per Unit and Keppel DC REIT’s aggregate leverage, will be disclosed in the Circular.

5. AUDIT AND RISK COMMITTEE STATEMENT

The Audit and Risk Committee of the Manager will obtain an opinion from the independent financial adviser, on the Proposed Transaction before forming its view, which will be disclosed in the Circular, as to whether the Proposed Transaction 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

There are no other interested person transactions exceeding S\$100,000 entered into between (1) Keppel DC REIT and (2) Keppel T&T, KCL and their respective subsidiaries and associates, during the course of the current financial year up to the date of this announcement.

7. INTERESTS OF DIRECTORS AND CONTROLLING UNITHOLDERS

As at the Latest Practicable Date, certain directors of the Manager (the “**Directors**”) collectively hold an aggregate direct and indirect interest in 420,000 Units. Further details of the interests in Units of the Directors and Substantial Unitholders² are set out below.

Mr Chan Hon Chew is the Chairman and a Non-Executive Director of the Manager, the Chairman of the Executive Committee and the Chief Financial Officer of KCL and a director of Keppel T&T. Mr Lee Chiang Huat is the Independent Director and Chairman of the Audit and Risk Committee of the Manager. Mr Leong Weng Chee is an Independent

1 Should the Proposed Acquisition not proceed, the Preferential Offering Proceeds will be deployed to fund future investments and/or to pare down debt.

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

Director of the Manager. Mr Lim Chin Hu is an Independent Director of the Manager. Mr Dileep Nair is an Independent Director of the Manager. Mr Teo Cheng Hiang Richard 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 an executive director and the Chief Executive Officer of Keppel T&T. Ms Christina Tan is a Non-Executive Director of the Manager and the Chief Executive Officer of Keppel Capital Holdings Pte Ltd and Managing Director of Alpha Investment Partners 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	%		
Chan Hon Chew	-	-	-	-	-	-
Lee Chiang Huat	75,000	0.0085	-	-	75,000	0.0085
Leong Weng Chee	-	-	-	-	-	-
Lim Chin Hu	75,000	0.0085	-	-	75,000	0.0085
Dileep Nair	20,000	0.0023	-	-	20,000	0.0023
Teo Cheng Hiang Richard	75,000	0.0085	-	-	75,000	0.0085
Tan Tin Wee	75,000	0.0085	-	-	75,000	0.0085
Thomas Pang Thieng Hwi	50,000	0.0057	-	-	50,000	0.0057
Christina Tan	50,000	0.0057	-	-	50,000	0.0057

Note:

(1) The percentage is based on 883,171,086 Units in issue as at the Latest Practicable Date.

The table below sets out the interest in KCL shares which are held by the Directors as at the Latest Practicable Date.

Name of Directors	Direct Interest		Deemed Interest		Total No. of Shares held	%(¹)	No. of Outstanding Share Options	Contingent Award of KCL Shares ⁽²⁾	
	No. of KCL Shares	%(¹)	No. of KCL Shares	%(¹)				KCL Performance Share Plan ("KCL PSP")	KCL Restricted Share Plan ("KCL RSP")
Chan Hon Chew	50,600	0.0028	7,770	0.0004	58,370	0.0032	-	560,000	139,900
Lee Chiang Huat	-	-	-	-	-	-	-	-	-
Leong Weng Chee	-	-	-	-	-	-	-	-	-
Lim Chin Hu	30,000	0.0017	-	-	30,000	0.0017	-	-	-
Dileep Nair	-	-	-	-	-	-	-	-	-
Teo Cheng Hiang Richard	3,100	0.0002	-	-	3,100	0.0002	-	-	-

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 Performance Share Plan ("KCL PSP")	KCL Restricted Share Plan ("KCL RSP")
Tan Tin Wee	-	-	-	-	-	-	-	-	-
Thomas Pang Thieng Hwi	179,637	0.0098	-	-	179,637	0.0099	313,500	175,000	6,600
Christina Tan	-	-	-	-	-	-	-	315,000	70,000

Notes:

- (1) The percentage is based on 1,815,569,770 issued shares (excluding treasury shares of 2,340,410) of KCL as at the Latest Practicable Date.
- (2) KCL shares awarded under the KCL PSP and KCL RSP are subject to pre-determined performance targets set over a three-year to five-year and a one-year performance period respectively. Based on the achievement factor, the actual release of awards could range from zero to a maximum of 150% under the KCL PSP and zero to 100% under the KCL RSP.

The table below sets out the interest in Keppel T&T shares which are held by the Directors as at the Latest Practicable Date.

Name of Directors	Direct Interest		Deemed Interest		Total No. of Shares held	%	No. of Outstanding Share Options	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 Performance Share Plan ("Keppel T&T PSP")	Keppel T&T Restricted Share Plan ("Keppel T&T RSP")
Chan Hon Chew	-	-	-	-	-	-	-	-	-
Lee Chiang Huat	-	-	-	-	-	-	-	-	-
Leong Weng Chee	-	-	-	-	-	-	-	-	-
Lim Chin Hu	-	-	-	-	-	-	-	-	-
Dileep Nair	-	-	-	-	-	-	-	-	-
Teo Cheng Hiang Richard	-	-	-	-	-	-	-	-	-
Tan Tin Wee	-	-	-	-	-	-	-	-	-
Thomas Pang Thieng Hwi	23,300	0.0042	-	-	23,300	0.0042	-	200,000	116,700
Christina Tan	-	-	-	-	-	-	-	-	-

Notes:

- (1) The percentage is based on 557,025,168 issued shares of Keppel T&T as at the Latest Practicable Date.

- (2) Keppel T&T shares awarded under the Keppel T&T PSP and Keppel T&T RSP are subject to pre-determined performance targets set over a three-year and a one-year performance period respectively. Based on the achievement factor, the actual release of awards could range from zero to a maximum of 150% under the KT&T PSP and zero to 100% under the KT&T RSP.

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 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)		
Temasek Holdings (Private) Limited ⁽²⁾	-	-	327,035,834	37.03	327,035,834	37.03
KCL ⁽³⁾	-	-	309,213,134	35.01	309,213,134	35.01
Keppel T&T ⁽⁴⁾	-	-	265,949,134	30.11	265,949,134	30.11
Keppel DC Investment Holdings Pte. Ltd. ("KDCIH")	265,762,148	30.09	-	-	265,762,148	30.09

Notes:

- (1) The percentage is based on 883,171,086 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, (ii) DCRH, a wholly-owned subsidiary of KLL, which is in turn a subsidiary of KCL and (iii) Keppel DC REIT Management Pte. Ltd. in which KCL holds a 50.0% interest and Keppel T&T holds the other 50.0% interest.
- (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. in which Keppel T&T holds a 50.0% interest.

Temasek Holdings (Private) Limited has a total interest of 20.68% in the issued share capital of KCL and KCL in turn holds 79.52% 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 Latest Practicable Date, none of the Directors or the Substantial Unitholders have an interest, direct or indirect, in the Proposed Transaction.

8. OTHER INFORMATION

8.1 Directors' Service Contracts

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

8.2 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 Proposed Acquisition, compared with the number of Units previously in issue.

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

Comparison of	Proposed Acquisition	Keppel DC REIT	Relative figure (%)
Profits (S\$ million)	15.3 ⁽¹⁾	57.0 ⁽²⁾	26.8
Consideration against market capitalisation (S\$ million)	202.8 ⁽³⁾	1,061.0 ⁽⁴⁾	19.1
Units issued as consideration against Units previously in issue ('000)	NA	NA	NA

Notes:

- (1) The figure is based on Keppel DC REIT's 90.0% share of the estimated unaudited net profit before tax of the KDCS3PL for nine months on a fully committed basis.
- (2) The figure is based on the unaudited net profit before tax of Keppel DC REIT for the nine-month period ended 30 September 2016.
- (3) The figure represents the estimated Completion Amount being the Equity Injection Amount of S\$162.0 million plus the Purchase Consideration of S\$140.8 million less the Shareholder Loan repaid with the Equity Injection of S\$100.0 million which Keppel DC REIT would receive. The actual Completion Amount for the Proposed 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\$1.2013 per Unit on the SGX-ST as at 14 October 2016, being the market day immediately preceding the date of the Share Purchase Agreement.

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

8.3 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 from the date of the Circular up to and including the date

¹ Inspection of the documents is by appointment only. The Manager can be reached at +65 6535 6556.

falling three months after the date of the Circular:

- (i) the Share Purchase Agreement (which contains the forms of the Keppel Lease Agreement, the Facility Management Agreement and the LLP Agreement);
- (ii) the letter from the independent financial adviser to the independent directors, members of the Audit and Risk Committee of the Manager and the Trustee;
- (iii) the independent valuation report on the Property issued by Cushman & Wakefield;
- (iv) the independent valuation report on the Property issued by Savills;
- (v) the Keppel DC REIT Audited Financial Statements; and
- (vi) the written consents of each of the independent financial adviser and the Independent Valuers.

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.

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

Kelvin Chua / Maritz bin Mansor
Joint Company Secretaries
Singapore
17 October 2016

Important Notice:

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

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

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

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