



Keppel Land Limited
(Co Reg No. 189000001G)
230 Victoria Street
#15-05 Bugis Junction Towers
Singapore 188024
www.keppelland.com.sg

Tel: (65) 6338 8111
Fax: (65) 6337 7168

PROPOSED DIVESTMENT OF 30% INTEREST IN S25 AND T25 TO KEPPEL DC REIT

INTRODUCTION

Keppel Land Limited (**“Keppel Land”** or the **“Company”**) wishes to announce that it proposes to divest:

- (i) its indirect 30% interest (**“S25 Interest”**) in a 30-year leasehold interest (expiring in 2025 with an option for a further 30 years commencing on the date immediately following the expiration of the initial 30-year term) in the property known as S25, located at 25 Serangoon North Ave 5, Singapore 554914 (**“S25”**); and
- (ii) its indirect 30% interest (**“T25 Interest”**) in a 30-year leasehold interest (expiring in 2021 with an option for a further 30 years commencing on the date immediately following the expiration of the initial 30-year term) in the property known as T25, located at 25 Tampines Street 92, Singapore 528877 (**“T25”**),

in connection with the proposed initial public offering and listing (the **“Proposed Listing”**) of Keppel DC REIT (a real estate investment trust proposed to be listed on the Main Board of Singapore Exchange Securities Trading Limited (**“SGX-ST”**)).

S25 is currently held by Keppel Digihub Ltd (**“Digihub”**) and T25 is currently held by Keppel Datahub Pte. Ltd. (**“Datahub”**). Each of Digihub and Datahub is a wholly-owned subsidiary of Keppel Data Centres Holding Pte. Ltd., a joint venture company which is in turn indirectly held by the Company (through its wholly-owned subsidiary Keppel Digihub Holdings Ltd) and Keppel Telecommunications & Transportation Ltd (**“KTT”**) (through its wholly-owned subsidiary Keppel Data Centres Pte. Ltd.) in the proportion of 30% and 70%, respectively.

DETAILS OF THE PROPOSED DIVESTMENT

The Company has in principle agreed to the terms of the option agreements (the **“Option Agreements”**) to be entered into by Digihub and Datahub respectively with the manager of Keppel DC REIT, pursuant to which the trustee of Keppel DC REIT (the **“REIT Trustee”**) will be granted the right to enter into sale and purchase agreements to purchase S25 and T25 (the **“Sale and Purchase Agreements”**).

It is currently expected that the Option Agreements are to be entered into as soon as practicable after the approval of shareholders of KTT (**“KTT Shareholders”**) has been received for the Proposed Listing of Keppel DC REIT and KTT’s proposed divestment of certain properties to Keppel DC REIT (including the divestment of KTT’s 70% indirect interest in S25 and T25) at the extraordinary general meeting of KTT Shareholders to be

held on 25 November 2014.

Subsequently, it is expected that [on or prior to] the date of lodgement of the preliminary prospectus of Keppel DC REIT with the Monetary Authority of Singapore, the call options under the Option Agreements will be exercised by the REIT Trustee and the Sale and Purchase Agreements will be entered into.

The completion of the sale and purchase of S25 and T25 is conditional upon, among other things, the listing and quotation of the units of Keppel DC REIT ("**Units**") on the date of listing of Keppel DC REIT on the Main Board of the SGX-ST ("**Listing Date**") and commencement of trading of such Units on the SGX-ST.

In connection with the above, it is expected that the following agreements will be entered into on Listing Date upon the completion of the sale and purchase of S25 and T25:

- (i) a lease agreement to be entered into between Digihub and the REIT Trustee in respect of S25;
- (ii) a facility management agreement to be entered into between Digihub and the REIT Trustee in respect of S25 where Digihub will be appointed as a facility manager to *inter alia* provide certain facilities management and maintenance at S25;
- (iii) a lease agreement to be entered into between Datahub and the REIT Trustee in respect of T25; and
- (iv) a facility management agreement to be entered into between Datahub and the REIT Trustee in respect of T25 where Datahub will be appointed as a facility manager to *inter alia* provide certain facilities management and maintenance at T25.

The consideration for the sale of S25 and T25 is S\$262.8 million (the "**S25 Consideration**") and S\$162.0 million (the "**T25 Consideration**") respectively. The S25 Consideration and the T25 Consideration have been negotiated on a willing-buyer and willing-seller basis taking into consideration the independent valuations of the properties prepared by Knight Frank Pte Ltd as at 30 September 2014 of S\$262.0 million and S\$160.0 million respectively. The S25 Consideration and the T25 Consideration shall be paid in cash to Digihub and Datahub, respectively. Keppel Land expects to receive net proceeds of approximately S\$96 million and realise a gain of approximately S\$65.9 million.

The divestments of the S25 Interest and the T25 Interest are not expected to have any material impact on Keppel Land Group's earnings and net tangible asset per share for the current financial year.

Choo Chin Teck/Anna Tan
Joint Company Secretaries
10 November 2014