

MEDIA RELEASE

Keppel DC REIT strengthens portfolio with two data centres in Guangdong, China

20 June 2022, Singapore – Keppel DC REIT has entered into agreements with Guangdong Bluesea Data Development Co. Ltd. (Bluesea) and its parent company, Guangdong Bluesea Mobile Development Co. Ltd., to acquire two data centre facilities, on a fully-fitted basis, in Jiangmen, Guangdong Province, for RMB 1,380.6 million (approximately S\$297.1 million¹).

The two transactions follow the acquisition of Guangdong Data Centre, Keppel DC REIT's first acquisition in China, announced in July 2021. Following the completion of the latest transactions, Keppel DC REIT will own 62.9%² of its assets in Asia.

The two data centre facilities will be named Guangdong Data Centre 2 and Guangdong Data Centre 3 (Guangdong DC 2 and Guangdong DC 3) respectively upon completion of the acquisition. Guangdong DC 2 is fully-fitted and payment will be made in full at legal completion. Guangdong DC 3 will be fitted out, with its expected completion to take place by the third quarter of 2023. While partial payment will be made for Guangdong DC 3, Bluesea will pay Keppel DC REIT rent for the building shell and an interest on the partial payment, with the remainder to be paid when the fit-out works are completed. The properties will be leased to Bluesea on a triple net basis³ for 15 years.

With a gross floor area of approximately 40,920 sqm (440,462 sq ft), the two seven-storey data centres are designed in accordance with the Code for Design of Data Centre Grade A GB, where Grade A is the highest standard for data centres in China.

The Guangdong-Hong Kong-Macao Greater Bay Area has been identified as one of China's eight national computing hubs that will support the country's digital development⁴. As a major technology hub and one of China's most established data centre markets, the Guangdong data centre market is set to grow further with the rising demand for high-quality, efficient data centres, and this market will also benefit from the tightening supply of such critical infrastructure.

Ms Anthea Lee, CEO of Keppel DC REIT Management Pte. Ltd. (the Manager), said, "Data centres are a critical part of the digital infrastructure that supports many other industries and growth areas. The acquisition will increase the number of data centres in the portfolio that are leased on a master leased basis resulting in higher portfolio weighted average lease expiry and occupancy."

¹ Based on an exchange rate of RMB 1.00 to S\$0.2152, as at 31 March 2022.

² By assets under management, as at 31 March 2022.

³ With the exception of applicable real estate tax where the lessee shall bear up to a certain threshold.

⁴ https://en.ndrc.gov.cn/news/mediarusources/202202/t20220218_1315947.html

Based on the valuations by Savills Valuation and Professional Services (S) Pte. Ltd., an independent valuation firm appointed by the trustee of Keppel DC REIT, the market values of Guangdong DC 2 and Guangdong DC 3, each on a fully-fitted basis, are RMB 698.0 million (approximately S\$150.2 million) and RMB 691.0 million (approximately S\$148.7 million) respectively as at 1 June 2022.

The acquisitions are expected to be accretive to Keppel DC REIT's distribution per Unit. Post acquisitions, Keppel DC REIT's portfolio occupancy rate will increase from 98.7% as at 31 March 2022 to 98.9% and weighted average lease expiry will increase from 7.7 years as at 31 March 2022 to 8.8 years.

The acquisition for Guangdong DC 2 is expected to be completed in the second half of 2022, while the acquisition for Guangdong DC 3 is expected to be completed by the third quarter of 2023. The Manager intends to fund the purchase considerations with a mix of debt, equity and/or existing cash. Post completion, Keppel DC REIT's aggregate leverage is expected to increase from 36.1% as at 31 March 2022 to 37.2%.

With the acquisition of Guangdong DC 2 and Guangdong DC 3, Keppel DC REIT will have an expanded portfolio of 23 quality data centres across Asia Pacific and Europe, three of which are in China.

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About Keppel DC REIT (www.keppeldcreit.com)

Keppel DC REIT was listed on the Singapore Exchange on 12 December 2014 as the first pure-play data centre REIT in Asia.

Keppel DC REIT's investment strategy is to principally invest, 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 and assets necessary to support the digital economy.

Keppel DC REIT's investments comprise an optimal mix of colocation, fully-fitted and shell and core assets, as well as network assets through its investments in debt securities, thereby reinforcing the diversity and resiliency of its portfolio.

Keppel DC REIT is sponsored by Keppel Telecommunications & Transportation Ltd (Keppel T&T), and managed by Keppel DC REIT Management Pte. Ltd. (the Manager). Keppel Capital Holdings Pte. Ltd. (Keppel Capital) has a 50% interest in the Manager, with the remaining

interest held by Keppel T&T. Keppel Capital is a premier asset manager in Asia with a diversified portfolio in real estate, infrastructure, data centres and alternative assets in key global markets through its listed REITs and Trust, as well as private funds. The Keppel Group, through Keppel T&T and the private data centre funds has currently over \$2 billion of data centre assets under development.

The Manager's key objectives are to provide Keppel DC REIT's Unitholders with regular and stable distributions, as well as achieve long-term growth through at least 90% of its AUM in data centre investments, while maintaining an optimal capital structure.