

Speech by Mr Chan Hon Chew, Deputy Chairman of Keppel DC REIT Management and CFO of Keppel Corporation, at the Commencement of Trading for Keppel DC REIT on 12 December 2014

Ms Jacqueline Poh, MD of Infocomm Development Authority of Singapore

Mr Magnus Böcker, CEO of Singapore Exchange,

Mr Loh Chin Hua, CEO of Keppel Corporation, and Chairman of Keppel T&T

Board Members and management of Keppel T&T and Keppel DC REIT Management,

Ladies and gentlemen.

Good afternoon.

I am happy to be here today for the commencement of trading of Keppel DC REIT. This is a significant milestone for Keppel T&T, as well as for the Keppel Group.

The Singapore REIT industry has seen tremendous growth since 2006 when Keppel listed, by way of *distribution in specie*, Keppel REIT, previously known as K-REIT Asia. Then Singapore's REIT industry was still at its infancy, with just 13 REITs with a combined market capitalisation of over \$16 billion.

In contrast, today Singapore is home to 40 S-REITs with a market capitalisation of about \$70 billion. Investors looking to invest in REITs have a plethora of options to choose from.

As Singapore and Asia's first data centre REIT, I believe that Keppel DC REIT is well-positioned to offer investors a compelling proposition. All of us who are present bear witness to some aspects of the rising demand for data centres as Singapore has one of the highest mobile phone and internet penetration rates in the region.

Indeed, the rising demand for data centres is underpinned by strong fundamental growth drivers such as the rise in data creation and storage needs, the growing adoption of cloud computing, the increasing compliance and regulatory requirements on data security, as well as the increase in outsourcing of data centres just to name a few.

With its eight high-quality data centres strategically located in seven key data centres hubs across Asia Pacific and Europe, Keppel DC REIT enjoys a high occupancy rate and customer retention rate from its diverse and well established customers. And this will in turn generate stable and regular distributions for our unitholders.

As part of the evolution of the burgeoning S-REIT industry, the Monetary Authority of Singapore released a consultation paper in October earlier this year to enhance the transparency and improve the attractiveness of REITs to issuers and investors.

Keppel welcomes MAS's engagement with the industry players and supports the spirit of strengthening the industry. As part of the Keppel Group, the Manager, Keppel DC REIT Management, will also bear the hallmarks of good corporate governance and high standards of transparency of the Keppel Group.

At this point, on behalf of my colleagues in Keppel DC REIT, I wish to thank those who have worked so hard over these few months to make Keppel DC REIT a reality.

I would also like to thank Ms Jacqueline Poh, as well as Mr Magnus Böcker for gracing this occasion.

Most importantly, I thank our unitholders for giving Keppel DC REIT their vote of confidence.

Thank you.