

SIAS-Keppel DC REIT: Virtual Dialogue Session for the Proposed Investment in the NetCo Bonds and Preference Shares

22 November 2021, 5.00pm

Transcript of the Question & Answer Session

ALMH Anthea Lee, Chief Executive Officer, Keppel DC REIT Management

AL Adam Lee, Chief Financial Officer, Keppel DC REIT Management

DG David Gerald, Founder, President & CEO, Securities Investors Association (Singapore) (“SIAS”)

DG: Since the announcement, we have been receiving questions from Unitholders, so let me pose some of the questions from SIAS. First of all, Unitholders are wondering about the reason for the REIT to invest in the two products – bonds and preference shares, which seem out of the theme as a data centre player. They see you as a data centre player. When you want to move to something else, they get worried. It seems more appropriate for Keppel Corp, since they are looking to be asset light and are seeking higher revenue. How would you respond to these comments?

ALMH: We have not stopped looking for data centre opportunities. As you can see, we have done acquisitions in China and in the Netherlands this year, and continue to work on quite a number of data centre opportunities. For this, it is actually opportunistic. We saw this opportunity, with a very high yield of 9.17%, a stable cash flow of \$11.0 million per annum for 15 years and no operational management risk. We have looked at the merits of this deal, and we believe that this is a good investment for our Unitholders. And we are not sacrificing data centre deals for this investment. While we are pursuing other data centre opportunities, we came across this and believe that this is in line with our strategy of providing stable and regular cash flows to our Unitholders.

DG: Is there a possibility, and under what circumstances would it warrant the REIT to redeem the product before maturity?

ALMH: Thanks for the question. We don't expect to redeem the bonds, because for the term of 15 years, we can enjoy stable and regular cash flow. And as a REIT, we are also evergreen, unlike funds where they have a fund life, and will need to divest at some point. So, we do not expect to do so, but even if we were to do so, we can, subject to certain conditions and approvals. But, we have no intention to do so at this point.

DG: Will the REIT proceed with the investment if the authorities, for instance, doesn't grant the bonds as a Qualifying Project Debt Securities (“QPDS”).

ALMH: As presented in the slides, if MAS gives the approval, we are expected to get a DPU (distribution per unit) accretion of 3.8% to the FY2020 pro forma numbers. But if MAS approval is not granted, it is still at a 3.1% DPU accretion. That is still highly DPU accretive, given that this asset only contributes less than 3% of our total portfolio. But just to highlight to Unitholders that while this is opportunistic, we also have an internal discipline to having our investment in data centres make up at least 90% of our AUM (assets under management) at any time. I think that is something, a financial discipline that you will see from us, even if we see attractive bonds in the market in future. That is still something we believe strongly in.

DG: There are some Unitholders that were left with a bad taste in their mouth with the Hyflux preferential shares, so naturally they are worried. What is the worst scenario if one or both products default? Will the REIT be placed at the bottom of the list to be compensated, where in fact no compensation can be received, just like those invested in Hyflux preference shares?

ALMH: I understand the concerns, but there is a difference. Investors in Hyflux invested all their capital in Hyflux. Whereas here, like I mentioned, this investment is less than 3% of our AUM. We have also done very thorough due diligence together with the professional consultants. These Network Assets are critical to M1's operations, and we do not expect a lapse in the payment from M1.

Together with the bonds, we will also hold the preference shares so that Keppel DC REIT will be able to have a 50% Board representation and have veto rights over major decisions to be made at NetCo level. And this safeguards our interests over the major decisions and provides oversight of NetCo's ongoing operations, which allows us to notice any material issues that may affect returns in advance.

But in the worst case scenario, should this happen, having only 50% doesn't preclude us from being able to exercise our rights under the SPV to enforce all our rights against M1. And in this scenario, if there is a default situation with M1, only Keppel DC REIT's Directors can vote in Board resolutions in relation to enforcement of any of NetCo rights against M1. This is something we have sought for and agreed with M1 contractually.

Indeed, our debt securities are subordinated to the external loans and this is reflective in the yields. The interest rates for external loans are lower, possibly at around 2 plus %, as compared to our yield of 9.17%. Our payback (for this investment) is approximately 8 years, although the principal payments are over the entire 15 years. In other words, we are not waiting until 15 years is up before we receive the capital outlay that we have put in. We are receiving them progressively.

DG: So are you in the position to tell the Unitholders that DPU will not be affected, and that we can expect DPU to be at 9.17%?

ALMH: As mentioned, it is a 3.8% DPU accretion over the FY2020 DPU pro forma. So we are looking at if we had acquired these bonds and preference shares since 1 January 2020, and held it through the whole 12 months of 2020, the DPU in 2020 would have increased by 3.8%, assuming MAS approves and qualifies this as a QPDS.

DG: What's your current DPU distribution? What is it like?

ALMH: I will hand this question to Adam to share our first three quarters disclosed DPU for this year.

AL: Sure, thanks Mr Gerald and Anthea. The first three quarters DPU for 2021 has been quite stable and is higher as compared to last year. It is at 2.462 cents for 3Q 2021.

DG: So, Unitholders are wondering if this initiative will help them get a better DPU?

ALMH: Yes, this investment is expected to be DPU accretive. Although we do not provide forecasts on a forward looking basis, on a pro forma basis, it is DPU accretive because of the high yield that we are going to expect from this.

DG: What about NAV?

AL: NAV is unchanged post this transaction.

DG: There is a pessimistic lot who asked, what are the proposed plans to “save” the REIT should one or both investments fail?

ALMH: Both of them should be regarded as one transaction. We will not buy the bonds without the preference shares. Neither will we buy the preference shares without the bonds. So they are considered as one transaction.

So basically, what we are doing is we are investing in the bonds and the preference shares. We are receiving a return of 9.17% per annum, and the preference shares actually allow us a 50% Board representation so that we can know and have more details of what is going on at the NetCo level.

But having said that, you know, we do not expect any lapse in payment of the NetCo Bonds. We would also like to share that having done the due diligence, and engaged external consultants to help us in such due diligence, the technical due diligence performed has found that the Network Assets are in good condition and they noted that the maintenance schedule that M1 has put in place have also been exceeding the regulatory requirements imposed by IMDA. So with that, and also the fact that these Network Assets are critical infrastructure that M1 will require to continue to run its business, we do not expect any lapse in payments.

DG: Yes, so Anthea, you can understand that there are quite a number of people who depend on the DPU for income. They invest in REITS, especially the retirees and more, and while there is a positive recommendation from the IFA (independent financial adviser) and ISS (Institutional Shareholder Services), they still want some assurance from you. Should they vote for this, and get this through, which I think they will, but they need to know, under what circumstances will the DPU be affected?

ALMH: The main potential risk I can think of would be credit risk. Because in this case, even if there are any outages, we are not responsible for penalties. If there are any capex obligations that needs to be put in, we don't have any obligations towards that too.

So, as mentioned, the main risk I can think of, and to share openly with Unitholders, would be counterparty risk. That is, one day when M1 is no longer in business, or because of their business, they no longer require the Network Assets. Then that would be a risk that we would potentially face if M1 should go down. But we have made our assessment and looking at M1's business, and them being the second largest post-paid base in terms of both revenue and number of customers in Singapore, we don't see any major concerns.

DG: And is Keppel investing more into M1?

ALMH: Keppel has invested in M1, that's why this is an interested party transaction for which Keppel will abstain on the voting of either of these resolutions.

DG: I think I have covered a number of questions that came in quite early to us from Unitholders who want assurance on the investment. Let's read some of the questions that came in live. The yield return of 9.17% (or \$11 million) per annum on the NetCo Bonds are indeed attractive, and are considerably higher than the comparable yields identified by the IFA. While the investment into the NetCo Bonds is consistent with the Manager's goal as a REIT manager, it begs the question whether can the monies, a nominal sum of \$89.7 million be put to more productive use? After all, investors ostensibly invest in and impute higher valuations on Keppel DC REIT for its growth story, i.e. exposure to the increasingly attractive data centre assets. In other words, Unitholders are asking whether is the REIT trading the potential for growth for stable yields?

ALMH: Sure, thanks Mr Gerald. Thanks for the question as well. It is a fair and valid concern. And I hear investors very clearly on wanting more assurances. I think one thing we do consider is, of course, that this is a \$89.7 million investment, which makes up less than 3% of our AUM. It is not a very high figure in order to generate the kind of DPU accretion that we talked about, 3 plus % DPU accretion.

Another thing to note is that going forward, we want to continue to maintain the discipline of keeping at least 90% of our assets in data centres.

And this investment, with all the merits of stable and regular cash flows, and very high yields of 9.17% compared to other opportunities, is a good fit with our investment strategy.

DG: Yes, so they need not fear that you will be moving away from data centres.

ALMH: Yes. At this point, we do not see this as a recurring kind of investment for us. We see this as a one-off opportunistic one. And all the other deals that we are working on right now are data centre opportunities. This is a very rare opportunity, to find something that is high yielding and yet with no operational management risks, and with stable cash flows. To emphasise that in doing this deal, we have not sacrificed other data centre deals to do this. We have been pursuing quite a few deals too.

The team here works very hard on all opportunities, and we work concurrently most of the time. Just as we are looking at this opportunity with M1, we were also concurrently running the China acquisition opportunity and the Netherlands deal, and others of course. We hope to bring good news to our investors.

So, we didn't sacrifice other data centre deals for this opportunity. This is something we want to assure all our Unitholders and that we only look at this as an opportunistic opportunity because it is rare to find something as stable and high yielding as this.

DG: So it is business as usual, and you will remain in the data centres business or investment in data centres. You will not go beyond, with only about 10% which would be for this one-off opportunistic investment? Other than that, nothing more?

ALMH: Yes. Although we have widened our mandate to invest in assets and real estate assets that support the digital economy, what we want to assure Unitholders is that at least 90% of our AUM will continue to be data centre related assets.

DG: Institutional Investors would get advice from their analyst and ISS. You have also gotten the independent financial adviser supporting this, and your Board has looked at it carefully. But Unitholders want more clarity on NetCo's business model and its ability to generate cashflows. While these are believed to be relatively safe instruments, what are the risks that Unitholders have to be aware of? Especially so, with the sunset industry associated with M1.

ALMH: Let me address the last comment first. I don't think M1 is in a sunset industry. I guess what is more important is that M1 holds the license with IMDA, and their business requires all these Network Assets in order to function. These Network Assets are the critical infrastructure that enable and support M1's core operations.

Technology keeps moving. There is of course 3G, 4G, 5G. But for IMDA to provide the licenses to M1, and for M1 to continue to be able to renew these licenses, M1 must also continue to maintain and maintain well, and make sure that the Network Assets are in good condition so as to be able to service their customers and continue to gain the market share that they currently have.

One more point that I would like to bring up is that during the due diligence, we have also found out that the useful life of the Network Assets may last beyond the 15 years, with regular maintenance and with capex. And I also want to share that, close to half of the value of the Network Assets is independent of mobile technology. This means that today we may be using 3G, 4G and going towards 5G, but let's say in time to come, if we were to move into 5G or 6G, being independent of mobile technology means these equipment will remain relevant.

And through the technical due diligence performed, we have also found that some of these 3G and 4G equipment can be upgraded to serve higher mobile technology. As of today, 5G is at its initial stage, and I think we all can see that most of us are still on 3G and 4G. Through this deal, we have also learnt more about Network Assets from all the technical consultants and understand that at any point in time, (we need at least more than 1 set of mobile technology at any one time) we will not be relying on just one technology to function because there will be different purposes and different usages, and for cost effectiveness as well.

DG: There is still maybe a group of people who are thinking if you are doing this to benefit NetCo? You're buying into the NetCo debt to benefit the parent company? Some unitholders have asked about the relationship between Keppel DC REIT, M1 and Keppel Corp. For the avoidance of doubt, can you confirm that you are not buying into the NetCo debt to benefit the parent company? Also is Keppel DC REIT the only party that M1 approached for this deal? And if so, why? Are there any other means that M1 could have raised this capital?

ALMH: Sure, thanks for this question. These are very good questions and valid. I would like to share that we assessed this deal on its own merits and due diligence was done by independent technical consultants.

Just to address Unitholders' question, M1 and our management are all part of the Keppel Group. If you recall a few months back, you would have read that Keppel Group had sold a data centre in Frankfurt (to an external party), and some of our investors had asked why we did not go into that transaction. We have shared that we evaluate each opportunity on its own merits. It does not mean that every time the Keppel Group wants to sell, we will buy whatever that they sell.

And I think that we have to look at this based on, like I mentioned, how it's very rare to find something that is high yielding and yet stable in nature. Most of the time, it's always a risk-adjusted return. High yields will always mean that you have to undertake some form of risks such as management risk or the risk where the returns that you think you are going to receive in the first few years may not be there after a few years because of the business or because of occupancy changes and all. These are considerations we take into account.

And how much management time is needed when we invest in these NetCo Bonds and Preference Shares? Actually, not very much because on an ongoing basis, we do not have to look at managing the Network Assets and looking at capex or opex and trying to see how we can continue to generate the cash flow of \$11.0 million. That is already a fixed figure that we have negotiated and agreed with NetCo.

So there are quite a number of considerations when we were considering this investment. But of course, whenever there is any opportunity, the yields and risks aside, we will always have to look at all parameters before we decide whether to go into an acquisition or not. Regardless of whether this opportunity comes within the Keppel Group or a third party. It's really the same measures that we consider.

Myself and our CFO, both of us have been with Keppel DC REIT since the very beginning. I joined about a few months after the listing and Adam has been around since listing. So we have always believed in the same financial discipline, and also in buying carefully and buying well to make sure that our Unitholders' interests are always well-protected. This way, we will continue to do well. That is what we want, as we are not here for the short term.

DG: So was it foremost in your mind, and the Board's mind, that doing this would be an advantage to Unitholders as a whole and not just as a party that is involved in the transaction?

ALMH: This opportunity is beneficial to our Unitholders. I mean, regardless of whoever is on the other side, whether it is Keppel Group or third parties, we will look at this only if it is beneficial to Unitholders.

DG: Which means they will see a slight improvement in DPU?

ALMH: Based on FY2020 pro forma figures, it is DPU accretive. On a forward basis, we have not done any profit forecast and I am unable to share how much it would be. But we expect it to be DPU accretive.

If we had not been looking at the merits of each deal, we would have acquired a lot more along the way since the very beginning. But we have not done so because we know it is important to continue to buy well.

DG: Perhaps this next question for the CFO. Some are still not sure, they are questioning the opportunity cost of this investment. If possible, they want you to comment on the potential growth appreciation of the NetCo, if any, versus that of a data centre. Can management briefly comment on the current environment of the data centre REIT space? What is Keppel DC REIT's strategy to sustain its competitive advantage? Will the equation change with the proposed investment?

AL: Let me take the first question on investment into bonds as compared to when we acquire a data centre. This cannot be quantified that easily. We are investing into bonds in this proposed investment, and we do not take on operational management risks, and are able to provide stable and regular cash flow to Unitholders. While we cannot provide forward-looking statements that the data centres that we acquire,

or potentially acquire, will appreciate or depreciate in the long-term, we know that this investment can provide us with a stable \$11.0 million cash flow throughout the 15 years. This complements our data centre portfolio.

DG: What is the current environment of the data centre in the REIT space?

ALMH: I'll take this question. The data centre market has matured as an asset class compared to when we started off many years ago. The outlook for data centre continues to be very strong, mainly driven by demand from the hyperscalers in Singapore and globally. Even demand in non-data centre hubs is also fast-growing.

We are not resting on our laurels, and are trying to pursue all these data centre acquisition opportunities. Data centres are a very hot asset class that is highly desired by a lot of investors. During the pandemic, we saw investors switching out from offices or other asset classes into the data centre market because they see it as a growing business, as a very good and strong asset class.

We recognise that there is a lot of competition. But we are also not just buying any data centre or any opportunity present in the market, we are very careful about what we acquire.

Our advantage over other players or other investors, is that Keppel operates some of these data centres. So, we do have that direct client relationship and we know where the clients want to go, where they are expanding, what the prospects are in the different countries. And also capitalising on our global mandate, we can invest in the key data centre markets in the world. When we evaluate deals, we are also able to evaluate with the information of what our clients are looking for.

DG: So a global approach is your strategy to sustain your competitive advantage?

ALMH: Yes, to sustain our competitive advantage, having that direct relationship with our clients is important. So that we know and hear first-hand where are their preferred locations and growth plans.

Another key strategy is also having this ability to develop data centres within Keppel Group so that we will have potential assets that we can acquire. Of course, it will still depend on what we can negotiate with Keppel Group. Like I mentioned, all opportunities will have to be looked at upon on its own merits.

And the other thing is Keppel was the first mover. Keppel is one of the first few data centre operators and have operated data centres in Singapore for more than 10 years, and also expanded globally over the years. That also puts us in a strong position with all our clients given our long track record.

Data centres as an asset class is very unique. Because of its mission-critical nature, it is not about the data centre operator who can offer the cheapest price or highest value. But it is about offering good value and most importantly, being able to maintain the assets well and the trust we built with our clients.

We have also been acquiring a number of assets in the past through off-market deals. Our knowledge and network are also important to help us to be able to acquire some of these assets off-market to get good value for some of these opportunities.

DG: Who are your competitors globally? Who is competing with you?

ALMH: We are the only data centre REIT listed in Singapore for now. Competitors will include other data centre operators, and also some of the other US data centre players. We also compete with other REITs who have invested in data centres as well.

DG: Unitholders have some queries on the specifics of this joint venture and NetCo. Can Management please share about the due diligence conducted on NetCo? Specifically, the robustness of cashflow. Is it possible for the benefit of retail investors, to outline how you went about doing your due diligence in a nutshell?

ALMH: I will pass the time to Adam to tell you a bit more about the valuation of NetCo and other due diligence that we have done.

AL: I will talk about the robustness of the cash flow which may be more of a focus for the Unitholders. We look at the cash flow taking into consideration the agreements entered such as the Network Service Agreement, the potential external NetCo financing arrangements, the debt securities agreement, as well as the day-to-day operations and management of the assets which will be outsourced to M1.

Cash flow is then projected over the 15 years, and assessed by the independent valuer, who has valued the company at over \$580 million on an enterprise basis, which is above the net book value of the Network Assets of \$580 million. Other than that, we have also done our legal and technical due diligence for the Network Assets and deal structuring. The independent financial adviser has also advised and looked into the transaction, and provided advice to the Independent Directors and also the Audit and Risk Committee on their recommendation to Unitholders.

DG: Did you also look into whether the current equipment housed under NetCo, may require capex to upgrade them?

ALMH: We looked into that as part of the technical due diligence. There may be capex required to continue to maintain and upkeep these Network Assets. But as agreed in the legal documents, we have no capex funding obligations. This is important because it means that Unitholders have no obligation to continue to fund any capex that is required to maintain these Network Assets. The capex plans and budgets have to be submitted to the NetCo Board. We have a 50% representation on the NetCo Board, and this provides us with veto rights over major decisions at the NetCo level.

DG: Unitholders are scrutinising the financials of this deal. Quite rightly, I think they should be doing that. They are asking how is Keppel DC REIT looking to fund this investment? Second question, will there be any difference in WACC (weighted average cost of capital) before and after this investment. Thirdly, how many years is this acquisition expected to be DPU accretive?

ALMH: In terms of how we intend to fund this, we have divested one of our assets this year and after repayment of debt, we will use approximately \$15 million to fund the NetCo Bonds and Preference Shares investment. For the rest, we intend to use external funding. Basically, cash proceeds from the divestment as well as bank borrowings.

For the second question on the WACC, we don't expect any significant change. When we evaluate opportunities, we mainly look at the DPU accretion and sustainability of income. When we look at, for

example, IRR of an opportunity, we do look at it assuming that we were to hold and divest it after a certain period of time. There will be hurdle rates that we have and set for ourselves internally for the different countries, depending on the risk profile for each country.

DG: How long is this acquisition expected to be DPU accretive?

ALMH: We cannot provide any forward-looking statements and predictions on how income will be. We looked at the DPU accretion on a pro forma basis, which will be 3.8% if the QPDS application is approved.

I would also like to remind all our Unitholders that this in this deal, the principal that we put in will be repaid progressively over this 15-year period. This is something that we have considered very carefully and this is good, because we will not have to worry about what to do 15 years later. For illustrative purposes, if we had bought into some other assets we will have to think about how do we continue to maintain this value after 15 years. But in this case, there is no such concern because the capital would be repaid to Unitholders over 15 years.

DG: Investors at SIAS like diversification of portfolio to reduce and manage risk. Are you almost putting all the eggs in one basket? 90% of your portfolio will be in data centres, which is your core business and where your expertise is. Do you think you should invest in (other) properties? Or what would you think would be a good balance?

ALMH: Thank you Unitholders for your question. We don't consider it risky to put at least 90% of our investments in data centres. Because even for data centres, we are not just invested in Singapore or just one to two countries, we are invested in nine countries. And I think that that is a very important consideration given that data centres are a very specialised asset class. There are also different types of data centres e.g. master leased and co-location assets. The master leased ones being more stable and with a longer WALE (weighted average lease expiry). This is compared to the co-location assets which will see more turnover within a shorter period of time. That is also diversification.

So, we are diversified across different income streams, lease types, and across geographies. Our assets are not concentrated in one geography or region. So that if there is anything that affects the demand for data centres in a particular location, there isn't a high concentration risk because of the fact that we are well-diversified.

For data centres, we are in a comfortable position. Demand continues to be very strong, and supply continues to be rather limited. Due to the limited supply, we see the demand spilling over to neighbouring locations. We do see a lot of opportunities to continue to grow the portfolio with more data centre acquisitions.

DG: Just adding on to the previous question, given the highly competitive business of telcos, with rapid evolving technology and high capital outlay, to cope with changing technology, how certain are you about the long-term viability of M1's business, with regard to the 15-year loan horizon, despite the payback period of 8 years? Also, given the potential rollout of 5G, will part of these Network Assets be rendered obsolete, or have shorter useful lives?

ALMH: M1 is established and has been in the telco business since 1997. Let me address the question on obsolescence of the Network Assets. Close to half of the Network Assets are independent of mobile technology. So, it doesn't matter whether it is 3G, 4G, 5G, or 6G. The due diligence conducted by an

independent technical consultant has also confirmed that the useful life of the Network Assets may be extended beyond 15 years with regular maintenance and capex.

Part of these 3G and 4G assets can also be upgraded to serve higher mobile technology. You will not just discard these Network Assets, but instead upgrade them to serve a higher mobile technology. Having said that, we are still very heavily dependent on 3G and 4G, with 5G still in its infancy.

Going forward with 5G, these Network Assets will still continue to remain relevant. Our understanding is that you cannot just be using one mobile technology at any one point in time.

DG: So far, you have given answers that should, give your Unitholders confidence in your investment. But they seem to be asking is Keppel DC REIT the only party that M1 approached for the deal? And if so, why? That seems to be troubling them. Are there any other means that M1 could have raised this capital? Also, would there be more of such deals in the future which may result in Keppel DC REIT being a predominantly bond investor?

ALMH: Thanks Unitholders for your questions. I'm glad that you share your concerns with me and I will try to address them as much as I can. At this point in time, we do not expect to invest in any more than this proposed investment. Going forward, we are expecting our acquisitions to come from data centre opportunities.

As to whether M1 has approached other parties for this transaction, this is something we can't speak on M1's behalf because as with any business transaction between two parties, it is strictly confidential and I think this is something, we are also not privy to, regarding as to who else they have spoken to and how the discussions have gone.

DG: Something you're not aware of?

ALMH: Yes, not something we can share. As we have mentioned and shared earlier, we look at every opportunity on its own merits. It doesn't matter how many parties are out there or who is selling. The critical point to us is looking at the merits of the transaction, the yields, the risks, how much management time that needs to be spent and the prospect of any defaults. We do look at all these things and what kind of obligations that we have which will bring about the kinds of returns we expect to receive. These are all the key things we do look at when we evaluate a deal.

DG: Just one last question. In your due diligence, did you determine who does M1 or NetCo actually serve? I know Netlink Trust serves retail and also residential customers. Does M1 or NetCo serve the commercial lines?

ALMH: I can't really provide too much details on that, but NetCo basically provides the core of what M1's business is, which comprise mainly of the Network Assets, which are mobile, fibre and the fixed assets that M1 has. They also have their post-paid and pre-paid customer base in their business.

DG: Can you give your final statement of assurance to the Unitholders? Why should they support this?

ALMH: Sure, thanks Mr Gerald for your time today and I would like to thank Unitholders for taking this time to attend this virtual dialogue. Of course, hopefully next year, if there are any of this kind of dialogue,

it would be good if we all can meet in person. Thanks for your time and patience. Really happy to hear all these questions that you have and I hope that I have addressed all your concerns.

Just to sum up, it's really rare to be able to find something that is high yielding and DPU accretive according to our DPU pro forma FY2020 numbers. We also look at how much risk we have to take. For this investment, counterparty risk is the main risk. There is no operational management risk nor any capex obligations for us. We do not need to come to the Unitholders the next few years to say, look you need to put in another few millions, to continue to maintain the Network Assets, because that is not part of this transaction.

And the important thing is that we do see ourselves very much as a data centre player. Going forward, we still want to focus all our efforts (on data centres) and all the investment opportunities we are working on right now are related to data centres. We are not sacrificing any data centre acquisition opportunities for this deal. The team really works very hard to look at everything concurrently.

And since this is a good opportunity that is DPU accretive, and with no operational management risks, we have decided to put this up for Unitholders' approval and for which Keppel Group will have to abstain from the vote. We look forward to you supporting us and if there are any further questions, please feel free to reach out to us. Thank you so much.

- END -