Keppel DC REIT

Positioning to Deliver

Report to Unitholders 2018

Vision

To be the preferred data centre real estate investment trust, serving as a trusted partner to our stakeholders.

Mission

Guided by the Keppel Group's operating principles and core values, we will create value for our investors by growing a quality portfolio of data centre assets that generates sustainable returns.

Keppel Group's Operating Principles

1 Best value propositions to customers.
2 Tapping and developing best talents from our global workforce.
3 Cultivating a spirit of innovation and enterprise.
4 Executing our projects well.
5 Being financially disciplined to earn best risk-adjusted returns.
6 Clarity of focus and operating within our core competence.
7 Being prepared for the future.

Contents

Positioning to Deliver

We are positioning Keppel DC REIT as the preferred data centre real estate investment trust to capture value from the fast-growing digital economy and capitalise on rising demand for data centre facilities. We will focus on executing and delivering on our growth initiatives to create value for all our stakeholders.

Key Figures for 2018

Net Property Income (NPI)

$157.7m

26.0% higher than 2017's $125.1m
Increase was mainly due to higher contribution from new acquisitions made in 2018, namely Keppel DC Singapore 5 and maincubes Data Centre.

Distributable Income[1]

$96.1m

16.7% higher than 2017's $82.3m
Increase was mainly due to higher contribution from acquisitions and higher income from Keppel DC Dublin 1 and Keppel DC Singapore 3. These were partially offset by the absence of the one-off capital distribution in relation to Keppel DC Singapore 3, as well as lower income from Gore Hill Data Centre and Basis Bay Data Centre.

Distribution Per Unit (DPU)

7.32cts

5.0% higher than 2017's adjusted DPU of 6.97 cents[2]
Translates to a distribution yield of 5.42%, based on the 2018 closing price of $1.350.

Aggregate Leverage[3]

30.8%

130 basis points lower than 31 December 2017's 32.1%
Mainly due to the private placement to partially fund the Keppel DC Singapore 5 acquisition.

Interest Coverage Ratio

11.4 times

Improved from 2017's 9.7 times
Improvement was mainly due to higher NPI in 2018.

Net Asset Value (NAV) Per Unit

$1.07

10.3% above 31 December 2017's $0.97
Adjusted NAV per Unit was $1.03 (31 December 2017: $0.93), excluding DPU of 3.70 cents declared for 2H 2018 (2H 2017: 3.49 cents).

Assets Under Management[4]

$2.0b

30.5% higher than 31 December 2017's $1.5b
Increase was largely due to the additions of Keppel DC Singapore 5 and maincubes Data Centre.

Portfolio Occupancy

93.1%

Remained healthy as at 31 December 2018
Of the 15 assets in Keppel DC REIT's portfolio, 10 assets were fully leased.

Weighted Average Lease Expiry (WALE)

8.3 years

Long portfolio WALE
Provides income stability for the REIT.

1 The distributable income includes Capex Reserves for Keppel DC Singapore 3 and Keppel DC Singapore 5 for the financial year ended 31 December 2018.
2 Excluded the one-off capital distribution of approximately 0.15 cents per Unit in relation to Keppel DC Singapore 3 recorded in 1Q 2017.
3 Aggregate leverage is computed based on gross borrowings and deferred payments over total deposited properties as stipulated in the Property Funds Appendix in the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore, without considering finance lease liabilities pertaining to land rent commitments.
4 Based on valuations by independent valuers, excluding finance lease liabilities pertaining to land rent commitments.

Corporate Profile and Strategic Direction

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

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 related assets, with an initial focus on Asia Pacific and Europe.

As at 31 December 2018, the REIT had a portfolio valued at approximately $2.0 billion with a total attributable lettable area of 1,111,991 sq ft. The portfolio comprised 15 data centres strategically located in key data centre hubs across 10 cities in eight countries in Asia Pacific and Europe.

The portfolio did not include Intellicentre 3 East Data Centre, which is being developed and it is expected to be completed in 2020.

The REIT is 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 Telecommunications & Transportation Ltd (Keppel T&T).
Keppel Capital is a premier asset manager in Asia with assets under management of approximately $29 billion comprising real estate, infrastructure and data centre properties in key global markets. As the Sponsor of the REIT, Keppel T&T has also granted Rights of First Refusal (ROFR) to the REIT for future acquisition opportunities of its data centre assets.

Keppel DC REIT aims to be the preferred data centre real estate investment trust, serving as a trusted partner to our stakeholders.

The Manager employs a three-pronged strategy to capture value from the data centre industry and deliver sustainable returns to investors.

Focused Investment Strategy

- Pursue strategic growth opportunities that complement the portfolio, strengthen presence across key data centre hubs and drive long-term sustainability.
- Build a geographically-diversified portfolio with well-staggered lease expiries to enhance income stability.
- Maintain an optimal mix of fully-fitted, as well as shell and core assets with stable long-term leases, and colocation assets which are diversified in terms of client profile and lease terms.

Proactive Asset Management

- Optimise portfolio returns by managing existing leases proactively and engaging prospective clients on new opportunities.
- Manage property expenses prudently to raise operational efficiency.
- Deliver quality offerings that meet the evolving requirements of a global clientele.
- Review the portfolio regularly to identify opportunities for portfolio optimisation.

Prudent Capital Management

- Employ an optimal mix of debt and equity in financing acquisitions to optimise returns while maintaining financial flexibility.
- Apply appropriate hedging strategies to achieve best risk-adjusted returns and enhance stability of distributions to Unitholders.
- Diversify sources of funding and achieve well-spread debt maturity profile to reduce concentration risks.
- Secure favourable credit facilities and terms to fund operational needs.
- Monitor risk exposure closely to ensure effectiveness of policies against evolving market conditions.

Chairman's Statement

Strengthening Foothold in

4 DC Hubs

- Announced the acquisition of the remaining 999-year leasehold interest at Keppel DC Dublin 1 in Ireland, which is targeted to be completed in the first half of 2020.
- Completed the acquisition of maincubes Data Centre in Offenbach am Main, Germany.
- Deepened footprint in Singapore with the acquisition of Keppel DC Singapore 5.
- Expanded Australian presence with the addition of Intellicentre 3 East Data Centre, to be built on the vacant land within Intellicentre 2 Data Centre's site.

Corporate Transparency

1st

Topped Governance Index for Trusts in 2018, which recognises corporates that uphold high standards in governance.

Dear Unitholders,

The global data centre industry continued to experience positive growth momentum in 2018. It was fuelled by the rapid growth in the global cloud infrastructure market on the back of increasing data creation and storage needs.

Keppel DC REIT, as an investment vehicle with a focus on data centres, continues to benefit from this fast-growing digital economy.

Delivering Growth

The Manager's focused investment strategy has seen Keppel DC REIT expand in key data centre hubs in Asia Pacific and Europe, which offer telecommunications reliability, power availability and access to neighbouring markets.

In 2018, the Manager deepened the REIT's Singapore footprint with the acquisition of Keppel DC Singapore 5 (KDC SGP 5) from a third-party data centre developer. Over in Europe, the Manager completed the REIT's acquisition of maincubes Data Centre (maincubes DC) in Offenbach am Main, Germany.

These additions saw Keppel DC REIT's assets under management, as at 31 December 2018, grew by 30.5% year-on-year to approximately $2.0 billion[1] across 15 data centres in eight countries. More importantly, they contributed to Keppel DC REIT's stronger income for FY 2018.

The Manager will also be expanding the REIT's Australian presence with the addition of Intellicentre 3 East Data Centre (IC3 East DC), which will be built on the vacant land within Intellicentre 2 Data Centre's site. This demonstrates the Manager's ability to pursue growth through value creation by optimising land use in an existing asset. Development of IC3 East DC is expected to be completed in 2020. The Manager also strengthened its commitment in Ireland with the acquisition of the remaining 999-year leasehold interest at Keppel DC Dublin 1 (KDC DUB 1), with legal completion expected to be in the first half of 2020.

For FY 2018, the REIT reported distributable income of $96.1 million, 16.7% above FY 2017's $82.3 million. This was mainly due to the additions of KDC SGP 5 and maincubes DC, as well as Keppel DC Dublin 2 (KDC DUB 2) which was acquired in the second half of 2017. There were also higher contributions from KDC DUB 1 and Keppel DC Singapore 3 (KDC SGP 3). The higher distributable income was partially offset by the absence of the

Keppel DC REIT completed the acquisition of maincubes Data Centre in Offenbach am Main, Germany, in March 2018.

[1] Excludes IC3 East DC, which is expected to be completed in 2020.

Christina Tan
Chairman

one-off capital distribution in relation to the later completion of KDC SGP 3, as well as lower rental income from Gore Hill Data Centre in Sydney, Australia, and Basis Bay Data Centre in Cyberjaya, Malaysia.

Distribution per Unit (DPU) was also higher at 7.32 cents, a 5% increase over FY 2017's adjusted DPU of 6.97 cents[1]. This translated to a yield of 5.4%, based on the market closing price of $1.350 per Unit on the last trading day of 2018.

The Manager maintains a proactive asset management strategy to improve the efficiency and returns of its portfolio. Asset enhancement works at KDC DUB 1 are expected to be completed by 2020. KDC DUB 2 has also embarked on power upgrading and fit-out works to address clients' future requirements.

As at 31 December 2018, less than 5% of the REIT's leases were due for expiry each year until end-2020. The REIT ended the year with a healthy portfolio occupancy of 93.1%, and a long weighted average lease expiry of 8.3 years by leased area, which will provide income stability for unitholders.

Prudent Management

The Manager adopts a prudent capital management approach in this volatile macroeconomic environment.

Approximately 86% of the REIT's borrowings have been substantially locked-in through floating-to-fixed interest rate swaps. Where possible, the Manager would borrow in currencies that correspond with its investments overseas for a natural hedge. Concurrently, to safeguard distributions against exchange rates fluctuations,

New acquisitions saw Keppel DC REIT's assets under management as at 31 December 2018 grow by 30.5% year-on-year to $2.0 billion across 15 data centres in eight countries.

[1] Excluded the one-off capital distribution of approximately 0.15 cents per Unit in relation to Keppel DC Singapore 3 recorded in 1Q 2017.

Chairman's Statement

The Manager remains optimistic that the data centre industry, underpinned by increasing cloud adoption and rapid digital transformation, will continue on its growth trajectory.

forecasted foreign-sourced distributions have been hedged with foreign currency forward contracts till the first half of 2020.

As part of ongoing efforts to diversify funding sources, the REIT issued €50 million in floating rate notes due 2023 in March 2018, and another €50 million due 2026 in February 2019, under its $500 million Multicurrency Medium Term Note Programme established in 2017. The Manager also launched a private placement in May 2018 to raise $303.1 million to partially fund the acquisition of KDC SGP 5. The placement was well-subscribed with a total of 224.0 million new Units issued, boosting the REIT's trading liquidity and increasing its exposure to quality global institutional investors.

As at 31 December 2018, the REIT's average cost of debt remained competitive at 1.9% per annum with an interest coverage ratio at 11.4 times. Aggregate leverage remained low at 30.8%, providing the REIT with financial flexibility and adequate debt headroom to capture growth opportunities.

Driving Sustainability
As the REIT continues to grow, the Manager maintains its focus on adopting and incorporating environmental, social and governance (ESG) principles and practices in its strategy and business operations.

The Board of Directors has reviewed and approved the material ESG issues for Keppel DC REIT and considers these as part of the REIT's strategy formulation.

The Board oversees, monitors and evaluates these issues periodically. The Manager also publishes its sustainability report in alignment with the internationally-recognised Global Reporting Initiative Standards.

During the year, the Manager took steps to further improve its sustainability efforts, which include stepping up energy conservation efforts at its colocation facilities.

In addition, I am heartened to share that Keppel DC REIT has once again topped the Governance Index for Trusts in 2018, which recognises corporates that uphold high standards in governance.

Looking Ahead
The Manager remains optimistic that the data centre industry, underpinned by increasing cloud adoption and rapid digital transformation, will continue on its growth trajectory. These industry trends fuel continued outsourcing requirements for high-redundancy data centre facilities that host mission-critical workloads for large enterprises.

Keppel DC REIT, with its established track record and enlarged portfolio of assets, is well-positioned to benefit from the growth of the global data centre industry. With the Manager's competencies in investment and asset management, and its ability to leverage the Keppel Group's capabilities in project development and facilities management, the Manager will continue to seek opportunities to capture value and strengthen its presence across key data centre hubs.

1
Industry trends such as increasing cloud adoption and rapid digital transformation continue to fuel outsourcing requirements for data centres.

2
A private placement to partially fund the acquisition of Keppel DC Singapore 5 was well-subscribed, raising $303.1 million from 224.0 million new Units issued.

Acknowledgements
In April 2018, Mr Chan Hon Chew stepped down as Chairman of the Board while Mr Richard Teo Cheng Hiang retired as Independent Director. Mr Leong Weng Chee will also be retiring as Independent Director from 17 April 2019. On behalf of my fellow Board members, I would like to express my heartfelt gratitude to Mr Chan, Mr Teo and Mr Leong for their guidance and invaluable contribution over the years.

We also welcome the appointments of Mr Low Huan Ping and Mr Kenny Kwan as Independent Directors to the Board in February 2019, as well as Ms Anthea Lee as Deputy Chief Executive Officer of the Manager in January 2018. These appointments are part of our ongoing efforts to strengthen the Board and leadership team to ensure long-term growth.

I would also like to take this opportunity to thank our Unitholders, business partners and valued clients for their firm support and confidence in Keppel DC REIT. Much appreciation is also extended to my fellow Directors for their commitment and guidance, as well as the management team and staff for their dedication in growing the REIT.

Together, we will position Keppel DC REIT to deliver greater value to Unitholders in the years ahead and to achieve further growth.

Yours sincerely,

Christina Tan
Chairman
28 February 2019

Group Financial Highlights

Results Highlights and Ratios
for the financial year ended 31 December

	2018 $'000	2017 $'000	Change %
Gross revenue	**175,535**	139,050	26.2
Net property income	**157,673**	125,119	26.0
Distributable income[1]	**96,096**	82,320	16.7
Distribution per Unit (DPU)[2] (cents)	**7.32**	7.12	2.8
Distribution yield[2,3] (%)	**5.42**	5.27	15 bps
Adjusted DPU[2] (cents)	**7.32**	6.97	5.0
Weighted average all-in interest rate (% per annum)	**1.9**	2.2	(30 bps)
Interest coverage ratio (times)	**11.4**	9.7	Nm

Balance Sheet Highlights and Ratios
as at 31 December

	2018 $'000	2017 $'000	Change %
Investment properties[4]	**2,028,672**	1,570,090	29.2
Total assets[4,5]	**2,259,144**	1,763,282	28.1
Gross borrowings[5,6]	**(673,952)**	(546,481)	23.3
Deferred payments[5]	**–**	–	Nm
Finance lease liabilities[4,5]	**(33,466)**	(33,769)	(0.9)
Total liabilities	**(783,150)**	(646,780)	21.1
Unitholders' funds	**1,444,839**	1,089,716	32.6
Units in issue ('000)	**1,351,578**	1,127,171	19.9
Net asset value (NAV) per Unit ($)	**1.07**	0.97	10.3
Adjusted NAV per unit, excluding distribution ($)	**1.03**	0.93	10.8
Aggregate leverage[5] (%)	**30.8**	32.1	(130 bps)

1 The distributable income includes Capex Reserves for Keppel DC Singapore 3 and Keppel DC Singapore 5.
2 Excluding the one-off capital distribution of approximately 0.15 cents per Unit for the month of December 2016 arising from the later completion of Keppel DC Singapore 3 and where the vendor had agreed that all the rights and obligations shall pass to the REIT as if completion had occurred on 1 December 2016, the adjusted DPU for FY 2017 would be 6.97 cents.
3 Based on the closing price of $1.350 on the last trading day of 2018.
4 Investment properties and total assets include the carrying value of the finance lease liabilities pertaining to the land rent commitments for iseek Data Centre and Keppel DC Dublin 1.
5 Aggregate leverage is computed based on gross borrowings and deferred payments over total deposited properties (the Group's total assets) as stipulated in the Property Funds Appendix in the Code on Collective Investment Schemes issued by MAS, without considering finance lease liabilities pertaining to land rent commitments. If these finance lease liabilities pertaining to land rent commitments were included, the aggregate leverage would be 31.9% (31 December 2017: 33.4%).
6 Gross borrowings relates to external borrowings drawn down from term loan facilities, revolving credit facilities and Multicurrency Medium Term Note Programme.

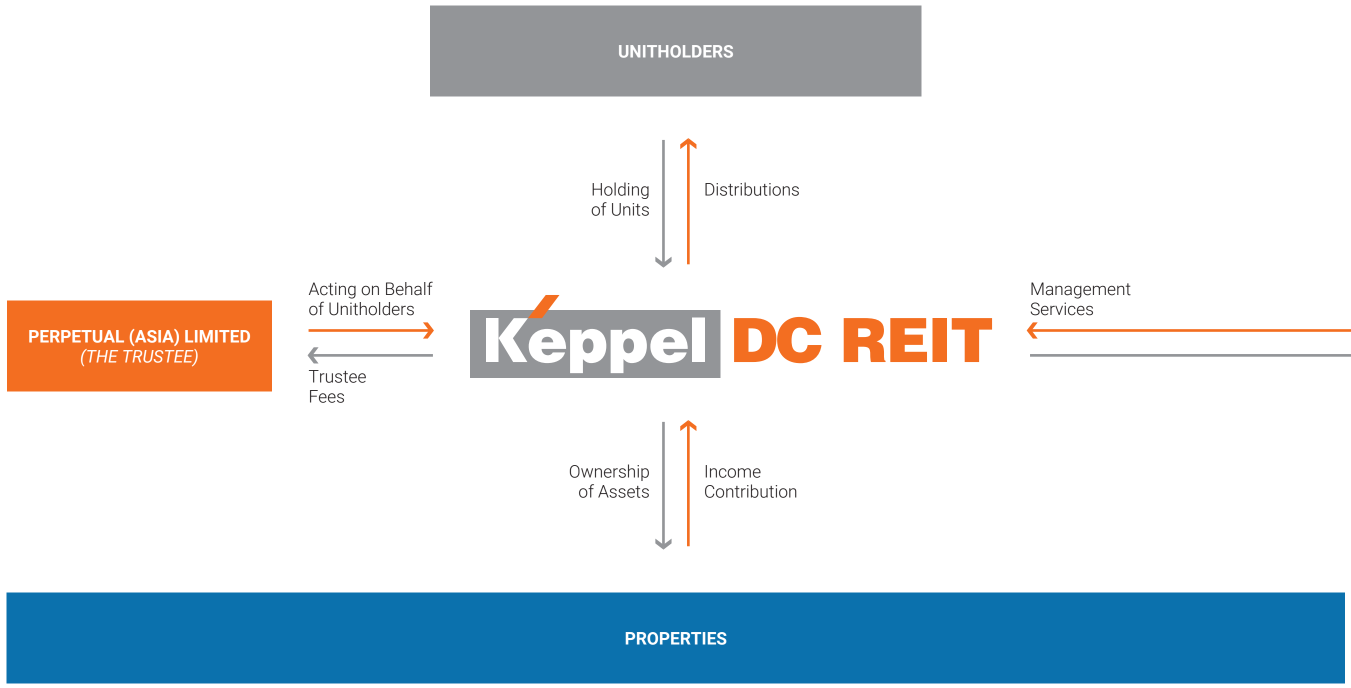
bps = basis points
Nm = Not meaningful

Group Quarterly Results

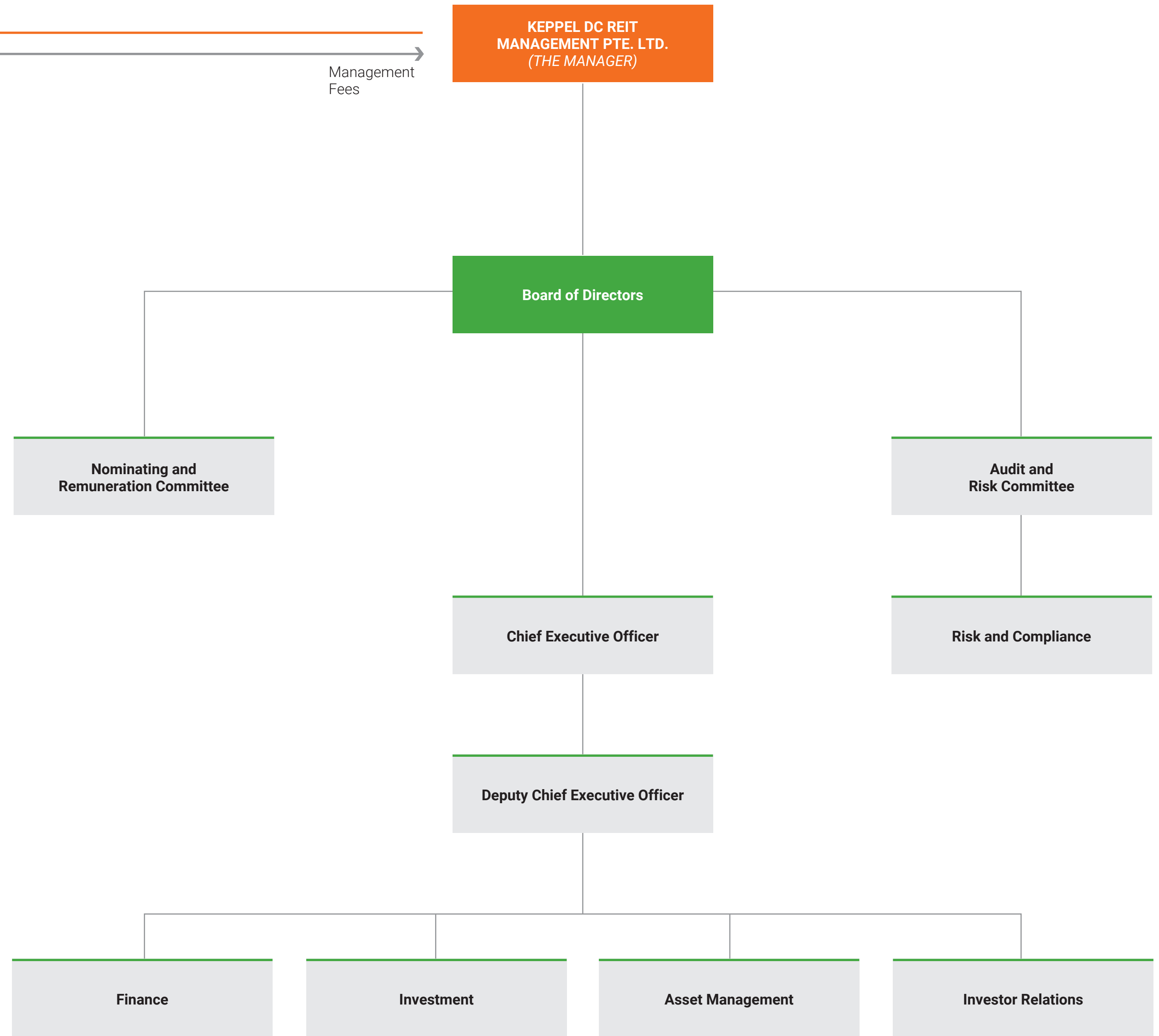
	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Full Year
	$'000	%	$'000	%	$'000	%	$'000	%	$'000
Gross Revenue									
2018	**38,008**	**22%**	**41,927**	**24%**	**47,557**	**27%**	**48,043**	**27%**	**175,535**
2017	32,224	23%	34,515	25%	35,483	26%	36,828	26%	139,050
Net Property Income									
2018	**34,088**	**22%**	**38,075**	**24%**	**43,043**	**27%**	**42,467**	**27%**	**157,673**
2017	28,844	23%	31,363	25%	32,264	26%	32,648	26%	125,119
Distributable Income[1]									
2018	**20,867**	**22%**	**23,079**	**24%**	**26,024**	**27%**	**26,126**	**27%**	**96,096**
2017	21,766[2]	26%	20,130	24%	20,179	25%	20,245	25%	82,320
DPU (cents)									
2018	**1.80**	**25%**	**1.82**	**25%**	**1.85**	**25%**	**1.85**	**25%**	**7.32**
2017	1.89[2]	27%	1.74	24%	1.74	24%	1.75	25%	7.12[3]

1 The distributable income includes Capex Reserves for Keppel DC Singapore 3 and Keppel DC Singapore 5.
2 Includes a one-off capital distribution for the month of December 2016 recorded in 1Q 2017.
3 The adjusted DPU for FY 2017 would be 6.97 cents after adjusting for the one-off capital distribution (See Note 2).

Trust and Organisation Structure



Asia Pacific			Europe				
Singapore	**Malaysia**	**Australia**	**United Kingdom**	**The Netherlands**	**Ireland**	**Italy**	**Germany**
Keppel DC Singapore 1 FM[1]: Keppel DC Singapore 1 Ltd.	**Basis Bay Data Centre** FM[1]: Basis Bay Services MSC Sdn Bhd	**Gore Hill Data Centre** FM[1]: iseek-KDC Services Pty Ltd	**Cardiff Data Centre**	**Almere Data Centre**	**Keppel DC Dublin 1**	**Milan Data Centre**	**maincubes Data Centre**
Keppel DC Singapore 2 FM[1]: Keppel DC Singapore 2 Pte. Ltd.		**Intellicentre 2 Data Centre**	**GV7 Data Centre**		**Keppel DC Dublin 2**		
Keppel DC Singapore 3 FM[1]: Keppel DCS3 Services Pte. Ltd.		**Intellicentre 3 East Data Centre** *(Under development)*					
Keppel DC Singapore 5 FM[1]: Keppel DCS3 Services Pte. Ltd.		**iseek Data Centre**					



[1] The facility managers (FM) are appointed pursuant to the facility management agreements entered into for the respective properties.

Board of Directors

Board Committees

A Audit and Risk Committee

N Nominating and Remuneration Committee

Christina Tan, age 53
Chairman and Non-Executive Director

N

Date of first appointment as a director:
15 September 2016

Length of service as a director (as at 31 December 2018):
2 years 4 months

Board Committee(s) served on:
Member of Nominating and Remuneration Committee

Academic & Professional Qualification(s):
Bachelor of Accountancy (Honours), National University of Singapore; CFA® Charterholder

Present Directorships (as at 1 January 2019):
Listed companies
Keppel REIT Management Limited (the manager of Keppel REIT); Keppel Infrastructure Fund Management Pte. Ltd. (the trustee-manager of Keppel Infrastructure Trust)

Other principal directorships
Keppel Capital Holdings Pte. Ltd.; Alpha Investment Partners Limited

Major Appointments (other than directorships):
Chief Executive Officer, Keppel Capital Holdings Pte. Ltd.

Past Directorships held over the preceding 5 years (from 1 January 2014 to 31 December 2018):
Various subsidiaries and associated companies of Alpha Investment Partners Limited and funds managed by Alpha Investment Partners Limited

Others:
Nil

Lee Chiang Huat, age 69
Independent Director

A

Date of first appointment as a director:
18 November 2014

Length of service as a director (as at 31 December 2018):
4 years 2 months

Board Committee(s) served on:
Chairman of Audit and Risk Committee

Academic & Professional Qualification(s):
Bachelor of Business Administration, University of Singapore; Master of Business Administration, University of New South Wales; Master of Social Science (Applied Economics), National University of Singapore

Present Directorships (as at 1 January 2019):
Listed companies
Keppel REIT Management Limited (the manager of Keppel REIT)

Other principal directorships
Jurong Port Pte Ltd

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2014 to 31 December 2018):
Channoil Asia Pte Ltd; Icurrencies Pte Ltd

Others:
Former Chief Financial Officer of Singapore Petroleum Company Limited and NOR Offshore Ltd

Leong Weng Chee, age 63
Independent Director

A

Date of first appointment as a director:
18 November 2014

Length of service as a director (as at 31 December 2018):
4 years 2 months

Board Committee(s) served on:
Member of Audit and Risk Committee

Academic & Professional Qualification(s):
Bachelor of Architecture (Honours), National University of Singapore; Master in Design Studies (Finance, Law and Real Estate), Harvard University

Present Directorships (as at 1 January 2019):
Listed companies
Nil

Other principal directorships
Nil

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2014 to 31 December 2018):
Nil

Others:
Former Chief Executive Officer (Real Estate), OUE Ltd; Former Chief Executive Officer, Cambridge Industrial Trust Management Ltd (the manager of Cambridge Industrial Trust); Former Director/Managing Director (Developments), SC Global Developments Ltd

Dileep Nair, age 68
Independent Director

A N

Date of first appointment as a director:
18 November 2014

Length of service as a director (as at 31 December 2018):
4 years 2 months

Board Committee(s) served on:
Member of Audit and Risk Committee
Member of Nominating and Remuneration Committee

Academic & Professional Qualification(s):
Bachelor of Engineering, McGill University; Master in Public Administration, Harvard University

Present Directorships (as at 1 January 2019):
Listed companies
Thakral Corporation Ltd; Singapore Reinsurance Corporation Ltd

Other principal directorships
Agri-Food Veterinary Authority of Singapore; Health Sciences Authority of Singapore

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2014 to 31 December 2018):
Nil

Others:
Former Ambassador to the Lao People's Democratic Republic; Former Consul-General to the Emirate of Dubai; Former Under-Secretary-General (Internal Oversight Services), United Nations; Former Managing Director, DBS Bank; Former Chief Executive Officer, Post Office Savings Bank of Singapore; Former High Commissioner to the Republic of Ghana

Board of Directors

Dr Tan Tin Wee, age 57
Independent Director

N

Date of first appointment as a director:
18 November 2014

Length of service as a director (as at 31 December 2018):
4 years 2 months

Board Committee(s) served on:
Chairman of Nominating and Remuneration Committee

Academic & Professional Qualification(s):
Bachelor of Arts (Natural Science Tripos majoring in Biochemistry), University of Cambridge;
Master of Science (Applied Molecular Biology and Biotechnology), University of London;
PhD (Recombinant Chlamydial Vaccines), University of Edinburgh

Present Directorships (as at 1 January 2019):
Listed companies
Nil

Other principal directorships
iGates Bioinnovation Pte Ltd; Knorex Pte Ltd

Major Appointments (other than directorships):
Chief Executive, National Supercomputing Centre, Singapore; Associate Professor, Department of Biochemistry, National University of Singapore; Senate Member, Management Development Institute of Singapore (MDIS)

Past Directorships held over the preceding 5 years (from 1 January 2014 to 31 December 2018):
Keppel Telecommunications & Transportation Ltd; Asia Pacific Bioinformatics Network Ltd

Others:
Internet Hall of Fame Inaugural Inductee 2012 of the Internet Society; Founding principal investigator of the Singapore Advanced Research and Education Network (SINGAREN); Founder of multilingual Internet domain name system (IDN); Former Chairman of ASEAN Sub-Committee on Biotechnology (SCB); Former Chairman of the Asia Pacific Network Group (APNG); Former President of the Association for Medical and Bioinformatics Singapore (AMBIS); Former three-term Board Director of the International Society for Computational Biology (ISCB); Former Master of Eusoff Hall, National University of Singapore; Former Founding Secretariat, Asia Pacific Bioinformatics Network and International Conference on Bioinformatics.

Thomas Pang, age 54
Non-Executive Director

Date of first appointment as a director:
18 November 2014

Length of service as a director (as at 31 December 2018):
4 years 2 months

Board Committee(s) served on:
Nil

Academic & Professional Qualification(s):
Bachelor of Arts (Engineering, 2nd Upper Honours) and Master of Arts (Honorary Award), University of Cambridge

Present Directorships (as at 1 January 2019):
Listed companies
Keppel Telecommunications & Transportation Ltd; SVOA Public Company Ltd

Other principal directorships
ADCF C Private Limited; Keppel Data Centres Pte Ltd; Keppel Logistics Pte Ltd; Keppel Capital Holdings Pte Ltd; Radiance Communications Pte Ltd; Keppel Anhui Food Logistics Park Pte Ltd; Keppel Jilin Food Logistics Park Pte. Limited; Keppel Technology and Innovation Pte Ltd; Indo-Trans Keppel Logistics Vietnam Co. Ltd.; Asia Airfreight Terminal Company Limited; Computer Generated Solutions, Inc

Major Appointments (other than directorships):
Chief Executive Officer, Keppel Telecommunications & Transportation Ltd

Past Directorships held over the preceding 5 years (from 1 January 2014 to 31 December 2018):
Various subsidiaries and associated companies of Keppel Telecommunications & Transportation Ltd, Keppel DC REIT and Keppel Infrastructure Trust

Others:
Nil

Low Huan Ping, age 62
Independent Director

A

Date of first appointment as a director:
28 February 2019

Length of service as a director (as at 31 December 2018):
Newly appointed on 28 February 2019

Board Committee(s) served on:
Member of Audit and Risk Committee

Academic & Professional Qualification(s):
Bachelor of Arts (Honours) and Master of Arts in Engineering, Cambridge University;
Master of Science (Industrial Engineering), National University of Singapore;
Advanced Management Program, Harvard Business School

Present Directorships (as at 1 January 2019):
Listed companies
M1 Limited

Other principal directorships
Nil

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2014 to 31 December 2018):
iFast Corporation Ltd, Magzter Inc, Shareinvestor.com Holdings Pte Ltd, MediaCorp Press Ltd

Others:
Former Executive Vice President, Technology of Singapore Press Holdings Ltd

Kenny Kwan, age 49
Independent Director

N

Date of first appointment as a director:
28 February 2019

Length of service as a director (as at 31 December 2018):
Newly appointed on 28 February 2019

Board Committee(s) served on:
Member of Nominating and Remuneration Committee

Academic & Professional Qualification(s):
Bachelor of Law (Honours), National University of Singapore

Present Directorships (as at 1 January 2019):
Listed companies
Nil

Other principal directorships
Nil

Major Appointments (other than directorships):
Principal, Baker & McKenzie

Past Directorships held over the preceding 5 years (from 1 January 2014 to 31 December 2018):
Nil

Others:
Nil

Senior Management

Chua Hsien Yang, age 41
Chief Executive Officer

Mr Chua has extensive experience in real estate funds management and the hospitality industries, with more than 17 years of experience in mergers and acquisitions, real estate investments, fund management, business development and asset management in the real estate sector within the Asia Pacific region.

Prior to joining the Manager, Mr Chua held the position of Senior Vice President of Keppel REIT Management Limited, the manager of Keppel REIT, since May 2008, where he headed the investment team.

From January 2006 to April 2008, Mr Chua was with Ascott Residence Trust Management Limited, the manager of Ascott Residence Trust, as Director of Business Development and Asset Management. From October 2001 to December 2005, Mr Chua was with Hotel Plaza Limited (now known as Pan Pacific Hotels Group Limited) as Assistant Vice President of Asset Management and he was responsible for the business development and asset management activities of the group-owned properties.

Mr Chua holds a Bachelor of Engineering (Civil) from the University of Canterbury and a Master of Business Administration from the University of Western Australia.

Present Directorships (as at 1 January 2019):
Various subsidiaries and associated companies of Keppel DC REIT

Past Directorships held over the preceding 5 years (from 1 January 2014 to 31 December 2018):
Mirvac 8 Chifley Pty Limited;
Mirvac (Old Treasury) Pty Limited

Anthea Lee, age 45
Deputy Chief Executive Officer and Head of Investment

Ms Lee has more than 20 years of experience in real estate investment, business development, asset management and project management.

Prior to joining the Manager, she was Vice President, Investment, at Keppel REIT Management Limited since the year of the listing of the REIT, managing regional investments and divestments.

Before joining Keppel Group, she was with JTC Corporation and Ascendas Land, where she was responsible for business development, asset management and project management of industrial and business park facilities and development for approximately 10 years.

Ms Lee graduated with a Bachelor of Science (Estate Management), Second Class Honours (Upper Division) from National University of Singapore and a Master of Science (International Construction Management) from Nanyang Technological University.

Present Directorships (as at 1 January 2019):
Various subsidiaries and associated companies of Keppel DC REIT

Past Directorships held over the preceding 5 years (from 1 January 2014 to 31 December 2018):
Nil

Adam Lee, age 34
Head of Finance

Mr Lee has more than 10 years of experience in the areas of financial and statutory reporting, management accounting, taxation, and audit.

Mr Lee has been with the Manager prior to the initial public offering (IPO) of Keppel DC REIT in 2014 and was part of the key team in the preparation of the IPO. In his previous role as Vice President, Finance, Mr Lee assisted the finance heads of the Manager with financial and statutory reporting, management reporting and annual budgeting, as well as certain compliance matters. Mr Lee was also involved in various acquisitions and fund-raising exercises.

Prior to joining the Manager, Mr Lee started his career in an audit function within the real estate and hospitality sectors with PricewaterhouseCoopers LLP Singapore where he was the engagement manager for listed REITs and property developers.

Mr Lee holds a Bachelor of Accountancy, Second Class Honours (Upper Division), from the Nanyang Technological University of Singapore. He is a Chartered Accountant (Singapore) and is a member of the Institute of Singapore Chartered Accountants.

Present Directorships (as at 1 January 2019):
Lakson Technology Pte Ltd

Past Directorships held over the preceding 5 years (from 1 January 2014 to 31 December 2018):
Nil

Thng Bee Lay, age 49
Head of Asset Management

Ms Thng possesses over 20 years of experience in the real estate industry. As Head of the Asset Management department in Keppel DC REIT Management, she is responsible for overseeing the asset performance for all the local and overseas properties of Keppel DC REIT.

Prior to this, Ms Thng oversaw the asset and lease management team at Ascendas Land. Her other positions held within Ascendas included the Lease Operations Department and AREIT Logistics & Distribution Centres Department at Ascendas Services. She has extensive experience in the management of industrial, science and business park development properties.

Before joining Ascendas Group, Ms Thng was with United Overseas Land Limited where she handled both sales and leasing of residential and commercial properties respectively.

Ms Thng holds a Bachelor of Business Administration degree and a Master of Science (Real Estate) from the National University of Singapore.

Present Directorships (as at 1 January 2019):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2014 to 31 December 2018):
Nil

Significant Events

Intellicentre 3 East Data Centre will be built on the vacant land within Intellicentre 2 Data Centre's site.

Q1 2018

Ms Anthea Lee appointed as Deputy CEO of Keppel DC REIT Management

Announced acquisition of remaining 999-year leasehold interest in Keppel DC Dublin 1. Acquisition is expected to be completed in 1H 2020

Completed the acquisition of maincubes Data Centre and commenced its 15-year triple-net master lease

Q2 2018

Ms Christina Tan succeeded Mr Chan Hon Chew as Chairman of the Board

Mr Richard Teo Cheng Hiang stepped down as Independent Director of the Board

Issued €50 million in floating rate notes due 2023 pursuant to the $500 million Multicurrency Medium Term Note Programme established in 2017 (MTN Programme)

Keppel DC REIT topped the annual Governance Index for Trusts

Acquired 99% interest in Kingsland Data Centre (now Keppel DC Singapore 5), expanding the REIT's footprint in western Singapore

Q3 2018

Entered into agreement with Macquarie Telecom to construct Intellicentre 3 East Data Centre on vacant land within Intellicentre 2 Data Centre's site

Ranked 5th in the REIT and Business Trust category of the Singapore Governance and Transparency Index 2018

Q1 2019

Obtained tax transparency status for Keppel DC Singapore 5

Issued €50 million in floating rate notes due 2026 pursuant to the MTN Programme

Mr Low Huan Ping and Mr Kenny Kwan were appointed as Independent Directors to the Board. Announced that Mr Leong Weng Chee will be stepping down as Independent Director of the Board from 17 April 2019

Investor Relations

The Manager engages in two-way communications with the investment community to understand and address investors' concerns.

The Manager maintains clear and timely communications with the investment community as part of its proactive investor relations (IR) outreach efforts. Its efforts are guided by a defined set of principles and practices set out in its IR policy, which is available on the REIT's corporate website at www.keppeldcreit.com. The IR policy is reviewed regularly to ensure its relevance and effectiveness.

Regular dialogues are conducted to help investors understand Keppel DC REIT's strategy and business operations, as well as the trends and outlook of the data centre industry. This is especially important since Keppel DC REIT is unique as the first of its kind pure-play data centre REIT to be listed in Asia on the Singapore Exchange.

Effective and Timely Communication
The Manager adopts various communication platforms in its outreach efforts.

On a quarterly basis, the Manager conducts post-results teleconferences with analysts to address queries on the REIT's operations and developments. The Manager also works with research houses and brokers to organise post-results engagements with investors, to provide updates on the REIT's performance.

In 2018, the Manager engaged with 320 investors and analysts in Singapore, Bangkok, Hong Kong, Seoul, Tokyo, London and New York. These proactive engagement efforts included participation in investor conferences, roadshows, as well as meetings with both existing and potential new investors.

During 2018, Keppel DC REIT also participated in the REITs Symposium which was held at the Suntec Convention Centre in May. The annual event is jointly organised by ShareInvestor and the REIT Association of Singapore (REITAS), and is supported by The Business Times. It serves as a platform for retail investors to enhance their investment knowledge through engagements with the REIT managers. It was well-attended by about 1,200 retail investors.

Keppel DC REIT's Annual General Meeting (AGM) is held after the announcement of the first quarter results, and provides a platform for the Board to engage with Unitholders. The REIT's AGM held on 17 April 2018 was attended by over 170 Unitholders.

The Manager is a member of the Investor Relations Professionals Association of Singapore, which promotes knowledge sharing and continuous improvement of professional competencies among IR professionals. The Keppel Group also supports the Securities Investors Association (Singapore) in its initiatives to empower the investment community through investor education.

The REIT's corporate website provides up-to-date information on Keppel DC REIT's performance and developments. Investors may subscribe to email alerts for the latest announcements, or refer to the website for annual reports, financial and portfolio information, investor presentations and media releases to guide their investment decisions.

The investor relations contact is also easily accessible on the REIT's corporate website and in all media releases, facilitating communication between the REIT and its investment community.

Sustained Value Creation
Keppel DC REIT continued to deliver distribution per Unit (DPU) growth to its Unitholders in 2018.

The REIT declared a total DPU of 7.32 cents in FY 2018, 5% higher than the adjusted DPU of 6.97 cents[1] in FY 2017, translating to a distribution yield of 5.42% based on 31 December 2018's market closing price of $1.350.

Total Unitholder return for FY 2018 was -0.5%, largely due to the drop in Unit price over the year amidst concerns over the elevated trade tensions between the world's two largest economies, the United States and China, as well as uncertainties over Fed rate hikes.

Keppel DC REIT participated in the REITs Symposium to engage retail investors and enhance their knowledge of the REIT industry.

1 Excluded the one-off capital distribution of approximately 0.15 cents per Unit in relation to Keppel DC Singapore 3 recorded in 1Q 2017.

Investor Relations

Research Coverage
Keppel DC REIT is covered by 11 equity research houses:

- CGS-CIMB
- Citi
- CLSA
- Credit Suisse
- DBS
- Deutsche Bank
- Goldman Sachs
- HSBC
- JP Morgan
- OCBC
- Phillip Capital

Unitholder Enquiries
For more information, please contact the IR team at:

Telephone:
+65 6803 1857

Email:
investor.relations@keppeldcreit.com

Website:
www.keppeldcreit.com

Investor Relations Calendar
Financial Year Ended 31 December 2018

Q1 2018

- 4Q & FY 2017 results announcement and analysts' teleconference
- Post-results investors' luncheon hosted by Citi
- SGX-CLSA-REITAS S-REITs Corporate Day in Seoul
- Distribution payout to Unitholders for 2H 2017

Q2 2018

- 1Q 2018 results announcement and analysts' teleconference
- Post-results investors' breakfast session hosted by DBS
- Convened Keppel DC REIT's third Annual General Meeting
- dbAccess Asia Conference in Singapore
- Citi APAC Property Conference in Hong Kong

Q3 2018

- 2Q & 1H 2018 results announcement and analysts' teleconference
- Post-results investors' luncheon hosted by Credit Suisse
- Mizuho Investment Conference in Tokyo
- SGX-DBS-REITAS Conference in Bangkok
- Bank of America Merrill Lynch Global Real Estate Conference in New York
- Distribution payout to Unitholders for 1H 2018

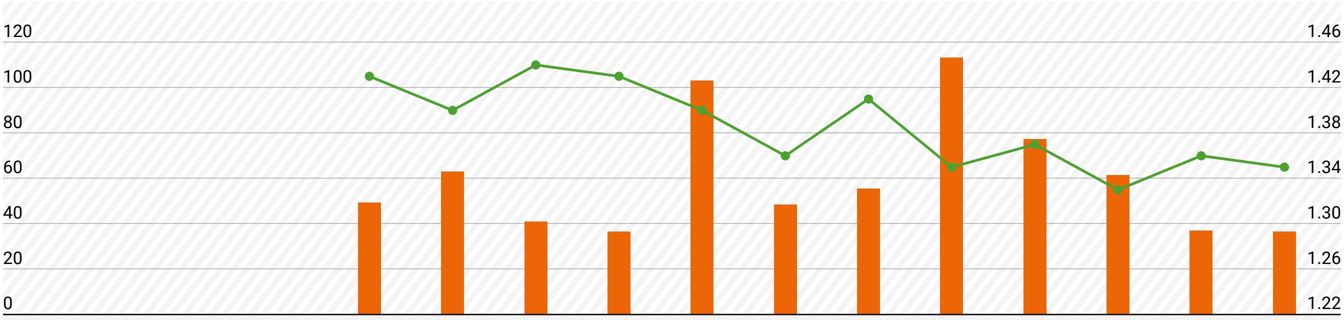
Q4 2018

- 3Q & 9M 2018 results announcement and analysts' teleconference
- Post-results investors' luncheon hosted by Deutsche Bank
- Investors' meetings in London

Unit Price Performance

Monthly Trading Performance

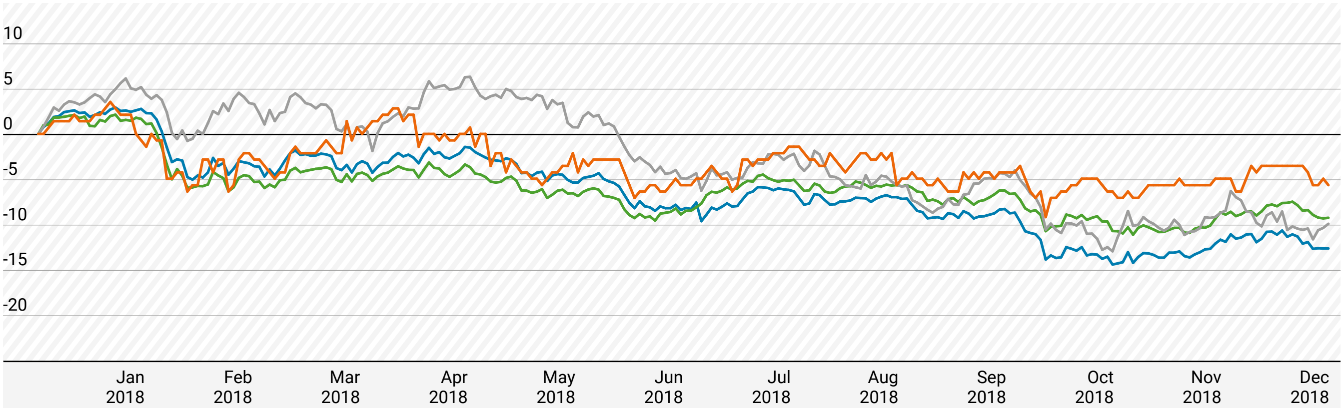
Volume (million Units) | Closing price ($ per Unit)



	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018
Monthly trading volume (million Units)	49.3	63.0	40.9	36.6	103.0	48.4	55.5	113.2	77.4	61.4	37.1	36.5
Closing Unit price month-end ($ per Unit)	1.430	1.400	1.440	1.430	1.400	1.360	1.410	1.350	1.370	1.330	1.360	1.350

Unit Price Performance Against Indices
for the period from 1 January 2018 to 31 December 2018

% change



Keppel DC REIT	(5.6%)
STI	(9.8%)
FTSE ST REIT	(9.2%)
FTSE ST RE	(12.5%)

Comparative Yields
as at 31 December 2018

	Distribution Yield[2] (%)
Keppel DC REIT[1]	5.4
FTSE ST REIT Index	5.1
FTSE ST RE Index	4.5
STI	4.4
CPF Ordinary Account	2.5
10-year SG Govt Bond	2.0
5-year SG Govt Bond	1.9
Bank Savings Deposit Rate	0.2

1 Based on Keppel DC REIT's total DPU of 7.32 cents for FY 2018 and the market closing price of $1.350 as at 31 December 2018.
2 Sources: Bloomberg, Monetary Authority of Singapore, Central Provident Fund, and Singapore Government Securities.

Unit Price Perfomance ($ per Unit)

	2018	2017
Highest closing price	**1.480**	1.440
Lowest closing price	**1.300**	1.150
Average closing price	**1.384**	1.283
Closing price on last trading day of the year	**1.350**	1.430
Average daily trading volume (million Units)	**722.2**	545.2

Keppel DC REIT Around the World

Portfolio of quality data centres across Asia Pacific and Europe offers Unitholders a unique opportunity to participate in data centre growth trends and the overall development of the digital economy.

Assets Under Management[1]

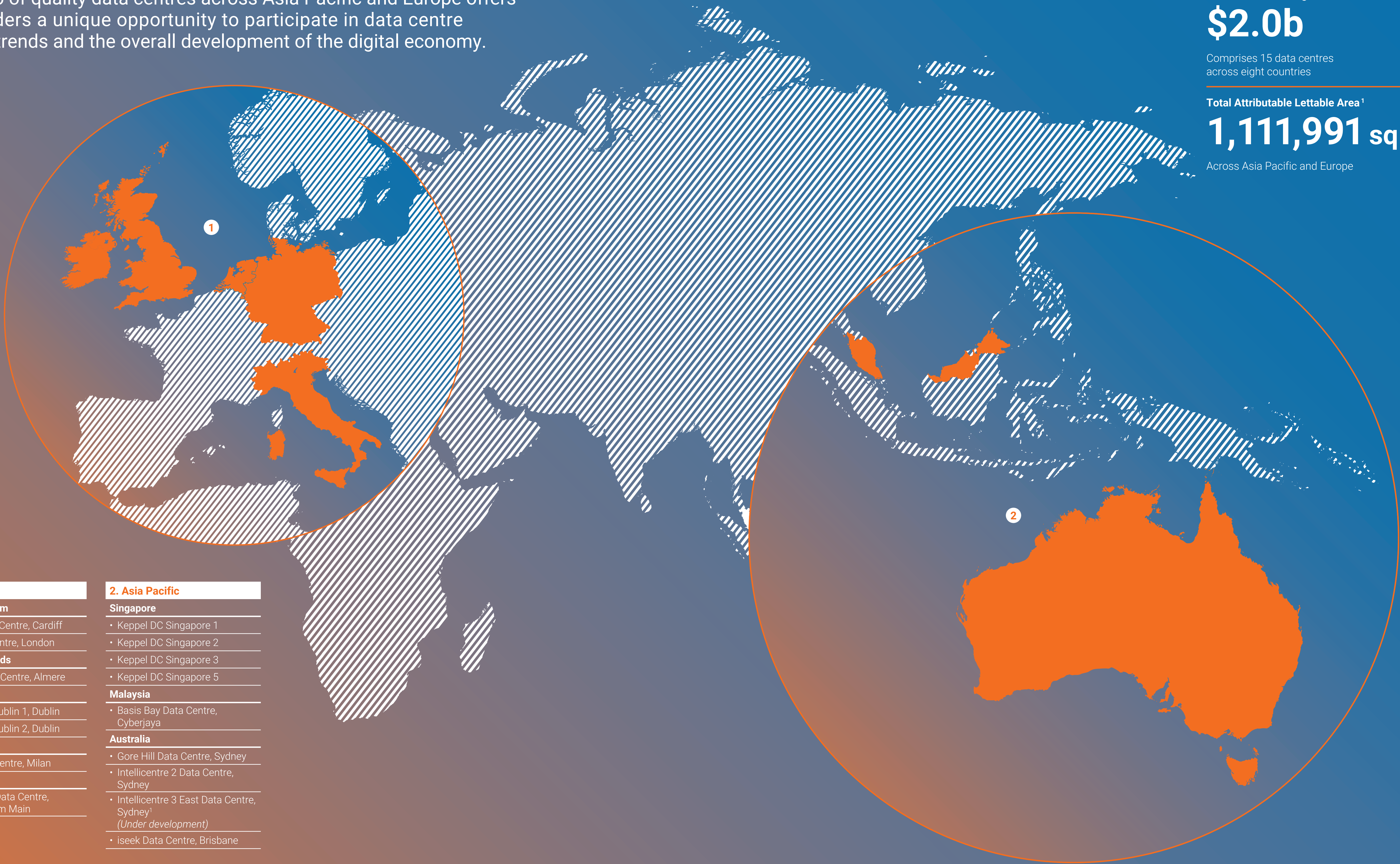
$2.0b

Comprises 15 data centres across eight countries

Total Attributable Lettable Area[1]

1,111,991 sq ft

Across Asia Pacific and Europe



1. Europe
United Kingdom
• Cardiff Data Centre, Cardiff
• GV7 Data Centre, London
The Netherlands
• Almere Data Centre, Almere
Ireland
• Keppel DC Dublin 1, Dublin
• Keppel DC Dublin 2, Dublin
Italy
• Milan Data Centre, Milan
Germany
• maincubes Data Centre, Offenbach am Main

2. Asia Pacific
Singapore
• Keppel DC Singapore 1
• Keppel DC Singapore 2
• Keppel DC Singapore 3
• Keppel DC Singapore 5
Malaysia
• Basis Bay Data Centre, Cyberjaya
Australia
• Gore Hill Data Centre, Sydney
• Intellicentre 2 Data Centre, Sydney
• Intellicentre 3 East Data Centre, Sydney[1] *(Under development)*
• iseek Data Centre, Brisbane

Note:
[1] Portfolio as at 31 December 2018 excluded Intellicentre 3 East Data Centre which is under development and is expected to be completed in 2020.

Market Review

Global Cloud Infrastructure Market Growth in 2018

40%

Expected to continue expanding at a CAGR of more than 25% over the next five years.

This report is prepared at end-2018 by BroadGroup Consulting, an independent research and consulting firm specialising in the data centre sector. The term 'colocation' within the report describes a centrally managed data centre where data centre services can be provided to single or multiple clients, either as large long-term wholesale colocation leases or as small retail colocation offerings.

Industry Overview

The global data centre market saw strong growth in 2018, driven by record investments by hyperscale cloud players to meet growing demand, as well as by the robust take-up of data centre space from multiple trade sectors.

The cloud infrastructure market is estimated to have grown by over 40% globally in 2018 and is expected to continue expanding at a compound annual growth rate (CAGR) of more than 25% over the next five years. This is supported by the rapid growth in data creation and storage needs on the back of ongoing digital transformation trends.

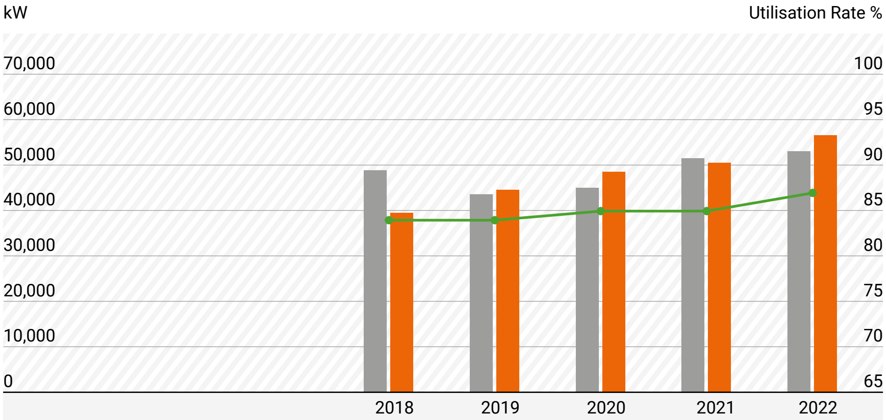
The rapid adoption of cloud computing services by enterprises has driven hyperscale cloud players to expand swiftly to meet demand through developing new data centre space. Outsourcing and colocation allow cloud players to expand quickly and immediately without having to wait for a new-build facility. Colocation facilities also offer greater leasing flexibility and quick access into new growth markets without having to deal with potential issues such as planning and market entry licences. As a result, the industry has seen more IT infrastructure being moved from in-house to colocation facilities, which gives enterprises greater access to cloud offerings.

Overall, the industry is experiencing a digital revolution characterised by a fundamental change in technology usage and the way information is shared and received. For example, users now expect to receive information at near instantaneous speed on demand, which has resulted in the need to reduce latency by bringing data centres closer to end users, otherwise known as edge computing. This has led to the growing development of smaller, edge data centres located closer to users. The edge data centre market is estimated to grow from US$4 billion in market value in 2018 to US$13 billion by 2024.

Looking ahead, demand for data centres is expected to remain robust given multiple drivers including the growth in adoption of 5G mobile networks, driverless vehicles, virtual reality, the Internet of Things, as well as the continuing expansion of social networking, video streaming and e-commerce. The global colocation market is expected to grow by 15-17% in 2019.

Established data centre hubs are predicted to grow in importance as they cater to this demand, due in part to their established telecommunication infrastructures, power

Data Centre Supply/Demand/Utilisation in Singapore



	2018	2019	2020	2021	2022
Supply Added (kW)	48,822	43,516	45,018	51,486	53,006
New Demand (kW)	39,488	44,512	48,506	50,474	56,501
Utilisation Rate (%)	84	84	85	85	87

availabilities, secure sites, as well as access to local and neighbouring markets.

Emerging data centre markets are also contributing to the global growth with their rapid increase in data centre demand and cloud usage. The development of the data centre industry and supporting infrastructure in these markets are often supported and encouraged by government institutions. Demand is also supported by data sovereignty regulations that require data to be kept within domestic facilities.

The 10 cities where Keppel DC REIT operates in are expected to remain attractive data centre locations supported by healthy and robust demand drivers.

Singapore

Singapore ranks among the top data centre hubs in the world. It is the gateway to Southeast Asia and a choice location for multinational organisations that are setting up presence in Asia due to its robust connectivity, strong legal and regulatory system, pro-business environment and highly-educated workforce.

Singapore is a competitive market with high-quality data centre facilities that traditionally serve the financial services, media, and telecommunications sectors. Singapore has also grown in popularity among hyperscale cloud providers in recent years. In 2018, Facebook announced its $1.4 billion investment to develop its first Asian data centre in Singapore while construction of Google’s third data centre in the city is well underway to meet rapid user growth in the region.

2018 saw some tightening of new data centre supply, as most of the supply that came onto the market in 2017 recorded positive absorption. This trend of a tightening market is expected to continue into 2019, with data centre supply from established providers expected to be absorbed faster.

Hyperscale cloud players are swiftly expanding to meet demand through new builds, data centre outsourcing or colocation.

Market Review

Demand for data centre facilities in 2019 is expected to be driven largely by hyperscale cloud providers. It is estimated that these large hyperscale cloud providers could potentially take up around 40% of Singapore's colocation space, with telecommunications companies, multinational organisations, as well as the banking and fintech services sectors taking up a large bulk of the remaining space.

New demand in Singapore is estimated to grow at a CAGR of 9.4% between 2018 and 2022, and the average utilisation rate was 84% as at end-2018.

Cyberjaya, Malaysia
Cyberjaya is a purpose-built technology business park located approximately 30km south of Kuala Lumpur and spans an area of 28km². It is the nucleus of Malaysia's Multimedia Super Corridor hosting over 2,000 companies from the information and communications technology sector.

The Malaysian data centre market continues to face competition from neighbouring Singapore. Perceived political uncertainty within the country has contributed to the softening market.

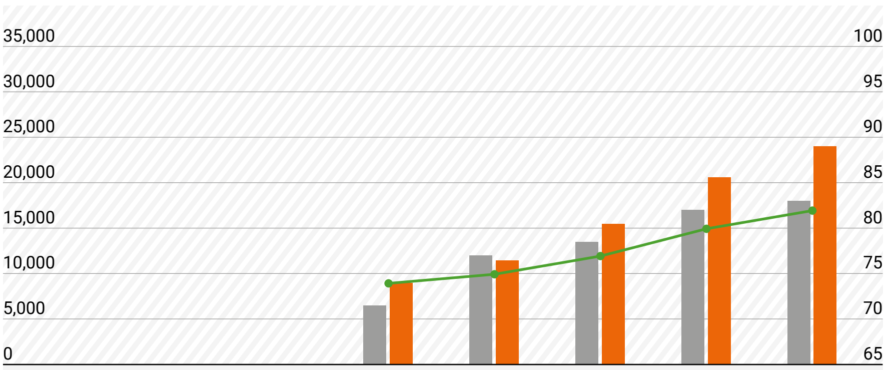
In 2018, Microsoft and Alibaba announced expansion plans in Malaysia. This could attract demand from other cloud players as well as Chinese companies looking to enter the Malaysian market. The Malaysian data centre market also stands to benefit from the growth of its neighbour's data centre market by offering lower cost alternative disaster recovery and backup sites to users in Singapore.

New demand in Cyberjaya is estimated to grow at a CAGR of 27.8% between 2018 and 2022, and the average utilisation rate was 74% as at end-2018.

Sydney, Australia
Sydney is a key data centre hub of Australia and is also ranked among the top five colocation markets in Asia Pacific alongside Singapore, Hong Kong, Tokyo and Shanghai. As the choice business destination for cloud providers, multinational organisations and telecommunications companies, Sydney presents an attractive and robust data centre ecosystem, supported by its business-friendly environment, strategic geographical location and strong national broadband infrastructure.

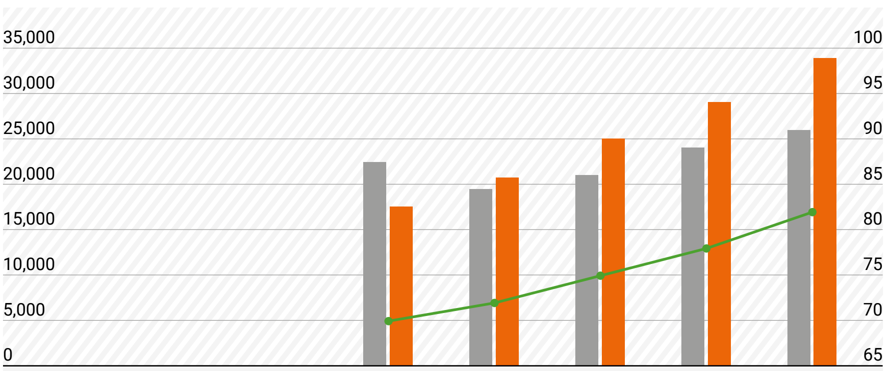
Colocation facilities are well-established in the market, encouraged by the government's outsourcing of data centre requirements and its adoption of cloud computing, as well as strong demand from Australian firms on the back of data sovereignty rules in the country.

Data Centre Supply/Demand/Utilisation in Cyberjaya



	2018	2019	2020	2021	2022
Supply Added (kW)	6,524	12,025	13,513	17,021	18,018
New Demand (kW)	9,011	11,488	15,479	20,599	24,021
Utilisation Rate (%)	74	75	77	80	82

Data Centre Supply/Demand/Utilisation in Sydney



	2018	2019	2020	2021	2022
Supply Added (kW)	22,472	19,458	21,033	24,026	25,976
New Demand (kW)	17,524	20,741	25,033	29,037	33,892
Utilisation Rate (%)	70	72	75	78	82

1
Sydney is one of the top five colocation markets in Asia Pacific alongside Singapore, Hong Kong, Tokyo and Shanghai.

2
As a key data centre hub of Australia, Sydney is the choice business destination for cloud providers, multinational organisations and telecommunications companies.

The Sydney colocation market remains competitive, resulting in some pricing pressure even as new supply enters the market. However, this is expected to be balanced by growing demand. The attractiveness of the Sydney market has also posed challenges in terms of land cost and availability. New demand in Sydney is estimated to grow at a CAGR of 17.9% between 2018 and 2022, and the average utilisation rate was 70% at end-2018.

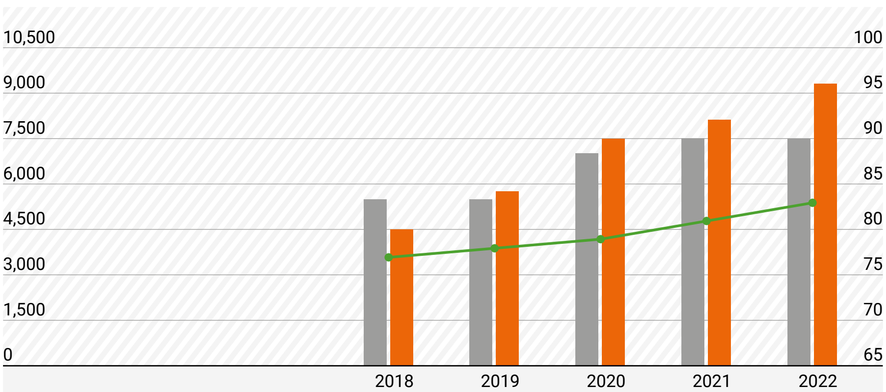
Brisbane, Australia
While Brisbane is a smaller business hub compared to Sydney and Melbourne, it has attracted many Asian and global financial services, technology and manufacturing companies to set up businesses in the city.

The data centre market in Brisbane is driven by demand from local companies and government agencies looking for lower-cost alternatives to colocation in larger Australian cities. Cloud providers have also been strong drivers of data centre demand in Brisbane due to the high cloud adoption rates in Australia.

Connectivity into Brisbane will be greatly enhanced in 2019 with the completion of the Japan-Guam-Australia subsea cable spanning over 9,500 km. Demand growth is expected to be led by hyperscale cloud providers, IT and financial services firms, as well as other regional players across various industries.

New demand in Brisbane is estimated to grow at a CAGR of 19.9% between 2018 and 2022, and the average utilisation rate was 77% at end-2018.

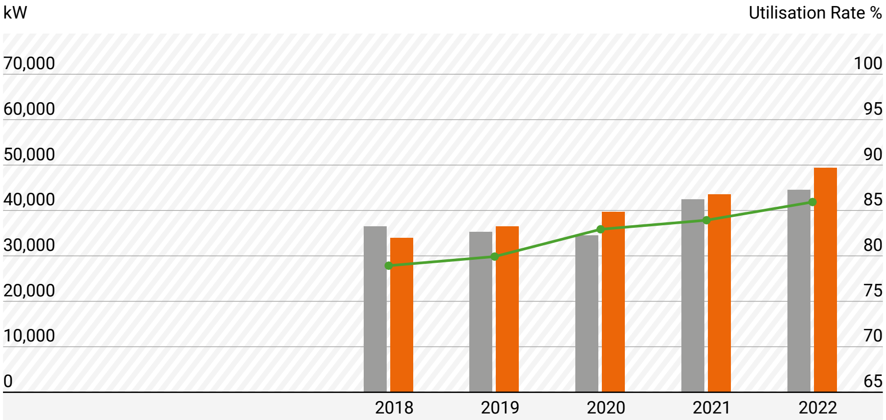
Data Centre Supply/Demand/Utilisation in Brisbane



	2018	2019	2020	2021	2022
Supply Added (kW)	5,494	5,488	7,022	7,511	7,500
New Demand (kW)	4,512	5,756	7,488	8,115	9,315
Utilisation Rate (%)	77	78	79	81	83

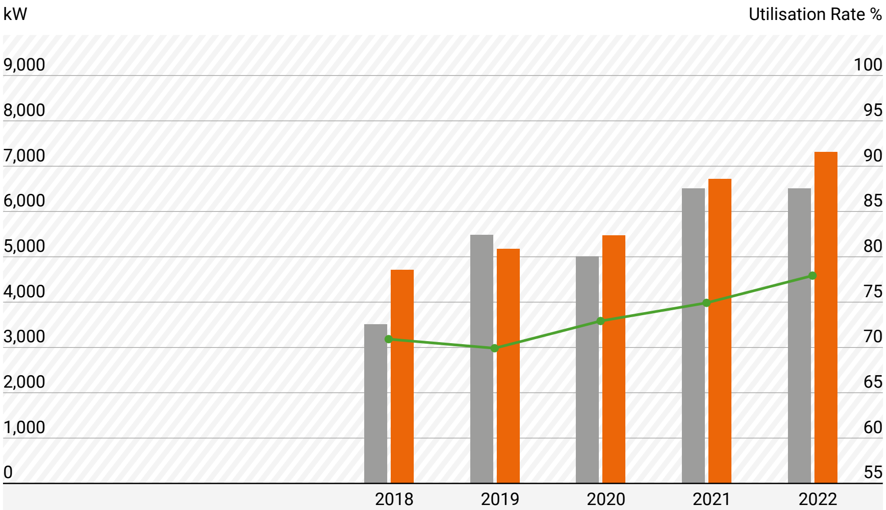
Market Review

Data Centre Supply/Demand/Utilisation in London



	2018	2019	2020	2021	2022
Supply Added (kW)	36,494	35,311	34,508	42,479	44,511
New Demand (kW)	34,024	36,522	39,700	43,589	49,421
Utilisation Rate (%)	79	80	83	84	86

Data Centre Supply/Demand/Utilisation in Cardiff



	2018	2019	2020	2021	2022
Supply Added (kW)	3,520	5,485	5,021	6,511	6,510
New Demand (kW)	4,721	5,179	5,476	6,722	7,316
Utilisation Rate (%)	71	70	73	75	78

London, United Kingdom
Despite the uncertainties surrounding Brexit, London remains a key global financial hub and the largest European data centre market. It is one of five main European markets alongside Dublin, Frankfurt, Amsterdam and Paris.

Banks are ranked among the largest colocation users in London. Around 70% of the UK data centre market supply sits in London, with the London Internet Exchange supporting more than 450 telecommunications providers.

Hyperscale cloud providers were the key driver of colocation demand in 2018. Cloud adoption in the UK is ahead of other European countries with all major players having a presence in London. Chinese cloud players such as Alibaba have also secured colocation space in the city.

Land availability for data centres within the city remains challenging. This has prompted data centre developers to set their sights beyond London. Even then, capacity is running out in these satellite locations. For example, the data centre hub of Slough, 35km from the centre of London, has become so popular that developers are now looking to build in adjoining locations to Slough. While the market has seen recent developments in the North and East of London, no major hub has been established to rival London's Docklands or Slough.

New demand in London is estimated to grow at a CAGR of 9.8% between 2018 and 2022, and the average utilisation rate was 79% at end-2018.

Cardiff, United Kingdom
Cardiff, the capital of Wales, is the closest capital city to London at 244 km away. The city, together with neighbouring cities Bristol and Newport, serves the communications and data requirements of a large part of the UK's Southwest.

Cardiff has been the ideal location for disaster recovery data centre operations for London users, and is increasingly attracting hyperscale cloud players and multinationals as a lower cost alternative to London, evident by Microsoft's significant presence in the city.

Over time, Cardiff may also see more interest on the back of increased demand for subsea cable connectivity across to Ireland, which will remain a part of the EU post-Brexit. Existing cables already offer connectivity to Ireland via the Bristol Channel, and the United States and Portugal via the North Atlantic. Survey work for a new subsea cable to Ireland is expected to be undertaken in 2019.

Amsterdam is one of five main data centre hubs in Europe.

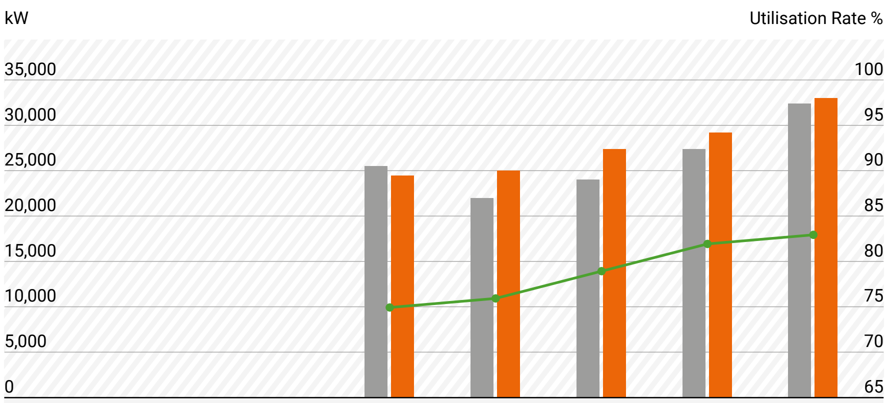
Cities in South Wales are also keen to promote the region as a growing digital hub. Cardiff has its own Internet Exchange, Cardiff-IX, operated by the London Internet Exchange and currently serves mostly local traffic. Digital traffic in Cardiff is growing, with a number of large companies leveraging the region for new call centres and distribution centres. Some data centre providers have also carried out power upgrades and expansions in recent years to cater to this growing demand.

New demand in Cardiff is estimated to grow at a CAGR of 11.6% between 2018 and 2022, and the average utilisation rate was 71% at end-2018.

Amsterdam, The Netherlands
Amsterdam is one of five main data centre hubs in Europe, and has attracted many multinational organisations due to its open market and business-friendly environment, as well as its central location between the large markets of the UK, Germany and the Scandinavian region.

Amsterdam competes with Frankfurt for the title of the largest Internet Exchange in Europe, and has been referred to as the digital media hub or the internet capital of Europe. The city is home to more than 600 telecommunications companies, and is often the choice location for technology companies setting up their European headquarters due to its superior connectivity. Amsterdam is a popular location for hyperscale cloud providers; Google alone invested over €1.5 billion in data centres in the country.

Data Centre Supply/Demand/Utilisation in Amsterdam



	2018	2019	2020	2021	2022
Supply Added (kW)	25,500	22,014	24,023	27,384	32,399
New Demand (kW)	24,488	25,003	27,413	29,216	33,021
Utilisation Rate (%)	75	76	79	82	83

Amsterdam is facing challenges with power availability where expanding capacity has been constrained by the city's high population density. This has seen new data centre developments being sited further away from the city centre. The Dutch Data Center Association has been active in engaging the government on power availability concerns, as well as lobbying for power grid expansion and infrastructure improvements.

New demand in Amsterdam is estimated to grow at a CAGR of 7.8% between 2018 and 2022, and the average utilisation rate was 75% as at end-2018.

Dublin, Ireland
Dublin continues to be an attractive market for hyperscale cloud providers, with Facebook, Google, Amazon and Microsoft estimated to have invested over US$8 billion in data centres since 2010.

The Dublin colocation market has greatly benefitted from international demand. More than 75% of this demand comes from customers headquartered in the US. Underpinning this is Dublin's pro-business environment and strong trading links to the US. Its attractiveness to hyperscale cloud providers is set to grow with the completion of new subsea cables linking Dublin to

Market Review

Europe and the US. Dublin may also potentially benefit from Brexit, as it will remain within the European Union, and present itself as a more attractive location as a European headquarters for companies.

Power availability remains a concern in Dublin with data centre usage set to utilise around 15% of Irish power in 2019. Allaying this are major planned investments in power infrastructure upgrades, as well as an increasing focus on developing wind energy as an alternative power source.

New demand in Dublin is estimated to grow at a CAGR of 10.7% between 2018 and 2022, and the average utilisation rate was 69% at end-2018.

Frankfurt, Germany
Frankfurt has been one of the most attractive European data centre markets in recent years. Historically, Frankfurt has benefitted from its strong financial base and connectivity to the leading Internet Exchange, DE-CIX.

More recently, Frankfurt has attracted significant hyperscale cloud investments and international players, including Chinese companies establishing an international presence. Given its established growth fundamentals, these companies see Frankfurt as a choice location for their first European data centre.

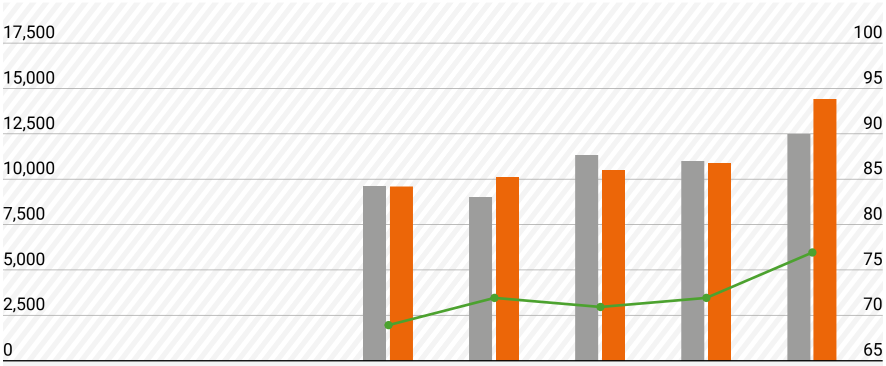
Although power prices in Frankfurt are above the European average, data sovereignty regulations in Germany are considered a critical factor by many colocation customers. Colocation demand in Frankfurt also continues to be bolstered by German corporations' preference for a colocation provider based within the country.

Frankfurt has faced challenges around power availability, pricing and land issues. To overcome these challenges, new data centres are being developed in neighbouring locations like Offenbach and Wiesbaden.

New demand in Frankfurt is estimated to grow at a CAGR of 11.8% between 2018 and 2022, and the average utilisation rate was 77% at end-2018.

Data Centre Supply/Demand/Utilisation in Dublin

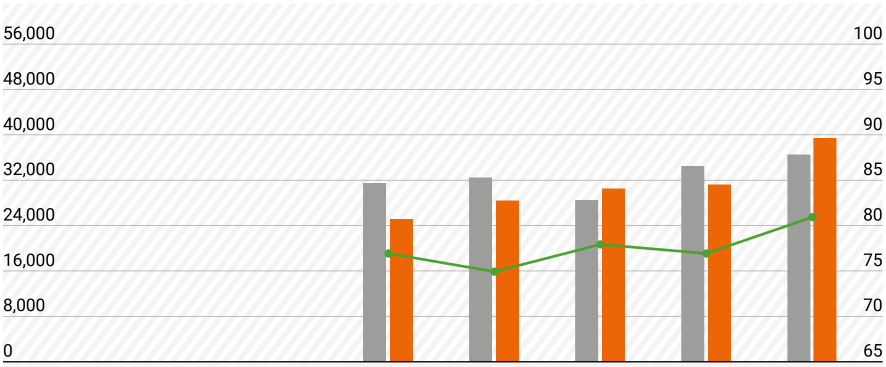
kW　　Utilisation Rate %



	2018	2019	2020	2021	2022
Supply Added (kW)	9,619	9,007	11,318	11,006	12,491
New Demand (kW)	9,594	10,122	10,491	10,884	14,423
Utilisation Rate (%)	69	72	71	72	77

Data Centre Supply/Demand/Utilisation in Frankfurt

kW　　Utilisation Rate %



	2018	2019	2020	2021	2022
Supply Added (kW)	31,516	32,483	28,498	34,490	36,510
New Demand (kW)	25,192	28,416	30,512	31,223	39,424
Utilisation Rate (%)	77	75	78	77	81


1

2

1
Frankfurt remains one of the most attractive European data centre markets despite its above-average power prices.

2
Milan is the main data centre hub of Italy and the most fibre-dense area in the country.

Milan, Italy

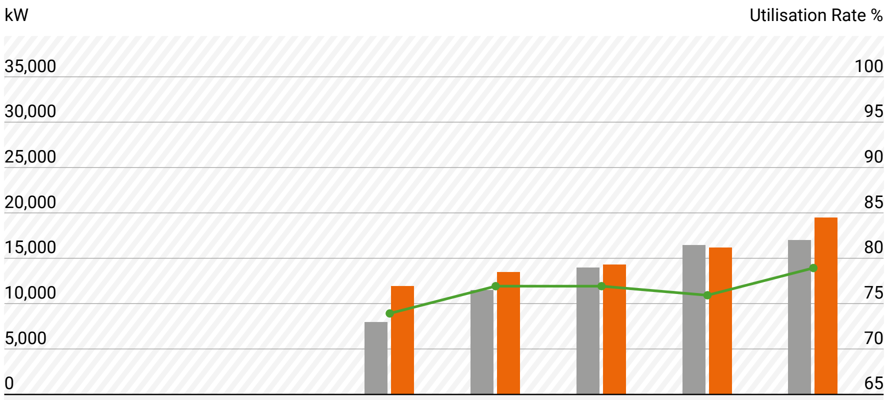
Milan is the main data centre hub of Italy and the most fibre-dense area in the country with over 150 telecommunications providers in the city.

As the third largest economy in the Eurozone and a gateway to southern Europe and potentially North Africa, Italy is one of the few remaining large European countries in which global cloud service providers have yet to establish a sizeable footprint.

The Milan market has not developed as quickly as other European data centre hubs. However, this is changing with large new colocation sites being developed. Amazon Web Services has in 2018 announced plans to launch a cloud region in Milan within the next two years. Other hyperscale cloud players could also develop data centre space in Milan in the next few years.

New demand in Milan is estimated to grow at a CAGR of 12.9% between 2018 and 2022, and the average utilisation rate was 74% at end-2018.

Data Centre Supply/Demand/Utilisation in Milan



	2018	2019	2020	2021	2022
Supply Added (kW)	8,020	11,516	14,011	16,476	17,016
New Demand (kW)	11,982	13,519	14,323	16,205	19,493
Utilisation Rate (%)	74	77	77	76	79

Portfolio Review

The portfolio has a good mix of colocation facilities comprising diversified clients with shorter and staggered lease expiries, as well as master-leased facilities which provide income stability with typically longer lease terms.

Portfolio Glossary

Keppel DC Singapore 1	KDC SGP 1
Keppel DC Singapore 2	KDC SGP 2
Keppel DC Singapore 3	KDC SGP 3
Keppel DC Singapore 5	KDC SGP 5
Basis Bay Data Centre	Basis Bay DC
Gore Hill Data Centre	Gore Hill DC
Intellicentre 2 Data Centre	IC2 DC
Intellicentre 3 East Data Centre	IC3 East DC
iseek Data Centre	iseek DC
Cardiff Data Centre	Cardiff DC
GV7 Data Centre	GV7 DC
Almere Data Centre	Almere DC
Keppel DC Dublin 1	KDC DUB 1
Keppel DC Dublin 2	KDC DUB 2
Milan Data Centre	Milan DC
maincubes Data Centre	maincubes DC

Continued Growth
In 2018, the Manager continued to expand Keppel DC REIT's portfolio with acquisitions across Asia Pacific and Europe.

The REIT acquired maincubes DC in Offenbach am Main, Germany, and KDC SGP 5 in Singapore. It announced the addition of IC3 East DC, which will be built in Sydney, Australia, and signed an agreement to extend KDC DUB 1's leasehold.

The completion of the acquisition of maincubes DC in March 2018 marked the REIT's foray into Germany, and the commencement of its 15-year triple-net master lease. The four-storey facility was purchased at €84.0 million and is a fully-fitted TÜV-certified Level 3 Highly Available data centre. maincubes DC is located about 800 metres from the world's leading internet exchange point, DE-CIX; its proximity to the DE-CIX reduces latency, which is one of the key colocation considerations of financial institutions and e-commerce firms.

In June 2018, Keppel DC REIT acquired a 99% interest in Kingsland Data Centre for $295.1 million. The five-storey, carrier-neutral facility was subsequently renamed KDC SGP 5. The acquisition allowed the REIT to diversify its offerings to data centre clients seeking to expand or establish their presence in western Singapore. KDC SGP 5 is fully-leased to three established clients in terms of IT power. It expanded the REIT's income base, and enlarged its footprint in Singapore to almost 300,000 sq ft of combined attributable lettable area.

In August 2018, Keppel DC REIT announced the addition of IC3 East DC to its portfolio. IC3 East DC will be built on the vacant land within the Macquarie Park precinct in Sydney where the REIT's existing facility, IC2 DC, currently sits. Development of the facility is undertaken by Macquarie Telecom, with expected development cost of between $26.2-36.3 million[1]. When completed in 2020, IC3 East DC will be the REIT's fourth data centre in Australia, which is one of the most robust data centre markets in Asia Pacific. Its completion will also mark the commencement of a 20-year triple-net master lease with Macquarie Telecom for IC3 East DC and IC2 DC, enhancing the REIT's income visibility.

[1] Based on exchange rates of $1.00 = A$0.993, $1.00 = £0.572, $1.00 = RM3.053, $1.00 = €0.644 as at 31 December 2018.

Balanced Portfolio Mix[1,2]
As at 31 December 2018, Keppel DC REIT had approximately $2.0 billion in assets under management (AUM) comprising 15 data centres with a total attributable lettable area of 1,111,991 sq ft.

The portfolio has a good mix of colocation facilities comprising diversified clients with shorter and staggered lease expiries, as well as master-leased facilities which provide income stability with typically longer lease terms.

In December 2018, colocation assets contributed approximately 73.1% of Keppel DC REIT's rental income, while fully-fitted assets and shell and core assets accounted for approximately 26.9%.

Diversified Portfolio[1,2]
As at end-2018, Keppel DC REIT's 15 assets spanned 10 cities in eight countries across Asia Pacific and Europe.

Approximately two-thirds, or 67.4%, of Keppel DC REIT's portfolio is located in Asia Pacific.

The REIT has interests in four assets in Singapore valued at $1.0 billion, three completed assets in Australia at $296.1 million and one asset in Malaysia at $27.6 million.

In Europe, Keppel DC REIT owns seven assets that make up $642.3 million or 32.6% of its portfolio AUM. The REIT has two assets in Ireland valued at $181.6 million, two assets in United Kingdom at $128.9 million, one in the Netherlands at $139.0 million, one in Germany at $135.5 million, as well as one in Italy at $57.3 million.

In terms of attributable lettable area, the REIT's four assets in Singapore and one asset in Malaysia constituted 342,226 sq ft of attributable lettable area (30.8% of the total attributable lettable area) while its three completed Australian assets added about 191,274 sq ft of attributable lettable area (17.2% of the total attributable lettable area). The REIT's remaining seven assets in Europe added up to about 578,491 sq ft of attributable lettable area (52.0% of the total attributable lettable area).

Portfolio Occupancy

93.1%

Remained healthy as at 31 December 2018

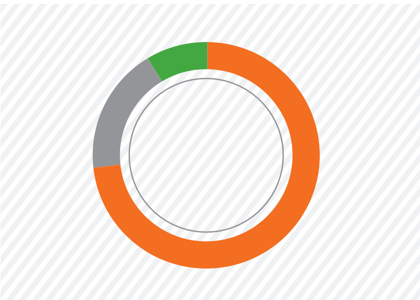
Weighted Average Lease Expiry (WALE)

8.3 years

Long portfolio WALE provides income stability for the REIT

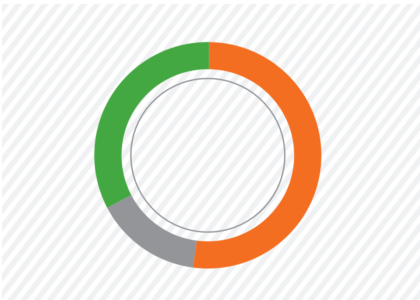
1 Total attributable lettable area is aggregated based on respective ownership interests of assets.
2 All figures are as at 31 December 2018 and exclude IC3 East DC.

Rental Income[1] Breakdown by Lease Type (%)
for December 2018



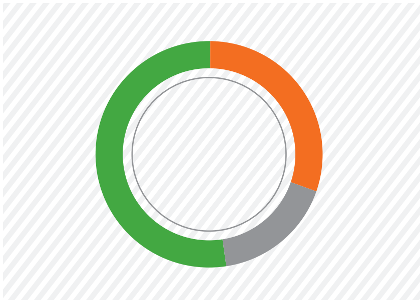
Colocation	73.1
Fully-Fitted	18.1
Shell and Core	8.8
Total	**100.0**

Portfolio AUM[2,3] by Geography (%)
as at December 2018



Asia	52.4
Australia	15.0
Europe	32.6
Total	**100.0**

Total Attributable Lettable Area[2] by Geography (%)
as at December 2018



Asia	30.8
Australia	17.2
Europe	52.0
Total	**100.0**

1 Rental income for December 2018.
2 All figures are as at 31 December 2018 and exclude IC3 East DC.
3 Based on exchange rates of $1.00 = A$0.993, $1.00 = £0.572, $1.00 = RM3.053, $1.00 = €0.644 as at 31 December 2018.

Portfolio Statistics

	As at 31 December 2018	**As at 31 December 2017**
Total Attributable Lettable Area[1]	**1,111,991 sq ft**	917,240 sq ft
Valuation	**$1.97 billion**	$1.51 billion
Number of Clients	**47**	44
Occupancy	**93.1%**	92.6%
WALE	**8.3 years**	9.1 years

1 Total attributable lettable area is aggregated based on respective ownership interests of assets.

Portfolio Review

Keppel DC REIT's clients are primarily from the internet enterprises, IT services and telecommunications industries.

Established Global Clientele
The Manager adopts a proactive leasing strategy and engages with existing and prospective clients to meet their business needs. Keppel DC REIT's quality portfolio of data centres caters to the stringent requirements of clients from the internet enterprise, telecommunications, information technology (IT) services and financial services sectors.

As at 31 December 2018, Keppel DC REIT's portfolio occupancy rate remained healthy at 93.1%. Out of the 15 assets in Keppel DC REIT's portfolio, 10 assets were fully leased.

Keppel DC REIT's income is derived from a diverse mix of clients[1] across trade sectors. For December 2018, the internet enterprise industry was the largest contributor of the REIT's rental income at about 46.5% while clients from the IT services, telecommunications, financial services and corporate sectors contributed 24.1%, 19.8%, 8.0% and 1.6% respectively.

The top 10 clients[2] in Keppel DC REIT's portfolio based on rental income are primarily from the internet enterprises, IT services and telecommunications industries.

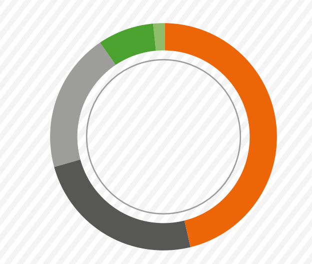
As at 31 December 2018, Keppel DC REIT had approximately $2.0 billion in assets under management comprising 15 data centres with a total attributable lettable area of 1,111,991 sq ft.

Top 10 Clients[1,2] by Rental Income (%)
for December 2018

Internet Enterprise	38.5
IT Services	7.4
Telecommunications	7.2
Telecommunications	5.0
IT Services	4.8
Internet Enterprise	4.0
Internet Enterprise	3.8
Financial Services	3.8
IT Services	3.5
IT Services	2.9

1 The names of the clients cannot be identified and matched to the information set out above as many of the lease arrangements and colocation arrangements contain confidentiality provisions. Furthermore, there are commercial sensitivities involved due to the mission critical nature of data centre operations and some clients would prefer to keep their presence in a data centre facility confidential in order to minimise the risk of physical threats and/or intrusions into the relevant data centre.
2 Clients shall refer to those contracted under service level agreements with Keppel DC REIT and/or its subsidiaries with the exceptions of KDC SGP 1, KDC SGP 2, KDC SGP 3 and KDC SGP 5 where clients refer to those who contracted with Keppel DC Singapore 1 Ltd., Keppel DC Singapore 2 Pte. Ltd. and Keppel DCS3 Services Pte. Ltd. respectively. Clients which are in multiple data centres are only accounted for once.

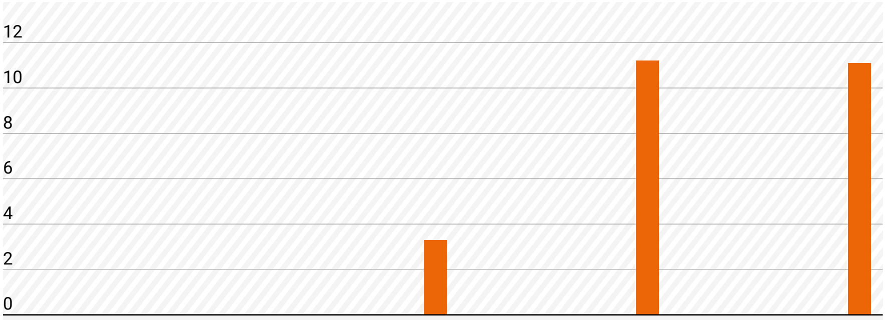
Rental Income Breakdown[1] by Clients' Trade Sector (%)
for December 2018



Internet Enterprise	46.5
IT Services	24.1
Telecommunications	19.8
Financial Services	8.0
Corporate	1.6
Total	**100.0**

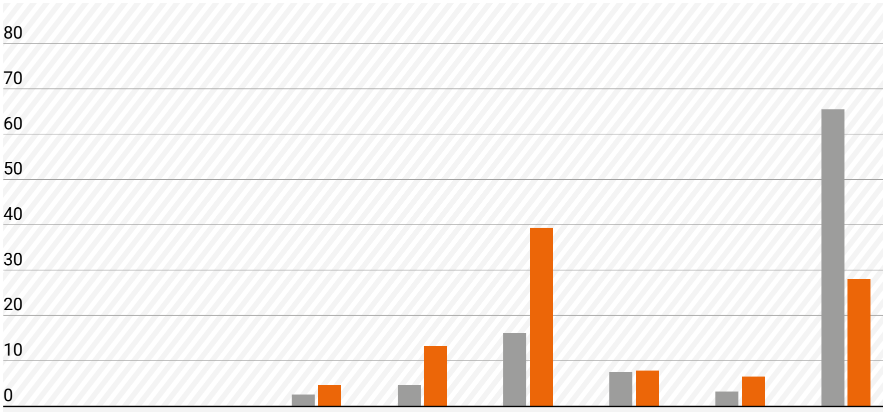
1 Rental income for December 2018.

Breakdown of Weighted Average Lease Expiry by Lease Type (years)
as at 31 December 2018



	Colocation	Fully-Fitted	Shell and Core
Weighted Average Lease Expiry	3.3	11.2	11.1

Portfolio Lease Expiry Profile (%)
as at 31 December 2018



	2019	2020	2021	2022	2023	≥2024
Portfolio Lease Expiry by Attributable Lettable Area	2.7	4.7	16.2	7.6	3.3	65.5
Portfolio Lease Expiry by Rental Income	4.7	13.3	39.4	7.9	6.6	28.1

Occupancy Rates (%)
as at 31 December 2018

Portfolio	**93.1**
KDC SGP 1	86.9
KDC SGP 2	100.0
KDC SGP 3	100.0
KDC SGP 5	84.2
Basis Bay DC	63.1
Gore Hill DC	100.0
IC2 DC	100.0
iseek DC	100.0
Cardiff DC	100.0
GV7 DC	100.0
Almere DC	100.0
KDC DUB 1	61.1
KDC DUB 2	90.7
Milan DC	100.0
maincubes DC	100.0

Long Portfolio WALE

As at 31 December 2018, portfolio WALE remained long at 8.3 years, providing strong income stability for the REIT. The portfolio comprised different lease types with diverse lease expiries. The WALE of the colocation, fully-fitted as well as shell and core assets were 3.3 years, 11.2 years and 11.1 years respectively.

In 2018, the WALE of new leases, including that of KDC SGP 5 and maincubes DC acquired during the year, was 8.9 years. These leases contributed 21.6% of Keppel DC REIT's rental income in December 2018.

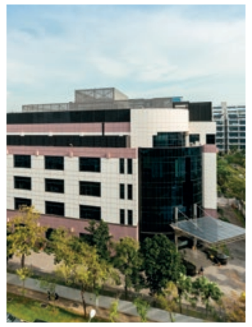
Keppel DC REIT's lease expiry profile was also well-staggered. Approximately 65.5% of the portfolio's attributable lettable area had more than five years to its expiry as at 31 December 2018. Over the next two years, less than 5% of the portfolio's attributable lettable area and less than 13.3% of the REIT's rental income would be up for renewal per year.

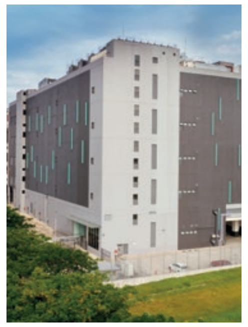
Portfolio Review

Portfolio at a Glance

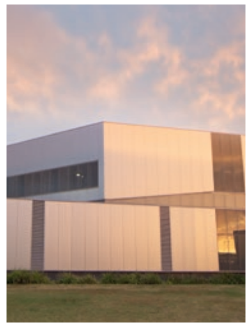
as at 31 December 2018

Asia Pacific





	Keppel DC Singapore 1	Keppel DC Singapore 2	Keppel DC Singapore 3	Keppel DC Singapore 5	Basic Bay Data Centre	Gore Hill Data Centre	Intellicentre 2 Data Centre	Intellicentre 3 East Data Centre *(Under development)*	iseek Data Centre
Location	25 Serangoon North Avenue 5, Singapore 554914	25 Tampines Street 92, Singapore 528877	27 Tampines Street 92, Singapore 528878	13 Sunview Way, Singapore 627541	No. 4710, Jalan Cyber Point 5, Zone Flagship Cyberjaya 63000 Cyberjaya, Selangor Darul Ehsan, Malaysia	5 Broadcast Way (South Gate) Artarmon, New South Wales 2064, Australia	17-23 Talavera Road, Macquarie Park, New South Wales 2113, Australia	17-23 Talavera Road, Macquarie Park, New South Wales 2113, Australia	2 Cycas Lane, Brisbane Airport, Queensland 4009, Australia
Title	Leasehold (Expiring 30 September 2025, with option to extend by 30 years)	Leasehold (Expiring 31 July 2021, with option to extend by 30 years)	Leasehold (Expiring 31 January 2022, with option to extend by 30 years)	Leasehold (Expiring 31 August 2041)	Freehold	Freehold	Freehold	Freehold	Leasehold (Expiring 29 June 2040, with an option to extend by 7 years)
Ownership Interest	100%	100%	90%	99%	99%	100%	100%	100%	100%
Land Area (sq ft)	78,928	53,821	53,815	83,331	64,809	72,032	215,612	–	41,559
Gross Floor Area (sq ft)	225,945	106,726	133,878	208,096	88,600	127,283	–	Min. 86,000	28,955
Attributable Lettable Area (sq ft)	109,721	37,098	49,433[5]	97,781	48,193[5]	90,955	87,930	–	12,389
Number of Clients[1]	17	4	2	3	1	3	1	1	1
Lease Type	Keppel lease/Colocation	Keppel lease/Colocation	Keppel lease/Colocation	Keppel lease/Colocation	Colocation	Triple-net lease (Shell and core) and Colocation	Triple-net lease (Shell and core)	Triple-net lease (Shell and core)	Double-net lease (Fully-fitted)
Facility Manager	Keppel DC Singapore 1 Ltd.[2]	Keppel DC Singapore 2 Pte. Ltd.[4]	Keppel DCS3 Services Pte. Ltd.[6]	Keppel DCS3 Services Pte. Ltd.[6]	Basis Bay Services MSC Sdn Bhd	iseek-KDC Services Pty Limited[7]	–	–	–
Occupancy Rate	86.9%	100%	100%	84.2%	63.1%	100%	100%	100%	100%
Valuation[3] ($mil)	287.0	169.0	231.3	316.8	27.6	207.5	53.9	26.2-36.3 (Development costs)	34.7

1 Certain clients have signed more than one colocation arrangement using multiple entities. Clients refer to those contracted under service level agreements with Keppel DC REIT and/or its subsidiaries with the exceptions of Keppel DC Singapore 1 (KDC SGP 1), Keppel DC Singapore 2 (KDC SGP 2), Keppel DC Singapore 3 (KDC SGP 3) and Keppel DC Singapore 5 (KDC SGP5) where clients refer to those who contracted with Keppel DC Singapore 1 Ltd, Keppel DC Singapore 2 Pte. Ltd. and Keppel DCS3 Services Pte. Ltd. respectively.

2 Keppel DC REIT outsources facilities management of KDC SGP 1 to Keppel DC Singapore 1 Ltd. Keppel DC Singapore 1 Ltd is a wholly-owned subsidiary of Keppel Data Centres Holding Pte Ltd, a joint venture company held indirectly by Keppel Telecommunications and Transportation Ltd (Keppel T&T) and Keppel Land Limited (Keppel Land) in the proportion of 70% and 30% respectively.

3 Based on respective ownership interests and independent valuations as at 31 December 2018. Based on exchange rates of S$1.00 = A$0.993, S$1.00 = £0.572, S$1.00 = RM3.053, S$1.00 = €0.644 as at 31 December 2018. Excludes Intellicentre 3 East Data Centre of which the estimated development cost is stated.

4 Keppel DC REIT outsources facilities management of KDC SGP 2 to Keppel DC Singapore 2 Pte Ltd. Keppel DC Singapore 2 Pte. Ltd. is a wholly-owned subsidiary of Keppel Data Centres Holding Pte Ltd, a joint venture company held indirectly by Keppel T&T and Keppel Land in the proportion of 70% and 30% respectively.

5 Attributable lettable area of KDC SGP 3 is 90% while Basis Bay Data Centre and KDC SGP 5 are 99% of total building net lettable area respectively.

6 Keppel DC REIT outsources facilities management of KDC SGP 3 and KDC SGP 5 to Keppel DCS3 Services Pte. Ltd.. Keppel DCS3 Services Pte. Ltd. is a wholly-owned subsidiary of Keppel Data Centres Holding Pte Ltd, a joint venture company held indirectly by Keppel T&T and Keppel Land in the proportion of 70% and 30% respectively.

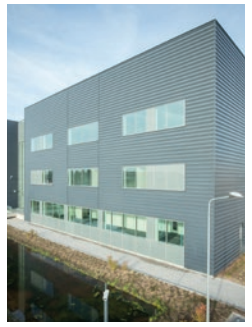
7 Keppel DC REIT outsources facilities management to iseek-KDC Services Pty Limited in respect of the colocation space at Gore Hill Data Centre which is used by two end-clients. iseek-KDC Services Pty Limited is 60% owned by Keppel T&T and 40% owned by iseek Pty Ltd.

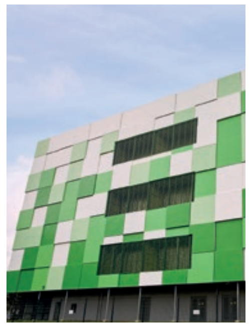
Portfolio Review

Portfolio at a Glance

as at 31 December 2018

Europe





	Cardiff Data Centre	GV7 Data Centre	Almere Data Centre	Keppel DC Dublin 1	Keppel DC Dublin 2	Milan Data Centre	maincubes Data Centre
Location	Ty Cynnal, Dunleavy Drive, Celtic Gateway, Cardiff CF110SW, United Kingdom	7 Greenwich View Place, Millharbour Road, London E14 9NN, United Kingdom	Rondebeltweg 62 'Sallandsekant' Business Park, Almere, the Netherlands	Unit 4033-4035 Citywest Business Campus, Naas Road, Dublin 24, Ireland	Unit B10, Ballycoolin Business and Technology Park, Blanchardstown, Dublin 15, Ireland	Via Bisceglie 71, 73 and 75, Milan, Italy	Goethering 29, Offenbach am Main, Germany
Title	Freehold	Leasehold (Expiring 28 September 2183)	Freehold	Leasehold (Expiring 11 April 2041)[4]	Leasehold (Expiring 31 December 2997)	Freehold	Freehold
Ownership Interest	100%	100%	100%	100%	100%	100%	100%
Land Area (sq ft)	279,864	N.A.[3]	85,358	218,236	149,620	128,791	60,235
Gross Floor Area (sq ft)	–	34,848	–	125,044	76,747	–	–
Attributable Lettable Area (sq ft)	79,439	24,972	118,403	68,118	25,127	165,389	97,043
Number of Clients[1]	1	1	1	17	4	1	1
Lease Type	Triple-net lease (Shell and core)	Triple-net lease (Fully-fitted)	Double-net lease (Fully-fitted)	Colocation	Colocation	Double-net lease (Shell and core)	Triple-net lease (Fully-fitted)
Facility Manager	–	–	–	–	–	–	–
Occupancy Rate	100%	100%	100%	61.1%	90.7%	100%	100%
Valuation[2] ($mil)	65.4	63.5	139.0	76.7	104.8	57.3	135.5

1 Certain clients have signed more than one colocation arrangement using multiple entities. Clients refer to those contracted under service level agreements with Keppel DC REIT and/or its subsidiaries with the exceptions of Keppel DC Singapore 1 (KDC SGP 1), Keppel DC Singapore 2 (KDC SGP 2), Keppel DC Singapore 3 (KDC SGP 3) and Keppel DC Singapore 5 (KDC SGP5) where clients refer to those who contracted with Keppel DC Singapore 1 Ltd, Keppel DC Singapore 2 Pte. Ltd. and Keppel DCS3 Services Pte. Ltd. respectively.

2 Based on respective ownership interests and independent valuations as at 31 December 2018. Based on exchange rates of S$1.00 = A$0.993, S$1.00 = £0.572, S$1.00 = RM3.053, S$1.00 = €0.644 as at 31 December 2018. Excludes Intellicentre 3 East Data Centre of which the development cost is stated.

3 For GV7 Data Centre, neither the lease nor the registered title of the Property refers, nor are they required to refer, to the land area of the Property.

4 On 14 March 2018, Keppel DC REIT entered into a contract with Dali Properties Limited to acquire the remainder of the 999-year (from 1 January 2000) leasehold interest in Keppel DC Dublin 1. The consideration for the acquisition was €30.0 million, arrived on a willing-buyer and willing-seller basis and supported by independent valuation. The independent valuation by Jones Lang Lasalle Limited (dated 1 February 2018) was €30.0 million, and was derived using the income capitalisation, discounted cash flow and direct comparable methods. Legal completion of acquisition is expected to take place within the first half of 2020.

Portfolio Review
Asia Pacific

Keppel DC Singapore 1

Keppel DC Singapore 1 (KDC SGP 1) is located within the Serangoon North Industrial Estate, 10.5km north of the city centre. The property is well connected to expressways such as the Central Expressway and Kallang-Paya Lebar Expressway, as well as arterial roads. These provide good accessibility to the city centre, airport and other parts of the island.

KDC SGP 1 consists of a six-storey data centre main building and an adjoining five-storey annexe building. The main building was originally built in the 1990s and converted for use as a data centre in 2001, followed by major retrofitting works between 2011 and 2013 to further upgrade the data centre specifications. Featuring environmentally-friendly and sustainable features, KDC SGP 1 was certified to have fulfilled the requirements of the following:

- ANSI/TIA-942-B:2017 Rated-3
- ISO 9001:2015 (Quality Management System)
- ISO 14001:2015 (Environmental Management System)
- ISO/IEC 27001:2013 (Information Security Management System)
- ISO 50001:2011 (Energy Management System)
- PUB Water Efficient Building
- Singapore Standard (SS) 564 Part-1:2013 (L3-L5 Energy and Environment Management System)
- SS 507:2008 (Standard for Business Continuity and Disaster Recovery (BC/DR) Service Provider)
- SS 507:2015 (Standard for Business Continuity and Disaster Recovery (BC/DR) Service Provider)
- SS 577:2012 (Water Efficiency Management System)
- Workplace Safety and Health (WSH) Council – bizSAFE Level 3

Key Statistics
as at 31 December 2018

Location 25 Serangoon North Avenue 5, Singapore 554914	**Number of Clients** 17[1]
Land Title Leasehold (Expiring 30 September 2025, with option to extend by 30 years)	**Lease Type** Keppel lease[2]/Colocation
Ownership Interest 100%	**Occupancy Rate** 86.9%
Attributable Lettable Area (sq ft) 109,721	**Valuation ($mil)** 287.0

[1] Based on the number of underlying clients which have entered into colocation arrangements with Keppel DC Singapore 1 Ltd, treating the Keppel lease on a pass-through basis to the underlying clients. Keppel DC REIT has in place the Keppel lease with Keppel DC Singapore 1 Ltd pursuant to which Keppel DC REIT grants a lease for a term of 10 years to Keppel DC Singapore 1 Ltd, with an option to renew for a further term of five years subject to JTC Corporation's consent, and on terms agreed between Keppel DC REIT and Keppel DC Singapore 1 Ltd.

[2] Refers to the Keppel lease which has been entered into by Keppel DC REIT with Keppel DC Singapore 1 Ltd in relation to Keppel DC Singapore 1. However, due to the pass-through nature of the Keppel lease, Keppel DC REIT will substantially enjoy the benefits and assume the liabilities of the underlying colocation arrangements between Keppel DC Singapore 1 Ltd and the underlying clients.

Keppel DC Singapore 2

Keppel DC Singapore 2 (KDC SGP 2) is situated within the Tampines Industrial Park A, 12km from the city centre.

The property is well connected to major roads and expressways such as the Pan-Island Expressway, Tampines Expressway and East Coast Parkway, which provide good accessibility to the city centre, airport and other parts of the island.

KDC SGP 2 comprises a five-storey main building and a four-storey annexe building. The main building was built in the 1990s and was extensively retrofitted in 2010 for conversion to a data centre. In 2015, KDC SGP 2 was conferred the BCA-IMDA KDC Green Mark for Data Centres Gold^{PLUS} Award. In addition, KDC SGP 2 was certified to have fulfilled the requirements of the following:

- ANSI/TIA-942:2014 Rated-3
- ANSI/TIA-942-B:2017 Rated-3
- ISO 9001:2015 (Quality Management System)
- ISO 14001:2015 (Environmental Management System)
- ISO/IEC 27001:2013 (Information Security Management System)
- ISO 50001:2011 (Energy Management System)
- PUB Water Efficient Building
- SS 564 Part-1:2013 (Energy & Environment Management System)
- SS 507:2008 (Standard for Business Continuity and Disaster Recovery (BC/DR) Service Provider)
- SS 507:2015 (Standard for Business Continuity and Disaster Recovery (BC/DR) Service Provider)
- SS 577:2012 (Water Efficiency Management System)
- Workplace Safety and Health (WSH) Council – bizSAFE Level 3

Key Statistics
as at 31 December 2018

Location 25 Tampines Street 92, Singapore 528877	**Number of Clients** 4[1]
Land Title Leasehold (Expiring 31 July 2021, with option to extend by 30 years)	**Lease Type** Keppel lease[2]/Colocation
Ownership Interest 100%	**Occupancy Rate** 100%
Attributable Lettable Area (sq ft) 37,098	**Valuation ($mil)** 169.0

1 Based on the number of underlying clients which have entered into colocation arrangements with Keppel DC Singapore 2 Pte. Ltd., treating the Keppel lease on a pass-through basis to the underlying clients. Keppel DC REIT has in place the Keppel lease with Keppel DC Singapore 2 Pte. Ltd. pursuant to which Keppel DC REIT grants a lease for a term of 10 years to Keppel DC Singapore 2 Pte. Ltd., with an option to renew for a further term of five years subject to HDB's consent, and on terms agreed between Keppel DC REIT and Keppel DC Singapore 2 Pte. Ltd.

2 Refers to the Keppel lease which has been entered into by Keppel DC REIT with Keppel DC Singapore 2 Pte. Ltd. in relation to Keppel DC Singapore 2. However, due to the pass-through nature of the Keppel lease, Keppel DC REIT will substantially enjoy the benefit and assume the liabilities of the colocation arrangements entered into by Keppel DC Singapore 2 Pte. Ltd. and the underlying clients.

Portfolio Review
Asia Pacific

Keppel DC Singapore 3

Keppel DC Singapore 3 (KDC SGP 3) is adjacent to Keppel DC Singapore 2 in Tampines. It is well connected to major roads and expressways such as the Pan-Island Expressway, Tampines Expressway and East Coast Parkway, providing good accessibility to the city centre, airport and other parts of the island.

Completed in 2015, KDC SGP 3 is a modern five-storey carrier-neutral data centre providing data centre solutions, dedicated colocation suites, as well as 24/7 technical support.

Built to energy-efficient specifications, the facility is equipped with redundant power and cooling infrastructure to meet high-powered rack requirements. In 2014, KDC SGP 3 was conferred the BCA-IMDA Green Mark for Data Centres Platinum Award. Additionally, KDC SGP 3 was certified to have fulfilled the requirements of the following:

- ANSI/TIA-942-B:2017 Rated-3
- ISO 9001:2015 (Quality Management System)
- ISO 14001:2015 (Environmental Management System)
- ISO/IEC 27001:2013 (Information Security Management System)
- ISO 50001:2011 (Energy Management System)
- PUB Water Efficient Building
- SS 564 Part-1:2013 (Energy & Environment Management System)
- SS 507:2015 (Standard for Business Continuity and Disaster Recovery (BC/DR) Service Provider)
- SS 577:2012 (Water Efficiency Management System)
- Workplace Safety and Health (WSH) Council – bizSAFE Level 3

Key Statistics
as at 31 December 2018

Location 27 Tampines Street 92, Singapore 528878	**Number of Clients** 2[2]
Land Title Leasehold (Expiring 31 January 2022, with option to extend by 30 years)	**Lease Type** Keppel lease[3]/Colocation
Ownership Interest 90%	**Occupancy Rate** 100%
Attributable Lettable Area (sq ft) 49,433[1]	**Valuation ($mil)** 231.3

1 Attributable lettable area of KDC SGP 3 is 90% of total building net lettable area.
2 Based on the number of underlying clients which have entered into colocation arrangements with Keppel DCS3 Services Pte. Ltd. treating the Keppel lease on a pass-through basis to the underlying clients. Keppel DC Singapore 3 LLP has in place the Keppel lease with Keppel DCS3 Services Pte. Ltd. pursuant to which Keppel DC Singapore 3 LLP grants a lease for a term of 10 years to Keppel DCS3 Services Pte. Ltd., with an option to renew for a further term of five years subject to HDB's consent, and on terms agreed between Keppel DC Singapore 3 LLP and Keppel DCS3 Services Pte. Ltd.
3 Refers to the Keppel lease which has been entered into by Keppel DC Singapore 3 LLP with Keppel DCS3 Services Pte. Ltd. in relation to Keppel DC Singapore 3. However, due to the pass-through nature of the Keppel lease, Keppel DC Singapore 3 LLP will substantially enjoy the benefit and assume the liabilities of the colocation arrangements entered into by Keppel DCS3 Services Pte. Ltd. and the underlying clients.

Keppel DC Singapore 5

Keppel DC Singapore 5 (KDC SGP 5) is located in western Singapore.

It is well connected to major roads and expressways such as the Ayer Rajah Expressway and Pan-Island Expressway as well as major arterial roads such as Jalan Ahmad Ibrahim, Pioneer Road and Jalan Buroh which provide efficient linkages to the city centre, airport and other parts of the island.

Built in 2015, KDC SGP 5 is a five-storey purpose-built data centre with ancillary offices and critical mechanical and electrical (M&E) infrastructure. KDC SGP 5 was also certified to have fulfilled the requirements of the following:

- ISO 9001:2015 (Quality Management System)
- ISO 14001:2015 (Environmental Management System)
- ISO/IEC 27001:2013 (Information Security Management System)
- BS OHSAS 18001:2007 (Occupational Safety and Health Management System)

Key Statistics
as at 31 December 2018

Location 13 Sunview Way, Singapore 627541	**Number of Clients** 3[2]
Land Title Leasehold (Expiring 31 August 2041)	**Lease Type** Keppel lease[3]/Colocation
Ownership Interest 99%	**Occupancy Rate** 84.2%
Attributable Lettable Area (sq ft) 97,781[1]	**Valuation ($mil)** 316.8[4]

1 Attributable lettable area of KDC SGP 5 is 99% of total building net lettable area.
2 Based on the number of underlying clients which have entered into colocation arrangements with Keppel DCS3 Services Pte. Ltd. treating the Keppel lease on a pass-through basis to the underlying clients. Keppel DC Singapore 5 LLP has in place the Keppel lease with Keppel DCS3 Services Pte. Ltd. pursuant to which Keppel DC Singapore 5 LLP grants a lease for a term of one year with an option of 9 years to Keppel DCS3 Services Pte. Ltd.
3 Refers to the Keppel lease which has been entered into by Keppel DC Singapore 5 LLP with Keppel DCS3 Services Pte. Ltd. in relation to Keppel DC Singapore 5. However, due to the pass-through nature of the Keppel lease, Keppel DC Singapore 5 LLP will substantially enjoy the benefit and assume the liabilities of the colocation arrangements entered into by Keppel DCS3 Services Pte. Ltd. and the underlying clients.
4 Valuation as at 31 December 2018 was based on 99% ownership interest. The consideration for the acquisition of the 99% interest was at an agreed property value of $295.1 million, arrived on a willing-buyer and willing-seller basis with the vendor Keppel Data Centres Holding Pte Ltd and supported by independent valuations. The independent valuation by Knight Frank (2 May 2018) was at $316.8 million (99% basis) and was derived using discounted cash flow, income capitalisation and comparable sales methods.

Portfolio Review
Asia Pacific

Basis Bay Data Centre

Basis Bay Data Centre (Basis Bay DC) is located in the township of Cyberjaya, Malaysia, approximately 35km southwest of Kuala Lumpur City Centre and 26km northwest of the Kuala Lumpur International Airport (KLIA).

Cyberjaya features a science park which forms a key part of the 750km^2 Multimedia Super Corridor in Malaysia and it is well equipped with network and supporting infrastructure. Cyberjaya is well connected to the major roads and expressways. There is also the Express Rail Link service between Cyberjaya and KLIA. These connections provide good accessibility to other strategic economic areas within the greater Klang Valley.

Basis Bay DC is a four-storey facility with an adjoining two-storey office building. Completed in 2009, the building was built with provision for future expansion.

It was certified to have fulfilled the requirements of the ISO/IEC 27001:2013 (Information Security Management System).

Key Statistics
as at 31 December 2018

Location No. 4710, Jalan Cyber Point 5, Zone Flagship Cyberjaya 63000 Cyberjaya, Selangor Darul Ehsan, Malaysia	**Number of Clients** 1
Land Title Freehold	**Lease Type** Colocation
Ownership Interest 99%	**Occupancy Rate** 63.1%
Attributable Lettable Area (sq ft) 48,193[1]	**Valuation ($mil)** 27.6[2,3]

1 Attributable lettable area of Basis Bay Data Centre is 99% of total building net lettable area.
2 Excludes the 1.0% interest in Basis Bay Data Centre which is held by E-Basis Bay Sdn Bhd.
3 Based on an exchange rate of $1.00 = RM3.053 as at 31 December 2018.

Gore Hill Data Centre

Gore Hill Data Centre (Gore Hill DC) is located within Gore Hill Technology Park in Sydney, Australia, a mixed use commercial and technology area located approximately 9km Northwest of Sydney's central business district.

The facility is located along one of Sydney's main power and data arteries, allowing access to large, secure power sources and multiple carrier networks.

The Gore Hill Expressway, M2, M5 and M7 motorways are all easily accessible, giving excellent transport connectivity to other parts of greater Sydney.

Gore Hill Technology Park contains a mix of data centres, Grade A offices, retail and community sports facilities. Gore Hill DC is a four-storey facility built in 2011 with additional capital works undertaken in 2012 and 2013 to meet clients' business needs.

It was certified to have fulfilled the requirements of the ISO/IEC 27001:2013 (Information Security Management System).

Key Statistics
as at 31 December 2018

Location 5 Broadcast Way (South Gate) Artarmon, New South Wales 2064, Australia	**Number of Clients** 3
Land Title Freehold	**Lease Type** Triple-net lease (Shell and core) and Colocation
Ownership Interest 100%	**Occupancy Rate** 100%
Attributable Lettable Area (sq ft) 90,955	**Valuation ($mil)** 207.5[1]

1 Based on an exchange rate of $1.00 = A$0.993 as at 31 December 2018.

Intellicentre 2 Data Centre

Intellicentre 2 Data Centre (IC2 DC) is located within the Macquarie Park in Sydney. Located in the North of Sydney, the site is 12km from the central business district.

Talavera Road, where the asset is located, is well served by all major telecommunication carriers, with ample network capacity available.

Macquarie Park is a research and business park in Sydney with a concentration of companies in the communications and information technology sectors. It is set on over 200ha of commercial land and is the second largest commercial office region in New South Wales after Sydney's central business district.

IC2 DC is a two-storey data centre built in 2012.

Key Statistics
as at 31 December 2018

Location 17-23 Talavera Road, Macquarie Park, New South Wales 2113, Australia	**Number of Clients** 1
Land Title Freehold	**Lease Type** Triple-net lease (Shell and core)
Ownership Interest 100%	**Occupancy Rate** 100%
Attributable Lettable Area (sq ft) 87,930	**Valuation ($mil)** 53.9[1]

1 Based on an exchange rate of $1.00 = A$0.9930 as at 31 December 2018.

Intellicentre 3 East Data Centre *(Under development)*

Artist's impression

Intellicentre 3 East Data Centre (IC3 East DC) is a shell and core data centre that will be built on the vacant land within IC2 DC's site in the Macquarie Park.

IC3 East DC is expected to be completed in 2020.

Key Statistics
as at 31 December 2018

Location 17-23 Talavera Road, Macquarie Park, New South Wales 2113, Australia	**Number of Clients** 1
Land Title Freehold	**Lease Type** Triple-net lease (Shell and Core)
Ownership Interest 100%	**Occupancy Rate** 100%
Attributable Lettable Area (sq ft) Approximately 86,000	**Development Cost ($mil)** 26.2-36.3[1,2]

1 IC3 East DC is under development and is excluded from the portfolio's assets under management as at 31 December 2018.
2 Based on an exchange rate of $1.00 = A$0.9930 as at 31 December 2018.

Portfolio Review
Asia Pacific

iseek Data Centre

iseek Data Centre (iseek DC) is located in the Export Park Precinct of Brisbane Airport in Australia, a locality comprising five distinct development areas, as well as a commercial and lifestyle precinct on approximately 600ha of land.

Sitting on elevated land, iseek DC is situated away from flood prone areas and in close proximity to secure power sources. The data centre is purpose-built to serve clients that have high power density requirements.

iseek DC is a two-storey energy efficient facility built in 2010. It clinched the 2012 Property Council of Australia's 'Best Sustainable Development – New Buildings' award and the 'Queensland Development of the Year 2012'.

Key Statistics
as at 31 December 2018

Location 2 Cycas Lane, Brisbane Airport, Queensland 4009, Australia	**Number of Clients** 1
Land Title Leasehold (Expiring 29 June 2040, with an option to extend by 7 years)	**Lease Type** Double-net lease (Fully-fitted)
Ownership Interest 100%	**Occupancy Rate** 100%
Attributable Lettable Area (sq ft) 12,389	**Valuation ($mil)** 34.7[1]

[1] Based on an exchange rate of $1.00 = A$0.9930 as at 31 December 2018.

Europe

Cardiff Data Centre

Cardiff Data Centre is located in the capital city of Wales in the United Kingdom.

Strategically situated within the Celtic Gateway Business Park, the facility is approximately 4km from the Cardiff city centre and is well served by major modes of transportation.

The facility comprises a two-storey data centre connected to a three-storey office block and was completed in 2003.

Key Statistics
as at 31 December 2018

Location Ty Cynnal, Dunleavy Drive, Celtic Gateway, Cardiff CF110SW, United Kingdom	**Number of Clients** 1
Land Title Freehold	**Lease Type** Triple-net lease (Shell and core)
Ownership Interest 100%	**Occupancy Rate** 100%
Attributable Lettable Area (sq ft) 79,439	**Valuation ($mil)** 65.4[1]

1 Based on an exchange rate of $1.00 = £0.572 as at 31 December 2018.

GV7 Data Centre

GV7 Data Centre (GV7 DC) is located in Greenwich View Place, London.

The facility is located approximately 750m south of Canary Wharf, East London, within a secured estate that primarily houses data centres and office accommodation services. As a result of excellent fibre optic connectivity, Greenwich View Place has established itself as a data centre hub with many of the operators offering high connectivity services.

GV7 DC is a two-storey facility that was built in 1987 and extensively refurbished in 2000.

Key Statistics
as at 31 December 2018

Location 7 Greenwich View Place, Millharbour Road, London E14 9NN, United Kingdom	**Number of Clients** 1
Land Title Leasehold (Expiring 28 September 2183)	**Lease Type** Triple-net lease (Fully-fitted)
Ownership Interest 100%	**Occupancy Rate** 100%
Attributable Lettable Area (sq ft) 24,972	**Valuation ($mil)** 63.5[1]

1 Based on an exchange rate of $1.00 = £0.572 as at 31 December 2018.

Portfolio Review
Europe

Almere Data Centre

Almere Data Centre (Almere DC) is located in the Sallandsekant business estate, in the city of Almere, the Netherlands. The property is located approximately 50km from Schiphol Airport and 135km from Rotterdam Harbour.

The Sallandsekant business estate is targeted at users of logistics properties and has several distribution centres with well-known names establishing a presence there. The city is well connected to a network of motorways including the A1, A6 and A27 which link to various other cities and parts of the Netherlands. There are also public bus lines servicing the business estate.

Almere DC is a three-storey facility built in 2008.

Key Statistics
as at 31 December 2018

Location Rondebeltweg 62 'Sallandsekant' Business Park, Almere, the Netherlands	**Number of Clients** 1
Land Title Freehold	**Lease Type** Double-net lease (Fully-fitted)
Ownership Interest 100%	**Occupancy Rate** 100%
Attributable Lettable Area (sq ft) 118,403	**Valuation ($mil)** 139.0[1]

[1] Based on an exchange rate of $1.00 = €0.644 as at 31 December 2018.

Keppel DC Dublin 1

Keppel DC Dublin 1 (KDC DUB 1) is located in the Citywest Business Campus, a prime suburban industrial and commercial location in Dublin. It is approximately 14km southwest of Dublin City Centre and is situated just south of Junction Three of the N7 National Road. The Citywest Business Campus is located south of the N7 Dublin-Limerick Road via its dedicated interchange and is home to over 130 companies, with an overall focus on technological innovation. In recent years, the area has secured a number of new occupiers. The Citywest Business Campus also makes provision for high specification industrial properties in a low density park environment.

KDC DUB 1 is a two-storey detached facility built in 2000 with data halls of varying sizes. It was certified to have fulfilled the requirements of ISO 27001:2013 (Information Security Management System), and ISO 9001:2015 (Quality Management System).

Key Statistics
as at 31 December 2018

Location Unit 4033-4035 Citywest Business Campus, Naas Road, Dublin 24, Ireland	**Number of Clients** 17
Land Title Leasehold (Expiring 11 April 2041)[1]	**Lease Type** Colocation
Ownership Interest 100%	**Occupancy Rate** 61.1%
Attributable Lettable Area (sq ft) 68,118	**Valuation ($mil)** 76.7[2]

[1] On 14 March 2018, Keppel DC REIT entered into a contract to acquire the remainder of the 999-year (from 1 January 2000) leasehold land interest in Keppel DC Dublin 1. Legal completion of acquisition is expected to take place within the first half of 2020.
[2] Based on an exchange rate of $1.00 = €0.644 as at 31 December 2018.

Keppel DC Dublin 2

Keppel DC Dublin 2 (KDC DUB 2) is an energy-efficient carrier-neutral colocation data centre within the Ballycoolin Business and Technology Park in Dublin, approximately 12km from the Dublin city centre and 13km from the Dublin Airport. KDC DUB 2 is well-served by major transportation modes.

KDC DUB 2 is a single-storey detached facility with a two-storey office block. It started operations in 2013 and was certified to have fulfilled the requirements of the ISO 27001:2013 (Information Security Management System).

Key Statistics
as at 31 December 2018

Location Unit B10, Ballycoolin Business and Technology Park, Blanchardstown, Dublin 15, Ireland	**Number of Clients** 4
Land Title Leasehold (Expiring 31 December 2997)	**Lease Type** Colocation
Ownership Interest 100%	**Occupancy Rate** 90.7%
Attributable Lettable Area (sq ft) 25,127	**Valuation ($mil)** 104.8[1]

1 Based on an exchange rate of $1.00 = €0.644 as at 31 December 2018.

Milan Data Centre

Milan Data Centre comprises three interconnected four-storey buildings located approximately 8km away from the Milan city centre. The facility is well connected and easily accessible via the Milan Metro system. Milan is home to the Milan Internet Exchange point and is a strategic location as an emerging regional IT hub that is well connected to other European markets.

The facility was completed in 1998 with an additional ancillary building constructed in 2004.

Key Statistics
as at 31 December 2018

Location Via Bisceglie 71, 73 and 75, Milan, Italy	**Number of Clients** 1
Land Title Freehold	**Lease Type** Double-net lease (Shell and core)
Ownership Interest 100%	**Occupancy Rate** 100%
Attributable Lettable Area (sq ft) 165,389	**Valuation ($mil)** 57.3[1]

1 Based on an exchange rate of $1.00 = €0.644 as at 31 December 2018.

Portfolio Review
Europe

maincubes Data Centre

maincubes Data Centre (maincubes DC) is located in Offenbach am Main, Germany. It is about 10km from Frankfurt and is strategically located within the data centre hub across Frankfurt and Offenbach.

The data centre hub where maincubes DC is located comprises stand-alone data centres as well as data centre campuses owned by international and domestic colocation operators.

maincubes DC is about 800 metres away from the world's leading internet exchange point, DE-CIX. The proximity of maincubes DC to the internet exchange point minimises latency issues, a key consideration for end-users such as financial institutions and e-commerce firms.

Newly completed in 2018, maincubes DC is a fully fitted four-storey facility and a TÜV Certified Level 3 (Highly Available) data centre.

Key Statistics
as at 31 December 2018

Location Goethering 29, Offenbach am Main, Germany	**Number of Clients** 1
Land Title Freehold	**Lease Type** Triple-net lease (Fully-fitted)
Ownership Interest 100%	**Occupancy Rate** 100%
Attributable Lettable Area (sq ft) 97,043	**Valuation ($mil)** 135.5[1]

[1] Based on an exchange rate of $1.00 = €0.644 as at 31 December 2018. The consideration of the forward purchase agreement for acquisition of 100% interest was €84.0 million, arrived on a willing-buyer and willing-seller basis with maincubes One Immobilien GmbHt & Co. KG and supported by an independent valuation. The independent valuation by CBRE (dated 1 October 2015) was €86.1 million, and was derived using income capitalisation and discounted cashflow methods.

Financial Review

Distributable Income

$96.1m

16.7% higher than $82.3 million in FY 2017

Distribution Per Unit (DPU)

7.32cts

5.0% higher than the adjusted DPU of 6.97 cents[1] in FY 2017

Group Overview

Keppel DC REIT is a Singapore-domiciled real estate investment trust (REIT) established on 17 March 2011. It was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) on 12 December 2014. This review is for the financial year ended 31 December 2018 (FY 2018).

Keppel DC REIT entered into a contract on 14 March 2018 to acquire the remaining 999-year leasehold land interest in Keppel DC Dublin 1 in the first half of 2020.

The REIT also completed the acquisitions of maincubes Data Centre (maincubes DC) located in Offenbach am Main, Germany, on 30 March 2018 and a 99% interest in Keppel DC Singapore 5 (KDC SGP 5) on 12 June 2018.

On 6 August 2018, the REIT entered into an agreement to construct Intellicentre 3 East Data Centre, a new shell and core data centre on the vacant land within the REIT's current Intellicentre 2 Data Centre (IC2 DC) site in Sydney, Australia. The development is expected to be completed in 2020.

Distributable income for FY 2018 was $96.1 million, 16.7% higher than the distributable income of $82.3 million for FY 2017. The growth in distributable income was mainly contributed by the REIT's acquisitions, as well as higher variable income from Keppel DC Dublin 1 (KDC DUB 1) and Keppel DC Singapore 3 (KDC SGP 3). These were partially offset by the absence of the one-off capital distribution in relation to KDC SGP 3, as well as lower rental income from Gore Hill Data Centre (Gore Hill DC) in Sydney, Australia, and Basis Bay Data Centre (Basis Bay DC) in Cyberjaya, Malaysia.

Distribution per Unit (DPU) was 7.32 cents and 7.12 cents for FY 2018 and FY 2017 respectively. The DPU for FY 2017 included a one-off capital distribution of approximately 0.15 cents per Unit for December 2016 arising from the later completion of KDC SGP 3 and where the vendor had agreed that all the rights and obligations shall be passed to the REIT as if completion had occurred on 1 December 2016. After adjusting for the impact of the one-off capital distribution, the adjusted DPU for FY 2017 would have been 6.97 cents.

Based on the FY 2018 market closing price of $1.350 per Unit, Keppel DC REIT's FY 2018 distribution yield was 5.42%.

[1] Excluded the one-off capital distribution of approximately 0.15 cents per Unit in relation to Keppel DC Singapore 3 recorded in 1Q 2017.

Financial Review

Group Financial Overview

	2018 $'000	2017 $'000	Change %
Gross rental income	**167,158**	134,630	24.2
Other income[1]	**8,377**	4,420	89.5
Gross revenue	**175,535**	139,050	26.2
Property operating expenses	**(17,862)**	(13,931)	28.2
Net property income	**157,673**	125,119	26.0
Finance income	**834**	1,402	(40.5)
Finance costs	**(16,663)**	(14,671)	13.6
Trustees' fees	**(299)**	(295)	1.4
Manager's base fee	**(8,922)**	(7,216)	23.6
Manager's performance fee	**(5,062)**	(4,077)	24.2
Audit fees	**(299)**	(226)	32.3
Valuation fees	**(238)**	(200)	19.0
Net realised gains on derivatives	**555**	934	(40.6)
Other trust expenses	**(9,192)**	(14,660)	(37.3)
Profit before tax and fair value change in investment properties	**118,387**	86,110	37.5
Net change in fair value of investment properties	**32,634**	(8,519)	Nm
Profit for the year before tax	**151,021**	77,591	94.6
Tax expenses	**(5,012)**	(7,317)	(31.5)
Profit for the year after tax	**146,009**	70,274	>100.0
Profit after tax attributable to:			
Unitholders	**141,881**	65,225	>100.0
Non-controlling interests	**4,128**	5,049	(18.2)
Profit after tax for the year	**146,009**	70,274	>100.0
Profit attributable to Unitholders	**141,881**	65,225	>100.0
Net tax and other adjustments to profit after tax attributable to Unitholders	**(45,785)**	17,095	Nm
Distributable income[2]	**96,096**	82,320	16.7

1 Other income includes rental top up income provided by the vendors of assets acquired.
2 Distributable income includes Capex Reserves for Keppel DC Singapore 3 and Keppel DC Singapore 5.

In 2018, the Manager completed the REIT's acquisition of maincubes Data Centre in Offenbach am Main, Germany.

Revenue and Expenses

Keppel DC REIT recorded gross revenue of $175.5 million in FY 2018, which was $36.4 million or 26.2% higher than in FY 2017.

Gross rental income for FY 2018 was $167.2 million, an increase of $32.6 million or 24.2% from $134.6 million for FY 2017. This was mainly contributed by the acquisitions of KDC SGP 5 and maincubes DC, full-year contribution from Keppel DC Dublin 2 (KDC DUB 2) as well as higher contributions from KDC DUB 1 and KDC SGP 3. The increase was also due to higher overseas contributions attributed to the appreciation of the Euro (EUR) and British Pound (GBP) against the Singapore Dollar (SGD). These were partially offset by lower rental income received from Gore Hill DC and Basis Bay DC, as well as lower overseas contributions arising from the depreciation of the Australian Dollar (AUD) against SGD.

Other income of $8.4 million in FY 2018 arose mainly due to the higher rental top up recognised and higher ad hoc service revenue.

Property operating expenses for FY 2018, which included facility management costs of $8.4 million, was $17.9 million. This was an increase of $4.0 million or 28.2% from $13.9 million for FY 2017. The increase was largely due to the acquisition of KDC SGP 5, full-year expenses from KDC DUB 2 and higher property-related expenses recorded at Gore Hill DC. These were partially offset by lower property-related expenses incurred at KDC SGP 3.

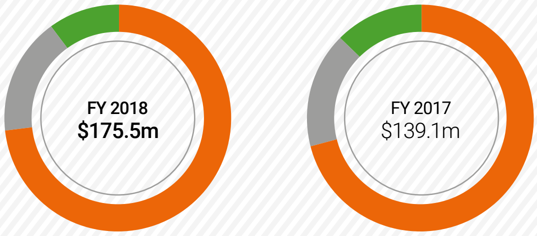
As a result, net property income of $157.7 million for FY 2018 was $32.6 million or 26% higher than FY 2017.

Profit Attributable to Unitholders

Profit after tax for FY 2018 was $146.0 million, after taking into account the net fair value gain of $32.6 million (2017: net fair value loss of $8.5 million) and deferred tax credit of $0.7 million (2017: deferred tax expense of $1.8 million) provided on the fair value movement for the portfolio. Excluding these fair value changes and related deferred tax impact, the profit after tax for FY 2018 would be $112.7 million, an increase of $32.1 million or 39.8% as compared to $80.6 million in FY 2017. The year-on-year increase in profit after tax was mainly due to higher net property income, lower unrealised foreign exchange losses, partially offset by higher finance costs, amortisation expenses and Manager's fees and higher current tax expenses as compared to FY 2017.

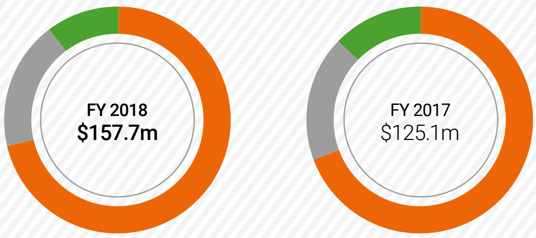
Profit attributable to Unitholders was $141.9 million for FY 2018 after taking into account the amount attributable to non-controlling interests. This was $76.7 million higher than the $65.2 million recorded in FY 2017.

Gross Revenue ($m)



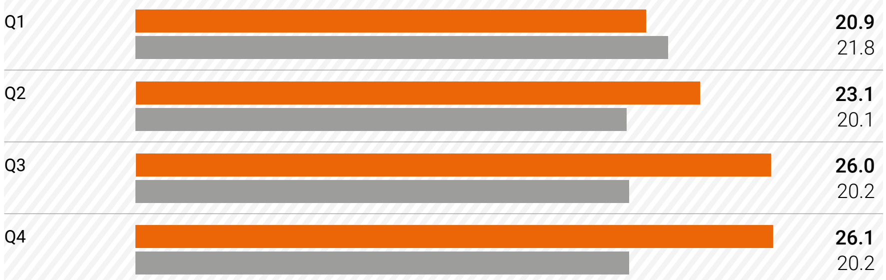
	2018	2017
Colocation	**128.6**	98.8
Fully-Fitted	**29.3**	22.8
Shell and Core	**17.6**	17.5
Total	**175.5**	139.1

Net Property Income ($m)



	2018	2017
Colocation	**112.5**	86.6
Fully-Fitted	**28.9**	22.3
Shell and Core	**16.3**	16.2
Total	**157.7**	125.1

Distributable Income[1,2] ($m)



2018 Total **96.1**
2017 Total 82.3

[1] The distributable income for 1Q 2017 includes a one-off capital distribution arising from the later completion of Keppel DC Singapore 3 where the vendor had agreed that all rights and obligations shall be passed to the REIT as if completion had occurred on 1 December 2016.
[2] The distributable income includes Capex Reserves for Keppel DC Singapore 3 and Keppel DC Singapore 5.

Financial Review

Investment Properties[1] ($m)
as at 31 December 2018

	2018	2017
Keppel DC Singapore 1	**287.0**	286.0
Keppel DC Singapore 2	**169.0**	166.0
Keppel DC Singapore 3	**257.0**	248.3
Keppel DC Singapore 5	**316.0**	–
Basis Bay Data Centre	**27.8**	31.3
Gore Hill Data Centre	**207.5**	204.0
Intellicentre 2 Data Centre	**53.9**	51.3
iseek Data Centre	**44.2**	43.5
GV7 Data Centre	**63.5**	68.3
Cardiff Data Centre	**65.4**	61.9
Almere Data Centre	**139.0**	143.6
Keppel DC Dublin 1	**100.8**	101.6
Keppel DC Dublin 2	**104.8**	107.8
Milan Data Centre	**57.3**	56.5
maincubes Data Centre	**135.5**	–
2018 Total / 2017 Total	**2,028.7**	1,570.1

1 Investment properties and total assets include the carrying value of the finance lease liabilities pertaining to the land rent commitments for iseek DC and KDC DUB 1.

Investment Properties

The carrying value of investment properties as at 31 December 2018 increased to $2,028.7 million as compared to $1,570.1 million as at 31 December 2017. This included finance lease liabilities capitalised pertaining to land rent commitments of $33.5 million (31 December 2017: $33.8 million). The increase of $458.6 million or 29.2% in carrying value was mainly due to the additions of KDC SGP 5 and maincubes DC to the portfolio, capital expenditures, net fair value gains from the revaluation of the Group's investment properties, partially offset by foreign exchange translation losses.

Net Asset Value (NAV) per Unit

NAV per Unit as at 31 December 2018 was $1.07 (31 December 2017: $0.97). Excluding the distributable income for the second half of the year, the adjusted NAV per Unit was $1.03 (31 December 2017: $0.93).

Funding and Borrowings

The Group's total borrowings as at 31 December 2018 was $674.0 million (31 December 2017: $546.5 million). The increase was mainly due to borrowings drawn to fund the acquisition of maincubes DC in March 2018. At 31 December 2018, there were $140.0 million unutilised facilities (31 December 2017: $133.6 million) for the Group to meet its future obligations. The Group has a weighted average debt tenor of 3.0 years as at 31 December 2018, and the all-in weighted average cost of debt was 1.9%, with an interest coverage ratio of 11.4 times for FY 2018.

During the year, the Manager issued €50 million in aggregate principal amount of floating rate notes due in 2023 (Series 001 Notes) pursuant to the $500 million Multicurrency Medium Term Note Programme established on 23 June 2017.

In arriving at the aggregate leverage of 30.8% as at 31 December 2018 under the Property Funds Appendix in the Code on Collective Investment Schemes (CIS Code) issued by the Monetary Authority of Singapore (MAS), $33.5 million of finance lease liabilities pertaining to land rent commitments was excluded.

Cash Flows and Liquidity

As at 31 December 2018, Keppel DC REIT's cash and cash equivalents were $128.4 million (31 December 2017: $118.2 million).

Net cash generated from operating activities for FY 2018 was $111.9 million, $5.9 million lower than $117.8 million for FY 2017. This was mainly due to higher working capital requirements, partially offset by higher operational cash inflow during the year.

Net cash used in investing activities for FY 2018 amounted to $447.9 million, comprising acquisitions of KDC SGP 5 and maincubes DC, capital expenditures and deposit paid for the acquisition of the remaining 999-year leasehold land interest in KDC DUB 1. Net cash used in investing activities in FY 2017 was $305.1 million, mainly for the acquisitions of the 90% interest in KDC SGP 3 and the 100% interest in KDC DUB 2.

The Group recorded net cash generated from financing activities of $347.2 million in FY 2018, $337.5 million higher as compared to $9.7 million in the preceding year. Net cash generated in FY 2018 was mainly due to placement proceeds raised to finance the acquisition of KDC SGP 5, net borrowings proceeds drawn down to finance the acquisition of maincubes DC and capital expenditures, partially offset by distributions paid to Unitholders and finance costs. Net cash generated from financing activities for FY 2017 comprised mainly bank borrowings drawn to fund the acquisition of KDC DUB 2, distributions paid to Unitholders, refinancing of bank borrowings and finance costs.

Use of Proceeds of Private Placement and the Pro-rata Preferential Offering

Keppel DC REIT raised approximately $298.9 million of proceeds net of transaction costs from the private placement of approximately 224.0 million new Units at an issue price of $1.353 per Unit in May 2018. The net proceeds have been fully utilised to partially fund the acquisition of KDC SGP 5 in June 2018.

With respect to the pro-rata preferential offering in November 2016, net proceeds of approximately $275.7 million have been partially utilised as of 31 December 2018 as follows:

1. $206.9 million for the acquisition of KDC SGP 3;
2. $33.4 million for the repayment of a loan taken up to finance the acquisition of IC2 DC;
3. $20.8 million for acquisitions and capital expenditures purposes.
4. $5.9 million for the settlement of purchase price adjustments for KDC SGP 1 and KDC SGP 2; and
5. $2.7 million for the one-off capital distribution paid in August 2017.

There were approximately $5.9 million of unutilised proceeds as at 31 December 2018.

The carrying value of Keppel DC REIT's investment properties was $2,028.7 million as at 31 December 2018.

Financial Review

Capital Management

The Manager regularly reviews the Group's financial policy, as well as its debt and capital management structures to optimise the Group's funding sources. The Group's exposure to various risk elements is also monitored closely through clearly established management policies and procedures.

The Manager seeks to maintain an optimal combination of debt and equity to balance the cost of capital and the returns to Unitholders. The Manager closely monitors the externally imposed capital requirements and ensures that the adopted capital structure complies with such requirements.

Under the Property Funds Appendix of the CIS Code, the aggregate leverage should not exceed 45.0% of the Group's deposited properties. The Group complied with this requirement for the financial year ended 31 December 2018.

Financial Risk Management

The Group operates across multiple jurisdictions and is exposed to a variety of financial risks, including credit, liquidity and market (mainly currency and interest rate) risks. The Manager carries out financial risk management in accordance with its established policies and guidelines while achieving a balance between the cost of risks occurring and the cost of managing them. The Group's financial risk management is discussed in more detail in the notes to the financial statements.

The Manager has been adopting appropriate hedging strategies to manage interest rate and foreign currency exposure for the Group. Interest rate swaps have been entered into to hedge interest rate exposure of the long-term loans. The Manager manages its foreign currency exposure through foreign currency forward contracts. Natural hedging is in place with borrowings in currencies that match the corresponding investments.

As at 31 December 2018, the Manager has hedged the REIT's forecasted foreign-sourced distributions till 1H 2020.

Accounting Policies

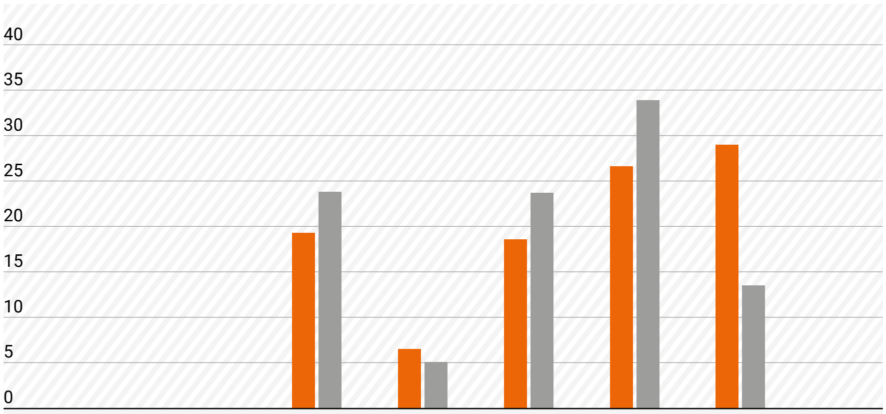
The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (SFRS(I)), issued by the Accounting Standards Council (Singapore), the applicable requirements of the CIS Code and the provisions of the Trust Deed.

The Monetary Authority of Singapore has granted the Group a waiver from compliance with the requirement under Paragraph 4.3 of Appendix 6 to the CIS Code to prepare its financial statements in accordance with Singapore Financial Reporting Standards (SFRS).

The financial statements for the year ended 31 December 2018 are the first set of financial statements the Group prepared in accordance with SFRS(I). The Group's previously issued financial statements for prior periods were prepared in accordance with the Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants.

The Group's significant accounting policies are discussed in more detail in the notes to the financial statements. The preparation of the financial statements in conformity with SFRS(I) requires the Manager to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures made. In particular, the valuation of investment properties is one significant area which requires estimation and critical judgement in applying accounting policies. This has the most significant effect on the amounts recognised in the financial statements, and is discussed in greater detail in the notes to the financial statements.

Debt Maturity Profile (%)
as at 31 December



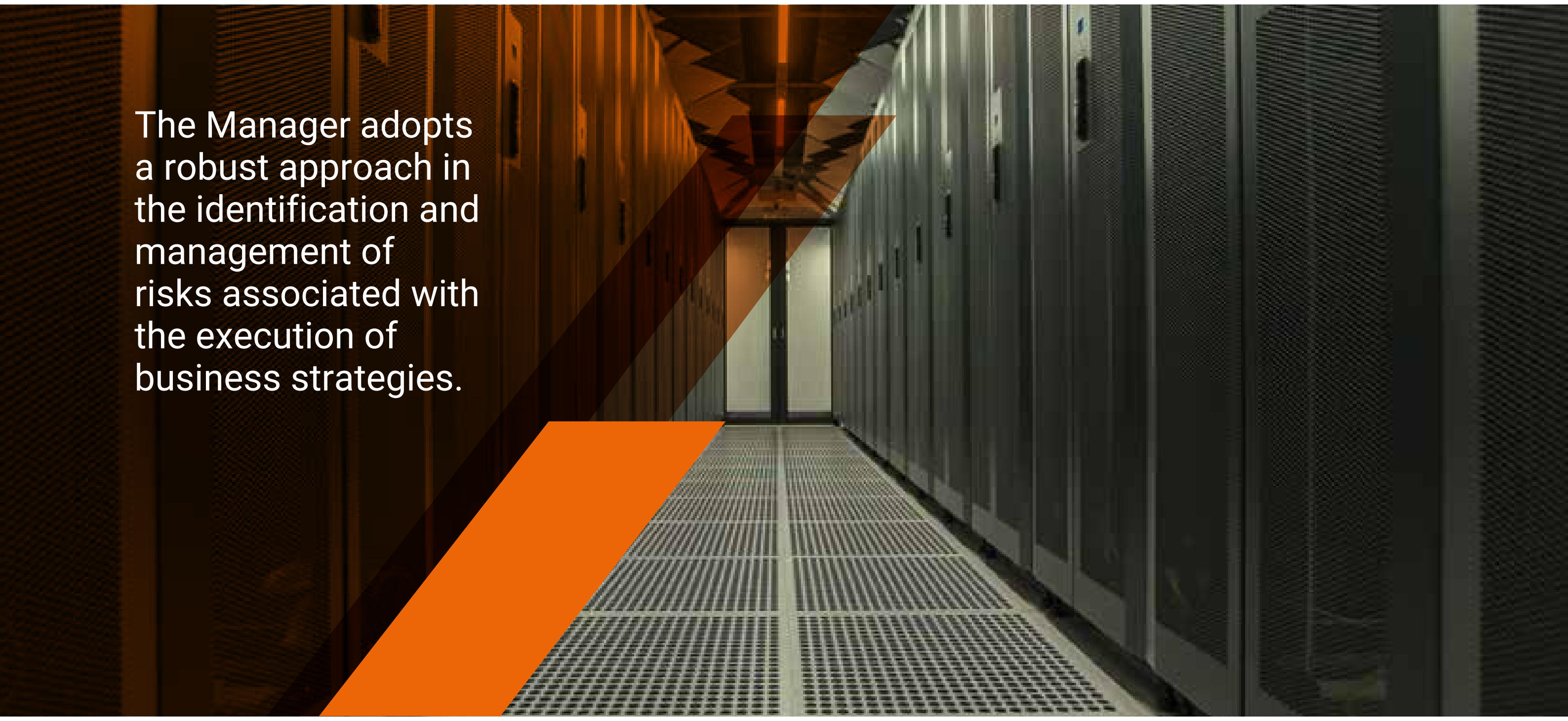
	2019	2020	2021	2022	2023	Total
2018	**19.3**	**6.5**	**18.6**	**26.6**	**29.0**	**100.0**
2017	23.8	5.1	23.7	33.9	13.5	100.0

Key Statistics

	2018	2017
Aggregate Leverage[1] (%)	**30.8**	32.1
Weighted Average Debt Tenor (years)	**3.0**	3.8
Unencumbered Assets (%)	**100.0**	100.0

1 Aggregate leverage is computed based on gross borrowings and deferred payments over total deposited properties (the Group's total assets) as stipulated in the Property Funds Appendix in the Code on Collective Investment Schemes issued by MAS, without considering finance lease liabilities pertaining to land rent commitments. If these finance lease liabilities pertaining to land rent commitments were included, the aggregate leverage would be 31.9% (31 December 2017: 33.4%).

Risk Management



Risk management is a key element of the Manager's business strategy. The Manager adopts a robust approach in the identification and management of risks associated with the execution of business strategies. This enables the Manager to respond promptly and effectively to a constantly evolving business landscape.

Keppel DC REIT has an Enterprise Risk Management (ERM) framework, a component of its System of Management Controls, which provides the Manager with a holistic and systematic approach to risk management. It outlines the reporting structure, monitoring mechanisms, specific risk management processes and tools. This framework includes Keppel DC REIT's policies and limits in addressing and managing the identified key risks. The ERM framework is dynamic and evolves with the business.

Robust ERM Framework
The Manager adopts a five-step risk management process comprising risk identification, risk assessment, formulation of risk mitigation measures, communication and implementation, as well as monitoring and review.

The impact and likelihood of risk events are taken into consideration during the risk assessment process.

This framework encompasses strategic, investment, financial, operational, reputational, and other major aspects of Keppel DC REIT's business. Tools deployed include risk rating matrices, and risk registers to assist the Manager in its performance of risk management.

The Board is responsible for governing risks and ensuring that the Manager maintains a sound risk management system and internal controls to safeguard Unitholders' interests and Keppel DC REIT's assets. With the support of the Audit and Risk Committee (ARC), the Board advises management in formulating various risk policies and guidelines. Terms of reference of the ARC are disclosed on pages 149 and 150 of this Report.

On a quarterly basis, or more frequently if necessary, the Board and management review Keppel DC REIT's financial performance, assess its current and future operating, financial and investment risks, as well as address feedback from the auditors on compliance matters.

The Board, aided by the ARC, has implemented three Risk Tolerance Guiding Principles for the Manager and Keppel DC REIT. These principles serve to determine the nature and extent of the significant risks that the Board is willing to take in achieving its strategic objectives.

1. Risk taken should be carefully evaluated, commensurate with rewards and in line with Keppel DC REIT's core strengths and strategic objectives.
2. No risk arising from a single area of operation, investment or undertaking should be so huge as to endanger Keppel DC REIT.
3. Keppel DC REIT does not condone safety breaches or lapses, non-compliance with laws and regulations, as well as acts such as fraud, bribery and corruption.

Risk Management

The risk management assessment framework also determines the adequacy and effectiveness of the risk management system within Keppel DC REIT. In 2018, the Board has assessed and deemed Keppel DC REIT's risk management system to be adequate and effective in addressing the key risks identified below:

5-Step Risk Management Process

STEP 1 IDENTIFY	Understand business strategy and identify risk
STEP 2 ASSESS	Assess risk based on impact and likehood of occurence
STEP 3 MITIGATE	Develop action plans to mitigate risks
STEP 4 IMPLEMENT	Communicate and implement action plans
STEP 5 MONITOR	Monitor and review

1. Operational Risk

- All operations are aligned with Keppel DC REIT's strategies to ensure income sustainability and growth. Measures include proactive lease management and marketing to reduce rental voids, monitoring of rental arrears to minimise bad debts, and managing property expenses to raise operational efficiency.

- Formalised guidelines, procedures, internal training and tools are used to provide guidance in assessing, mitigating and monitoring risks.

- The Manager fosters close relationships with clients and manages lease expiries to avoid a disproportionate amount of space expiring in any one year.

- The Manager and the facility managers ensure that asset performance is well managed and adheres to the respective service level agreements.

  The Manager also assesses and approves all renewals, new leases as well as capital expenditures. The Manager actively engages the facility managers in regular operational meetings to ensure that the assets are managed in accordance with Keppel DC REIT's operating plans and standards.

- Business continuity plans (BCP) enable Keppel DC REIT to respond effectively to potential disruptions resulting from internal and external events, while continuing critical business functions. Regular BCP drills are conducted to ensure operational resilience.

2. Financing Risk

- Liquidity and financing risks are managed in accordance with established guidelines and policies. The Manager also monitors its cash flows, debt maturity profile, aggregate leverage and liquidity positions on a regular basis.

- The Manager seeks to diversify its funding sources and achieve a well-spread debt maturity profile.

3. Financial Risk

- The Manager constantly monitors the exposure of Keppel DC REIT to changes in interest and foreign exchange rates. It utilises various financial instruments, where appropriate, to hedge against exposure.

- The Manager enters into floating to fixed interest rate swaps to manage its interest rate exposure, with the primary objective of limiting the extent to which net interest expense can be affected by adverse movements in interest rates.

- The Manager mitigates the impact of currency fluctuations through the use of foreign currency forward contracts to hedge the REIT's foreign-sourced distributions.

4. Credit Risk

- Procedures are implemented to ensure regular collection of rents and minimise potential rental arrears.

- The Manager maintains a well-diversified client base across high value-added trade sectors to minimise concentration risk.

5. Investment Risk

- Comprehensive due diligence to assess and evaluate potential investment risks are conducted prior to any transaction.

  All investment proposals are objectively evaluated based on the Manager's stringent investment criteria as well as the target asset's specifications, expected returns, growth potential and overall value-add to Keppel DC REIT, taking into consideration the current economic climate and market conditions.

- The Board reviews and approves transactions after evaluating all aspects of the investment proposal and risks involved.

- The effect of each proposed transaction on the Singapore overseas ratio is evaluated prior to any transaction to manage concentration risk.

6. Compliance Risk

- As a Capital Markets Services Licence holder, the Manager complies with applicable laws and regulations including the SGX-ST Listing Rules, the Code on Collective Investment Schemes, Property Fund Appendix and conditions of the Capital Markets Services Licence for REIT Management issued by the Monetary Authority of Singapore under the Securities and Futures Act, as well as the tax rulings issued by the Inland Revenue Authority of Singapore.

- The Manager closely monitors changes to legislations and regulations as well as new developments in its operating environment to uphold regulatory compliance in all operations.

- Keppel DC REIT and the Manager undergo periodic internal and external audits to ensure that they adhere to relevant policies and processes.

- The Manager adopts a strong anti-corruption and anti-bribery stance and regularly communicates key policy requirements to all employees.

6. Emerging Risks

- The Manager performs monitoring of evolving or emerging risks – tangential or ancillary type threats which may otherwise have been non-major major concerns.

  Cybersecurity is an example of an emerging risk which is monitored closely and actions are taken, when necessary, to prevent and mitigate the risk.

Sustainability Framework

Keppel DC REIT is committed to delivering value through sustaining growth in our business, empowering the lives of our people and nurturing communities wherever we operate.

Sustaining Growth

We integrate sustainability principles in our business strategies and operations, and regard sustainable development both as a corporate responsibility and a source of business opportunities.

We are focused on strong corporate governance, prudent risk management and resource efficiency.

For more information, **go to: pages 65 to 68**

Empowering Lives

People are the cornerstone of our business.

We are committed to grow and nurture our talent pool through training and development to help our people reach their full potential.

With safety as one of our core values, we are committed to providing a safe and healthy workplace for all our stakeholders.

For more information, **go to: pages 69 to 71**

Nurturing Communities

As a global citizen, Keppel believes that as communities thrive, we thrive.

We engage and nurture communities wherever we operate, with the goal of shaping a sustainable future together.

For more information, **go to: page 72**

Letter to Stakeholders

GRI 102-14

ESG efforts are measured continuously and monitored quarterly to evaluate the effectiveness of the Manager's sustainability management approach.

Dear Stakeholders,

Keppel DC REIT continued to grow its asset base and delivered strong operating performance in 2018. The new acquisitions added new income streams to the REIT's portfolio, and together with its healthy portfolio statistics, will provide good income visibility and sustainable returns to Unitholders.

As the REIT continues to grow, the Manager is mindful that this growth has to be sustainable. Accordingly, the Manager strives to uphold sustainable business practices by maintaining strong corporate governance and prudent risk management standards. It continues to invest in the well-being of employees and nurtures local communities where it operates. Together, these efforts ensure business continuity and allow the REIT to create long-term value for all stakeholders.

I am pleased to share that Keppel DC REIT has once again topped the Governance Index for Trusts in 2018. The index measures corporate governance practices and considers business models and various regulations governing REITs and their managers.

In 2018, Keppel DC REIT continued to improve on its implementation of Environmental, Social and Governance practices at the operational level.

Data centres are mission-critical facilities that operate continuously to support business needs. The need for resiliency and high performance typically sees data centres being energy-intensive. High power is required to sustain IT equipment along with reliable supporting cooling infrastructure that maintain optimal environmental conditions for the IT equipment. Therefore, it is unavoidable that energy and water consumption levels increase in absolute terms as the REIT expands. Nevertheless, the Manager strives to adopt green initiatives to minimise its carbon footprint.

During the year, the Manager continued to push conservation efforts such as a tech-refresh of key assets to improve their energy performance and prolong equipment life span. At the same time, water conservation initiatives to improve the water recycling rates of data centre cooling towers have also yielded results. Excluding assets added to the REIT's reporting scope in 2018, energy and water saw some reduction in consumption levels.

These achievements would not have been possible without a dedicated team of employees. That is why the Manager believes in investing in professional development, and in providing a safe environment where employees can innovate, collaborate and thrive. The average training hours per full-time employee increased in 2018, with each employee receiving an average of 42.2 hours of training.

Safety is one of Keppel's core values, and the Manager is committed to instill a safety culture to ensure that everyone who comes to work goes home safe. In 2018, there were no fatalities and reportable incidents in Keppel DC REIT's facilities.

As a responsible corporate citizen, the Manager strives to contribute to the communities where it operates. In 2018, the Manager continued to support the activities organised for the Muscular Dystrophy Association (Singapore) (MDAS), the adopted charity of Keppel Capital. Keppel Capital collectively devoted more than 1,200 volunteering hours during the year, which far exceeded 2017's achievement of more than 700 hours.

Sustainability is an ongoing journey and we continue to pursue growth and navigate challenges in the business landscape. We appreciate any constructive feedback that will help us improve our sustainability efforts.

Yours sincerely,

Chua Hsien Yang

Chua Hsien Yang
Chief Executive Officer
18 February 2019

About this Report

Reporting Period and Scope

GRI 102-4 | 102-46 | 102-49 | 102-50 | 102-52 | 102-53 | 102-54 | 102-56

This is Keppel DC REIT's third sustainability report and is prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The report outlines the REIT's Environmental, Social and Governance (ESG) strategy, initiatives and practices for the period from 1 January 2018 to 31 December 2018.

The Board of Directors has reviewed and approved the material ESG issues for Keppel DC REIT and considers these as part of the REIT's strategy formulation. The Board oversees, monitors and evaluates these issues periodically.

The content and topic boundaries in this report reflect the Manager's overall sustainability strategy, and is aligned with the GRI's Reporting Principles: Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness.

For succinct and relevant reporting, this report focuses on the key material areas for Keppel DC REIT's business, and covers the ESG aspects of the business.

Performance Data

	2018	2017	Page
Total Energy Consumption (GJ)	**1,176,143**	781,299	67
Total Water Consumption (m^3)	**341,126**	214,367	68
Training Hours per Employee	**32.4**	22	71
Accident Frequency Rate (reportable accidents per million man-hours)	**0**	1.7	71
Accident Severity Rate (man-days lost per million man-hours)	**0**	36.3	71

The GRI Content Index on pages 73-75 indicates the full list of GRI references and disclosures used in this Report.

This report covers the REIT and its colocation data centre assets which the Manager has operational oversight of. Assets covered include:

Singapore
- Keppel DC Singapore 1 (KDC SGP 1)
- Keppel DC Singapore 2 (KDC SGP 2)
- Keppel DC Singapore 3 (KDC SGP 3)
- Keppel DC Singapore 5 (KDC SGP 5)

Malaysia
- Basis Bay Data Centre (Basis Bay DC)

Australia
- Gore Hill Data Centre (Gore Hill DC)

Ireland
- Keppel DC Dublin 1 (KDC DUB 1)
- Keppel DC Dublin 2 (KDC DUB 2)

KDC DUB 2, KDC SGP 5 and Basis Bay DC are facilities that are new to 2018's report. They were not included in the preceding year's reporting scope as KDC DUB 2 and KDC SGP 5 were acquired in September 2017 and June 2018 respectively, while Basis Bay DC was converted from a master-leased facility to a colocation asset in June 2017 due to a change in the lease arrangement.

Master-leased facilities are not included in the reporting scope as the Manager does not have operational control over these assets. The REIT's master-leased assets that are excluded in this report are: Intellicentre 2 Data Centre and iseek Data Centre in Australia, Cardiff Data Centre and GV7 Data Centre in the United Kingdom, maincubes Data Centre in Germany, Milan Data Centre in Italy and Almere Data Centre in the Netherlands.

Standard units of measurements are used in this report and conversion factors, where applicable, are explained in the respective sections. All dollar values expressed herein are in Singapore Dollar.

Although this report has not been externally verified, it has been reviewed by an external reporting consultancy and has gone through a detailed internal review process. The Manager will review the need for external assurance as the sustainability reporting framework develops.

Keppel DC REIT values feedback that will enhance its sustainability efforts. Please share your recommendations with us at investor.relations@keppeldcreit.com.

The reporting scope covers the REIT and its colocation data centre assets which the Manager has operational oversight of.

Managing Sustainability

The responsible management of sustainability issues is central to the Manager's strategy to position Keppel DC REIT as the preferred data centre REIT. The Manager is committed to uphold strong corporate governance, practice environmental stewardship, develop human capital, minimise risks and engage local communities to create long-term value for all stakeholders.

Governance Structure

GRI 102-18

The Manager adheres to Singapore's Code of Corporate Governance 2012 (Code), issued by the Monetary Authority of Singapore. The Code provides the framework for controls, checks, and accountability and requires the Board of Directors (Board) to consider sustainability issues in its business decisions. Sustainability and risk management are considered in the evaluation of any investment opportunity.

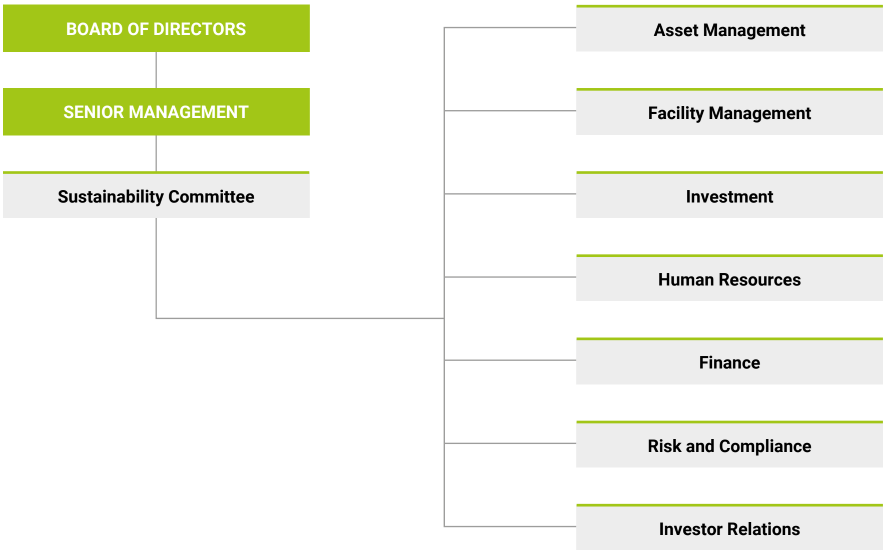
Keppel DC REIT's Sustainability Committee spans all relevant functions, including asset management, facility management, investment, human resources, finance, compliance and investor relations. The Committee monitors the REIT's sustainability performance in relation to the material issues identified by the Manager, and reviews these topics on a quarterly basis. The feedback from the Committee guides senior management in their implementation of the REIT's sustainability strategy.

The Manager's scorecard also considers sustainability aspects in support of the Keppel Group's commitment to sustainability. In doing so, the Manager and the Board are committed to upholding sound corporate governance and sustainability as key components of the REIT's long-term success and excellence.

The Manager engages directly with the investment community through various platforms to communicate material information and gain valuable feedback. This guides its strategy in achieving sustainable value creation.

More details on Keppel DC REIT's corporate governance guidelines and practices are available on pages 137-164.

Sustainability Management Structure



Memberships and External Charters

GRI 102-12 | 102-13

Together with the Keppel Group, the Manager supports various initiatives that facilitate good corporate governance throughout the industry.

Keppel DC REIT is a member of the REIT Association of Singapore (REITAS), which strives to enhance the operating and regulatory environment for the Singapore REIT (S-REIT) industry. Mr Chua Hsien Yang, the Chief Executive Officer of the Manager, is Vice President of REITAS, and is also the Chairman of its Regulatory sub-committee.

The Manager also supports the Investor Relations Professionals Association of Singapore (IRPAS), which advances the overall investor relations standards in Singapore.

The Keppel Group supports the Securities Investors Association (Singapore) (SIAS) in its initiatives to promote good corporate governance and empower the investment community through investor education.

In Dublin, we are a member of the Large Industry Energy Network (LIEN), facilitated by the Sustainable Energy Authority of Ireland. LIEN is a collaborative group of companies that voluntarily work together to develop robust energy management and exchange knowledge on energy efficiency enhancements.

Stakeholder Engagement

GRI 102-42 | 102-43

Prior to implementing Keppel DC REIT's sustainability reporting framework, key stakeholders were identified as part of its materiality assessment. The inclusion of key stakeholders was determined by their ability to affect or be affected by Keppel DC REIT's business practices and sustainability performance.

Beyond regulatory responsibilities, the Manager believes in upholding timely, accurate and transparent proactive communication with the REIT's stakeholders, to gather valuable feedback and address any queries and concerns.

Through these engagements, the Manager will be able to adapt Keppel DC REIT's strategies to the prevailing business environment and consider refining its focus to address key material issues, which may be most impacted.

Below is a summary of the Manager's stakeholder engagement approach:

Engagement with Key Stakeholder Groups

GRI 102-40 | 102-44

Employees

Objectives
Foster a cohesive identity and provide open feedback channels

Key Topics
Vision and strategy; productivity and innovation; teamwork and collaboration; people development

Mode of Engagement
Employee engagement surveys, orientation programme, training, performance feedback

More details on pages 69-71

Investors

Objectives
Ensure timely and accurate disclosure of information

Key Topics
Business strategy and corporate developments; financial performance

Mode of Engagement
Annual General Meetings; local and overseas investor roadshows; quarterly analyst teleconferences; corporate website; email feedback; meetings and conference calls

More details on pages 19-20

Clients

Objectives
Build deeper relationships with existing and prospective clients

Key Topics
Building and service quality; health, safety and environment matters

Mode of Engagement
Annual survey; onsite audit; meetings and functions with clients

More details on pages 65-67

Business Partners

Objectives
Align suppliers to our values to enhance operational resilience

Key Topics
Compliance; collaboration; health, safety and environment matters

Mode of Engagement
Safety and operations workshops; annual reviews and feedback sessions

More details on pages 65-68, 71

Governments

Objectives
Collaboration and work alongside on issues of mutual interest

Key Topics
Feedback on new guidelines; opportunities for business collaboration

Mode of Engagement
Meetings; site visits and functions

More details on pages 62 and 65

Materiality Assessment

GRI 102-46 | 102-47 | 103-1 | 103-2

Materiality is fundamental to sustainability reporting. The Manager's approach to selecting material issues is aligned with the principles of the SGX Sustainability Reporting Guide and the GRI Reporting Principles for defining report content (Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness). This report addresses the economic, environmental, social, and governance issues that are relevant and significant to Keppel DC REIT and its key stakeholders.

The materiality assessment identified and prioritised key sustainability issues from the perspectives of internal and external stakeholders. The results are shown in the Materiality Matrix on the following page. External stakeholders' perspectives were based on feedback and responses to information requests received from external stakeholders such as investors, clients and business partners.

All of the material issues identified were deemed equally relevant, both internally and externally, except for issues in relation to labour practices, safety and health, which were considered more significant to internal stakeholders.

This report focuses on the Highly Critical and Critical issues which are reported in greater detail and given specific targets to guide the Manager in its sustainability efforts while navigating through these issues. Important issues are monitored internally and assessed for significance to be considered for reporting.

Among the Highly Critical and Critical issues, the Manager believes that economic performance, compliance, labour practices, employment, business ethics and transparency are significant throughout the business, while aspects such as building and service quality, energy efficiency, safety and health, water management and sustainable procurement are more relevant to the investment and asset management part of the business.

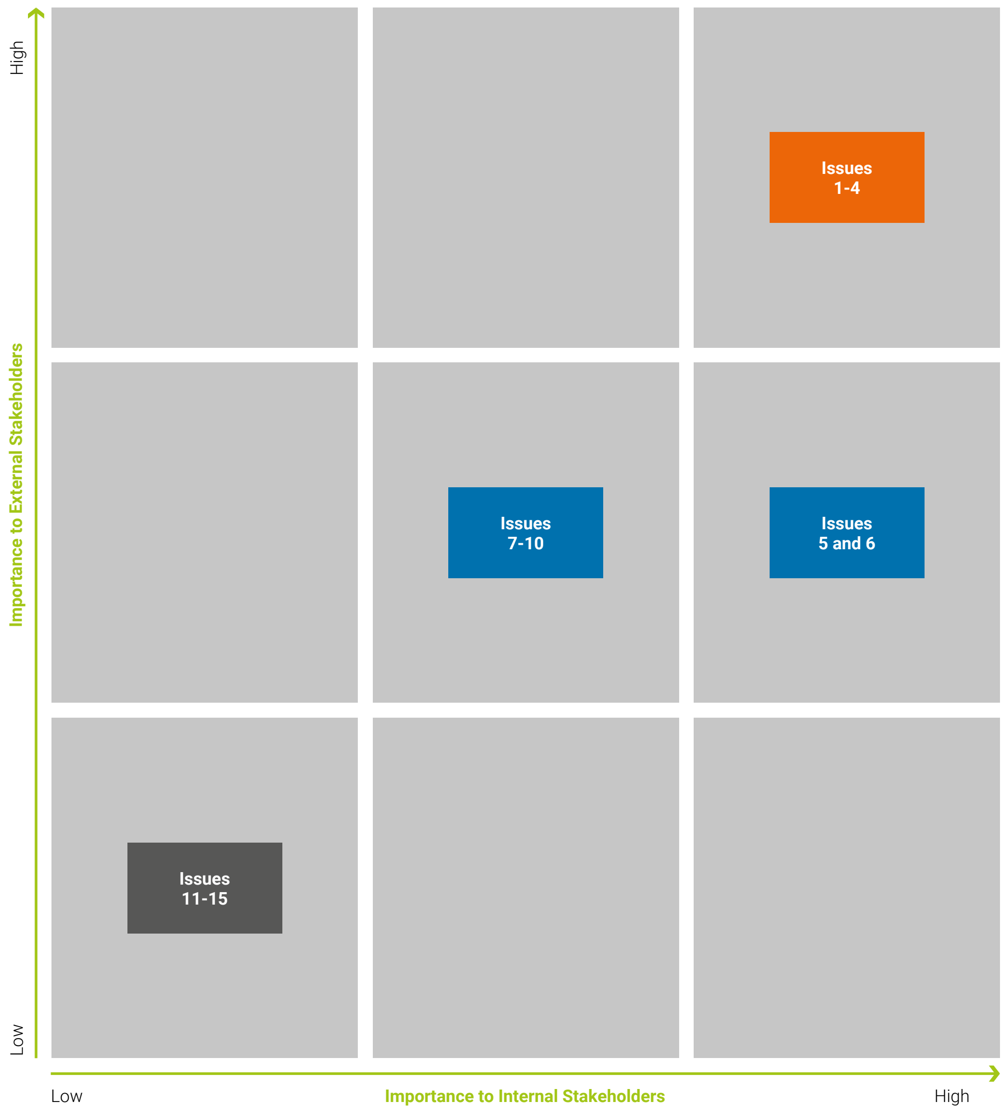
The Manager periodically monitors and reviews its material issues based on feedback, stakeholder engagements, and industry developments.

Managing Sustainability

Key Material Issues

Key Material Issues	Page Refence	Targets
Economic Performance	51-56	Maximise returns while maintaining financial flexibility and long-term sustainability
Building and Service Quality (including Client Privacy and Physical Security)	67	Obtain satisfactory score and above from key accounts during annual feedback
Compliance	65-66	Zero violation of laws and regulations of the countries where we operate
Energy Efficiency	67-68	Enhance operational efficiency to optimise water and energy consumption; as well as embed green initiatives to enhance energy and water efficiency
Water Management	68	
Labour Practices and Employment	69-71	Raise level of employee engagement and increase average training hours
Safety and Health	71	Zero-incident workplace
Business Ethics	65	Zero corruption
Transparency	62-63	Utilise multiple platforms to enhance stakeholder outreach and communication
Sustainable Procurement	66	Full compliance with local laws among our suppliers

Materiality Matrix*



Highly Critical Issues

1. Economic Performance
2. Building and Service Quality (including Client Privacy and Physical Security)
3. Compliance
4. Energy Efficiency

Critical Issues

5. Labour Practices and Employment
6. Safety and Health
7. Business Ethics
8. Transparency
9. Water Management
10. Sustainable Procurement

Important Issues

11. Material Use
12. Effluents and Waste Management
13. Anti-child and Anti-forced Labour
14. Ethical Marketing
15. Community Engagement and Development

* The issues within each tier have not been ranked.

Sustaining Growth

The Manager commits to the timely and accurate disclosure of material information, and employs various platforms of engagement with the investment community.

The Manager is committed to uphold strong corporate governance, practice environmental stewardship, develop human capital, minimise risks and engage local communities to create long-term value for all stakeholders.

Corporate Governance
GRI 102-16

The Manager is committed to upholding sound corporate governance as it is key to Keppel DC REIT's ongoing journey towards achieving business excellence.

The majority of the REIT's Board consists of independent directors. This ensures fair treatment of Unitholders and safeguards their interests. The Manager commits to the timely and accurate disclosure of material information, and employs various platforms of engagement with the investment community.

More information on Keppel DC REIT's corporate governance guidelines and practices are available on pages 137-164.

Risk Management and Business Continuity
GRI 102-11

The Manager adopts a holistic and systematic risk management framework that identifies, evaluates and manages risks throughout its decision-making processes. Sustainability factors are among the key risks considered when evaluating investment opportunities and business operations.

Potential risks that may influence asset operations are regularly assessed by the Manager as well as by the respective facility managers to ensure optimal asset performance. External risks such as interest rate fluctuation and foreign currency exposure are also closely monitored and mitigated where appropriate.

Sustainability and business continuity are integral to the Keppel Group's Enterprise Risk Management Framework to ensure protection of long-term value. The framework ensures that the Manager and the facility managers address and manage potential threats and disruptions to business.

For more details on Keppel DC REIT's risk management strategy, please refer to pages 57-58.

Compliance, Anti-Bribery and Anti-Corruption Measures
GRI 103-1 | 103-2 | 103-3 | 205-2 | 205-3 | 206-1 | 307-1 | 419-1

Upholding a strong track record in ethical business practices is essential to Keppel DC REIT's business. The Manager believes that anti-bribery and anti-corruption measures are important in protecting the REIT's brand equity and ensuring business continuity.

The Manager adopts a strong anti-corruption and anti-bribery stance and regularly communicates key policy requirements to all employees including senior management and directors.

All new employees are required to declare conflicts of interest and are briefed on the Keppel Group's Employee Code of Conduct, anti-corruption policy and whistle-blowing procedures, as part of the onboarding process.

On top of compliance-related training conducted by the Manager, there are also annual exercises such as online training courses and declarations of adherence to Keppel Group policies. Employees must declare conflicts of interests at least annually and as necessary throughout the year.

These policies are readily available to employees through a shared online portal. The Manager is periodically subjected to internal and external audits to ensure adherence to relevant regulations and internal policies. Controls are also in place to ensure that financial, operational, compliance and information technology processes are conducted ethically. Additional details of such policies are available on pages 146-152.

In 2018, all employees, management and Board members received communication and training on anti-corruption policies and procedures, a requirement for all employees in the Keppel Group. Employees are also trained to avoid business dealings with partners who may be considered unethical, illegal or otherwise non-compliant with relevant policies.

The Manager complies with all relevant laws and regulations where it operates. Its zero-tolerance policy on bribery translates to a target of zero incidents of corruption as well as zero violations of laws, regulations and voluntary standards related to ESG issues. The Manager's stance includes policies and regulations related to anti-competitive behaviour, anti-corruption, as well as socioeconomic and environmental compliance.

The Manager is not aware of any reportable instances of non-compliance, corruption or violations of laws, regulations and voluntary standards pertaining to the environment and the provision, use, health and safety of products and services of the Manager.

Supply Chain Management

GRI 102-9 | 103-1 | 103-2 | 103-3 | 204-1

Keppel DC REIT's supply chain consists primarily of mechanical and electrical equipment suppliers and facility management service providers such as physical security, technical maintenance, and cleaning services. These products and services are sourced and procured locally, contributing to the economies of the cities where the data centres are situated and facilitating logistical efficiency.

A reliable and responsible supply chain helps optimise the operations and business performance of Keppel DC REIT. To ensure quality services and uphold the highest industry standards, the Manager assesses the track record, quality and reputation of potential suppliers. Sustainability policies, procedures, accreditations and certifications are also considered in the assessment of suppliers.

In 2018, two new local suppliers were added and underwent screening in accordance with the REIT's environmental criteria prior to being included on its list of suppliers.

The Keppel Group Supplier Code of Conduct was introduced and implemented at end-2016 and integrated Keppel's sustainability principles across the REIT's supply chain. Key suppliers are expected to abide by the Code of Conduct, which covers areas pertaining to business conduct, anti-corruption, labour practices, safety and health, as well as environmental management.

Safe work method statements that outline the agreed practices with suppliers are continually reviewed, updated and aligned.

There have been no known instances of supplier non-compliance with any applicable regulations regarding human rights and labour practices. There were no operations or suppliers with significant risks of forced or compulsory labour practices.

A list of accreditations and certifications attained by Keppel DC REIT's assets is shown below.
GRI 102-12

Sustainability Awards, Accreditations and Certifications

Asset	Award/Accreditation/Certification
KDC SGP 2	ANSI/TIA 942:2014 – Rated 3
KDC SGP 1, KDC SGP 2 and KDC SGP 3	ANSI/TIA 942-B:2017 – Rated 3
KDC SGP 2	BCA-IMDA Green Mark for Data Centres (2015) Gold^{PLUS} Award
KDC SGP 3	BCA-IMDA Green Mark for Data Centres (2014) Platinum Award
KDC SGP 1, KDC SGP 2, KDC SGP 3 and KDC SGP 5	ISO 14001:2015 – Environmental Management System
KDC SGP 1, KDC SGP 2 and KDC SGP 3, KDC SGP 5 and KDC DUB 1	ISO 9001:2015 – Quality Management System
KDC DUB 1 and KDC DUB 2	ISO 27001:2013 – Information Security Management System
KDC SGP 1, KDC SGP 2 and KDC SGP 3, KDC SGP 5, Gore Hill DC and Basis Bay DC	ISO/IEC 27001:2013 – Information Security Management System
KDC SGP 1, KDC SGP 2 and KDC SGP 3	ISO 50001:2011 – Energy Management System
KDC SGP 1, KDC SGP 2 and KDC SGP 3	PUB – Water Efficient Building
KDC SGP 1 and KDC SGP 2	SS 507:2008 – Business Continuity/Disaster Recovery Services Provider
KDC SGP 1, KDC SGP 2 and KDC SGP 3	SS 507:2015 – Business Continuity/Disaster Recovery Services Provider
KDC SGP 1, KDC SGP 2 and KDC SGP 3	SS 564 Part-1:2013 – Energy and Environment Management System
KDC SGP 1, KDC SGP 2 and KDC SGP 3	SS 577:2012 – Water Efficiency Management System
KDC SGP 1, KDC SGP 2 and KDC SGP 3	Workplace Safety and Health (WSH) Council – bizSAFE Level 3
KDC SGP 5	BS OHSAS 18001:2007 Occupational Safety and Health Management System

Building and Service Excellence

GRI 103-1 | 103-2 | 103-3 | 418-1

Keppel DC REIT's portfolio comprises data centres with high technical specifications and operational resilience that meet international standards. The REIT's global clientele spans across industries such as internet enterprises, financial institutions and information technology services with stringent service-level requirements for operational resilience. A breakdown of the REIT's client profile by trade sector is available on page 34.

Due to the mission-critical nature of the data centre business, clients' privacy, physical security and minimal downtime of the facilities are of utmost importance.

The premises and clients' IT systems are well protected with robust round-the-clock physical security systems to minimise the risk of unauthorised entry. Standard operating procedures within the facilities mandate that all visitors must be pre-approved and registered in advance with clients or the Manager. Processes and measures such as the non-display of client directories or logos at the facilities are also in place to safeguard clients' privacy.

The Manager places strong emphasis on the Business Continuity Management (BCM) aspect of the REIT's data centres. Various BCM exercises were conducted throughout the year to ensure preparedness in mitigating impact from potential scenarios such as power outages, fire drills, and influenza pandemics.

To ensure disruption-free operations, the Manager maintains strict operating processes and standards for high infrastructure availability in supporting clients' needs. Equipment is periodically maintained and tested to ensure operational excellence.

The Manager collects annual feedback[1] from its colocation clients regarding physical security, building and service standards of the facilities. In 2018, all ratings were above average. There were no reported cases of contractual breaches of client privacy in 2018 and operations across all facilities complied with local regulations and standards.

Environmental Management

GRI 103-1 | 103-2 | 103-3

The sustainable management of data centre operations is aligned with the Manager's pursuit of long-term growth for Keppel DC REIT. Electricity and water data is compiled from utility bills while fuel data is compiled from onsite meter readings. These are regularly analysed by the Manager to make informed maintenance and investment decisions.

Keppel DC REIT's portfolio comprises master-leased and colocation facilities. Only environmental data from the REIT's eight colocation assets is reported as the REIT is responsible for the facility management and has operational control over these assets.

Energy Consumption

GRI 302-1 | 305-1

Data centres involve mission-critical operations that require high power for accommodating IT equipment, as well as reliable supporting cooling infrastructure to maintain optimal environmental conditions for the equipment.

In the REIT's data centres, an environment suitable for hosting servers has to be maintained in accordance with respective clients' service level requirements.

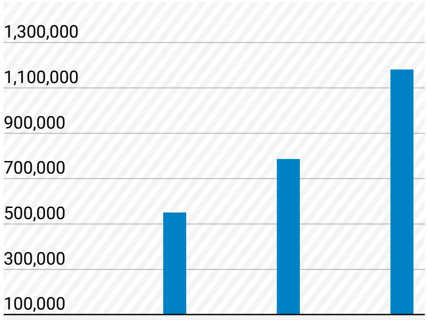
In 2018, the facilities consumed a total of 1,176,143 GJ of energy, comprising electricity (1,168,706 GJ) and diesel fuel (7,437 GJ). The year-on-year increase in total energy consumption is attributable to the addition of KDC DUB 2, KDC SGP 5 and Basis Bay DC to the portfolio and reporting scope. Excluding the newly added assets, consumption levels would have decreased by 0.3%.

Greenhouse Gas (GHG) emissions from data centre operations comprise mainly Scope 1 direct emissions from fuel consumption and Scope 2 indirect emissions from grid electricity consumption. Grid-supplied electricity forms the majority of the total electricity consumption while diesel fuel is used in data centre operations to power back-up generators in the respective facilities.

Emissions are calculated based on methodologies from the internationally accepted GHG Protocol[2] standards and are measured in tonnes of carbon dioxide equivalent (tCO_2e). Gases included in the calculation are carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O). In 2018, Scope 1 GHG carbon emissions from the use of diesel totalled 533 tCO_2e, while Scope 2 GHG emissions from electricity consumption was 139,888 tCO_2e. Together, 2018 GHG emissions totalled 140,421 tCO_2e.

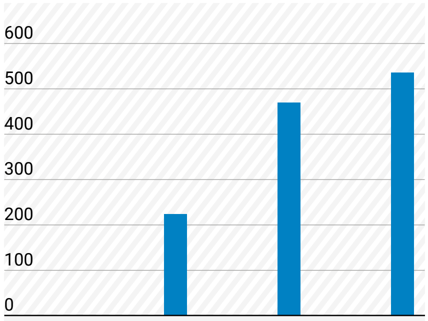
While overall electricity usage is expected to increase as the REIT's asset base grows, the Manager will continue to implement initiatives to optimise energy efficiency and usage intensity, which is measured by the Power Usage Effectiveness (PUE) levels of the data centres. In addition, the Manager seeks to reduce GHG emissions through the use of electricity generated from renewable resources. This measure has already been implemented at several of the REIT's data centres, such as Gore Hill DC, KDC DUB 1 and KDC DUB 2.

Energy Consumption Per Annum (GJ)



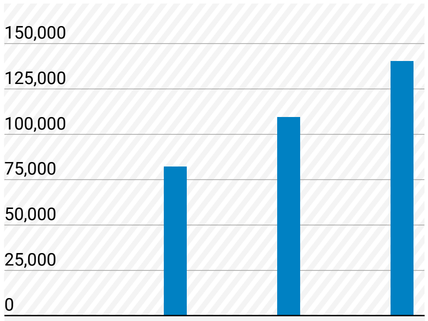
	2016	2017	2018
Total	545,833	781,299	**1,176,143**

Carbon Emissions Per Annum (tCO_2e)
Scope 1



	2016	2017	2018
Scope 1	222	468	**533**

Carbon Emissions Per Annum (tCO_2e)
Scope 2



	2016	2017	2018
Scope 2	81,701	109,116	**139,888**

1 It is not meaningful to include Basis Bay Services MSC Sdn Bhd in the annual feedback exercise as they are both the facility manager and the only client at the asset.

2 The GHG emission scopes 1 and 2 are defined by the GHG Protocol. Scope 1 refers to emission from company owned and operated facilities, machines, vehicles, etc. Scope 2 refers to emission from sources external to the company, but which provide the company with a service such as power plants and other utilities.

Sustaining Growth

Increasing the cooling tower water recycling capabilities at KDC SGP 1 and KDC SGP 2 reaped water usage intensity improvements.

Water Consumption

GRI 103-1 | 103-2 | 103-3 | 303-1

Data centres require large volumes of water to support chilled water-cooling systems, which are necessary to maintain ideal environmental conditions for mission-critical IT equipment. Water is recirculated within the systems to minimise consumption.

In 2018, the REIT's total water consumption was 341,126 m^3 of water, of which more than 99% came from municipal sources. Municipal water consumption rates were quantified through direct metering.

Total water consumption was higher than 2017 due to the addition of KDC DUB 2, KDC SGP 5 and Basis Bay DC to the portfolio and reporting scope. Excluding the new assets, total water consumption would have decreased by nearly 2.3% compared to 2017.

Water resources are carefully managed through constant monitoring of consumption rates, implementing strategies to improve water usage intensity and evaluating subsequent performance. By increasing the use of recycled water from cooling towers, KDC SGP 1 and KDC SGP 2 achieved improvements in water usage intensity.

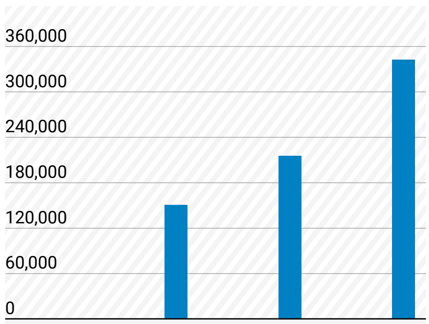
Conservation Efforts

The Manager works in collaboration with its facility managers, including Keppel Data Centres – the data centre division of its sponsor Keppel Telecommunications & Transportation, to implement initiatives aimed at reducing environmental impact while complying with all local environmental regulations.

Some of these energy and water conservation measures include:

- Tech-refresh on key equipment including chillers, cooling towers and Diesel Rotary Uninterruptible Power Supply devices, to improve energy performance and lengthen life span of equipment.
- Capex upgrading works at KDC DUB 1 with targeted completion in 2020, will help to enhance energy efficiency.

Water Consumption Per Annum (m^3)



	2016	2017	**2018**
Total	149,478	214,367	**341,126**

Empowering Lives

In 2018, the average number of training hours per full-time employee was 42.2 hours, compared to 22 hours in 2017.

The Manager recognises that people are at the core of its business. Investing in a motivated and competent workforce delivers attractive returns in terms of sustainable business value.

The Manager adopts a three-pronged human resource strategy, focusing on career development, employee well-being and employee engagement.

Profile of Employees
GRI 102-7 | 102-8 | 102-41 | 103-1 | 103-2 | 103-3 | 401-1

As at 31 December 2018, the Manager has a direct head count of five full-time employees. In 2018, the Manager hired one new employee through internal transfer and had one voluntary resignation. The new hire was a male between 30-50 years old and the resigned employee was a female between 30-50 years old. All employees were hired locally and operate at the Singapore headquarters[1]. 40% of the workforce is female and the other 60% are male.

In addition to direct employees, the Manager is supported by the centralised functions of Keppel Capital, which consists of almost 200 employees across six countries. These functions include Asset Management, Finance, Investments, Investor Relations, Risk and Compliance, Research and Human Resources.

Of the six directors who sit on the Board of the Manager of Keppel DC REIT as at 31 December 2018, one is female.

In 2018, there were no reported incidences of discrimination raised by the Manager's employees. None of the Manager's employees are under any collective bargaining agreements.

Policy of Non-discrimination
GRI 103-1 | 103-2 | 103-3 | 405-1

As a member of the Keppel Group, the Manager adopts the Keppel Group Statement on Diversity and Inclusion. This statement outlines diversity considerations that are incorporated into the employee code of conduct as well as put into practice in staff recruitment, retention and development, thereby fostering an inclusive and harmonious workplace. It also articulates and reinforces the Group's policy on non-discrimination, reinforcing core values of people-centredness and collective strength.

The Manager's policy of non-discrimination is based on the understanding that diversity can generate business value by leveraging a multitude of values and cultures of the communities in which it operates.

Recruitment practices are centred on merit-based competencies of candidates to ensure equal employment opportunities for all, regardless of race, religion, gender, marital status or age. This ensures fair treatment of employees and potential candidates. It also ensures that the most suitable people are selected for advancement within the company.

[1] The Singapore headquarters is the only significant location.

The Manager is committed to invest in a motivated and competent workforce.

Photo credit: ST Press

Empowering Lives

Employee Development

Objectives
To nurture, develop and empower staff to realise their best potential

Approach
Performance management, talent management, learning and development

Employee Well-being

Objectives
To enhance overall staff wellness

Approach
Promote wellness to foster a healthy workforce

Employee Engagement

Objectives
To foster a cohesive identity within the company and provide open feedback channels

Approach
Encourage open two-way communication, rewards and recognition system, team-building

The Manager strives to uphold the Employer's Pledge of Fair Employment Practices which is guided by the five principles below:

1. Recruit and select employees on the basis of merit (such as skills, experience of ability to perform the job), and regardless of age, race, gender, religion, marital status and family responsibilities or disability;
2. Treat employees fairly and with respect, and implement progressive human resource management systems;
3. Provide employees with equal opportunity to be considered for training and development based on their strengths and needs to help them achieve their full potential;
4. Reward employees based on their ability, performance, contribution and experience; and
5. Comply with labour laws and abide by the Tripartite Guidelines on Fair Employment Practices.

The Keppel Games promotes an active lifestyle, teamwork and healthy competition among employees in the Keppel Group.

The Employee Code of Conduct details the Manager's commitment against discrimination. The rules therein apply to all employees and are aligned with the Keppel Group's Corporate Statement on Human Rights which is available online on Keppel Corporation's website.

Provision of Benefits

In compliance with all relevant regulations relating to employment terms and benefits, all permanent employees are provided with group insurance plans, medical coverage, leave entitlements and contributions to the local pension fund i.e. the Central Provident Fund in Singapore.

In order to further promote employee well-being and attract and retain talent, the Manager also provides benefits such as competitive and sustainable compensation, paternity and maternity leave, leave for childcare, marriage, compassionate grounds and examination, as well as flexible credit points that are awarded to employees for redemption on a host of benefits such as wellness classes or healthcare subsidies.

Performance Management

GRI 103-1 | 103-2 | 103-3 | 404-3

The Manager believes that a performance-based culture aligns individuals to collective goals and creates a high-performing environment, in turn optimising long-term value for all stakeholders. The Manager implements a robust performance management system based on regular performance and career development reviews that rewards merit with opportunities for advancement, promotion, recognition of achievements, compensation, training and other conditions of employment.

Supervisors and employees discuss performance goals based on targets that are aligned with the four key areas of the Manager's scorecard, which are Financial, Process, Customers/Stakeholders and People.

In 2018, 100% of employees received performance and career development reviews. In order to further support the optimisation of performance, employees are typically given four weeks' notice prior to the implementation of significant operational changes to facilitate any necessary adjustments.

Succession Planning and Talent Management

The Manager believes that succession planning and talent management is essential in building its bench strength and ensuring business continuity. The succession framework is reviewed at least twice a year by the Board and senior management to ensure that high-potential employees are identified and groomed for leadership succession.

As a member of the Keppel Group, the Manager is able to leverage the talent management process that is centralised at the corporate level. Keppel Corporation's

Group Human Resources coordinates information across business units to ensure that a comprehensive and fair review of talent is undertaken. It also drives leadership and executive development programmes to develop talent.

Employees of the Manager also have the opportunity to hone their leadership skills through Group-level talent development programmes such as the Keppel Young Leaders. These platforms are designed to groom high-potential employees, cultivate a global mindset, and spur innovative thinking by harnessing the collective strengths of business units across the Keppel Group.

Training and Education

GRI 103-1 | 103-2 | 103-3 | 404-1

The Manager believes that investing in employees' professional development directly contributes to overall business value. Training and education programmes are designed to develop valuable skill sets and allow employees to adapt to industry trends. To maximise the effectiveness of training, opportunities are customised based on employees' respective disciplines, career stages, ambitions, and trajectories.

Training and education management is evaluated based on average hours per employee. In 2018, the average number of training hours per full-time employee was 42.2 hours, compared to 22 hours in 2017. It is not meaningful to provide a further breakdown of training hours due to the centralised functions of Keppel Capital.

Employee Engagement and Wellness

Employee engagement is essential to building motivation and cohesiveness in the workplace. It creates a platform for interaction, allowing an exchange of perspectives and value transfer. As with previous years, the Manager participated in the Keppel Group's 2018 Employee Engagement Survey. The survey is designed to measure employee engagement and gather feedback in order to to review policies and better meet employees' needs. The survey was administered by an external consultant and achieved a 100% participation rate.

The Manager believes that a conducive environment promotes general well-being and increases employee productivity. Its Singapore headquarters features an Indoor Air Quality management system to monitor air quality and ventilation. Ergonomic furniture is incorporated in the office to create a comfortable and productive work environment while the bistro-style pantry/discussion corners and relaxation zones throughout the office foster interaction and collaboration.

To promote the health and well-being of employees, the Manager provides employees with healthy fruits and regular health screening programmes. In addition, the Keppel Games, an annual sporting competition organised across the Keppel Group, promotes an active lifestyle, teamwork and healthy competition. Various corporate activities are designed and conducted through the year to build bonds and relationships between team members, such as Keppel Capital's staff retreat, which brought together nearly 200 employees across different business units in Batam, Indonesia.

The Manager is a strong believer in cultivating strong family ties. Employees are encouraged to spend quality time with their families. Corporate passes to popular family destinations such as the Singapore Zoo and River Safari are available to employees. The Manager also supports the 'Eat with Your Family Day' initiative in Singapore, organised by the Centre for Fathering, a non-profit organisation that promotes the importance of family ties and recognises families as the basic unit of society.

Health and Safety

GRI 103-1 | 103-2 | 103-3 | 403-2

Safety is ingrained into the workplace culture. The Manager is committed to providing a safe work environment for all its employees and other stakeholders. By working closely with the facility managers of its data centres and implementing industry best practices, the Manger targets zero workplace-related health and safety incidents.

To achieve this goal, qualified specialists conduct periodic inspections and maintenance of facilities and equipment to ensure the implementation and effectiveness of all relevant safety standards. High voltage equipment is protected by state-of-the-art fire protection systems to ensure the safety of employees, vendors and clients as well as to safeguard business continuity. Visitors, employees and clients, alike are all briefed on emergency evacuation routes and procedures in the event of a fire. In addition, evacuation routes are displayed at various locations throughout the facilities.

To evaluate the effectiveness of the Manager's health and safety management response, all incidents are documented through a systematic incident reporting structure and reviewed by senior management and relevant safety personnel. In the event of an incident, the liable issues are immediately identified and addressed through corrective measures, and when necessary, additional preventive measures are implemented.

In 2018, there were no fatalities and reportable incidents in Keppel DC REIT's facilities. The Accident Frequency and Accident Severity Rates were accordingly zero.

The Manager will continue to uphold stringent safety standards and foster a strong culture of health and safety throughout the REIT's assets.

Nurturing Communities

More than 1,200 hours of community service hours were dedicated to improving the lives of the underprivileged.

As a responsible corporate citizen, the Manager supports initiatives that uplift the community.

As an active member of the REIT Association of Singapore (REITAS), the Manager supports investor outreach activities that enhance the investment community's understanding of the data centre industry. The Manager also supports initiatives that promote the overall growth and sustainability of the REIT sector in Singapore.

The Manager works together with other Keppel Capital business units in a collective effort to give back to the community. In 2018, Keppel Capital renewed its collaboration with its adopted charity – Muscular Dystrophy Association (Singapore) (MDAS), a self-help organisation committed to uplift the lives of people with muscular dystrophy.

Together with Keppel Capital, the Manager participated in activities with MDAS beneficiaries during the year, including prawn catching, art jamming, as well a visit to The Maritime Experiential Museum.

In addition, employees also lent a helping hand at Fei Yue Family Service Centre, packing and distributing household cleaning kits to families in need. Established in 1991, Fei Yue provides assistance to the vulnerable and disadvantaged communities.

In 2018, the Manager, together with Keppel Capital volunteers, dedicated more than 1,200 hours of community service to improve the lives of the underprivileged. In addition, the Manager contributed $30,000 to the Keppel Care Foundation to support Keppel Group's various philanthropic initiatives.

The Manager participated in various volunteer activities during the year together with Keppel Capital, including a visit to The Maritime Experiential Museum with MDAS beneficiaries.

GRI Content Index

GRI Standard	Disclosure Number	General Standard Disclosures	Disclosure	Page Reference
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	102-3	Location of headquarters	●	Backcover
	102-4	Location of operations	●	22-23, 36-39, 61
	102-5	Ownership and legal form	●	3, 10-11
	102-6	Markets served	●	22-23
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	102-8	Information on employees and other workers	●	69-70
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	102-11	Precautionary Principle or approach	◑	57-58, 65
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	102-13	Membership of associations	●	62
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	102-45	Entities included in the consolidated financial statements	●	22-23, 54
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	102-47	List all material topics	●	63-64
	102-48	Restatements of information	●	The 2017 Sustainability Report data was the actual full-year data.
	102-49	Changes in reporting	●	61 Indicators added: 305-1 and 404-3.
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Legend ● Fully reported ◑ Partially reported

GRI Content Index

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		Category: Economic		
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GRI 303: Water 2016	103-1	Explanation of the material topic and its Boundary	●	63, 68
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	103-3	Evaluation of the management approach	●	68
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		Emissions		
GRI 305: Emissions 2016	103-1	Explanation of the material topic and its Boundary	●	63, 67
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	305-1	Energy indirect (Scope 2) GHG emissions	●	63, 67
		Environmental Compliance		
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Legend ● Fully reported ◑ Partially reported

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		Diversity and Equal Opportunity		
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	103-2	The management approach and its components	●	69
	103-3	Evaluation of the management approach	●	69
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Legend ● Fully reported ◑ Partially reported

Corporate Information

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Marina Bay Financial Centre Tower 1
Singapore 018981
Phone: +65 6908 8203
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Auditor

PricewaterhouseCoopers LLP
7 Straits View
Marina One, East Tower
Level 12, Singapore 018936
Phone: +65 6236 3388
Fax: +65 6236 3300
Partner-in-charge: Yeow Chee Keong
(With effect from financial year ended
31 December 2017)

The Manager

Keppel DC REIT Management Pte. Ltd.
(A member of Keppel Capital Holdings Pte. Ltd.)
Registered Address
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632
Phone: +65 6803 1818
Fax: +65 6803 1717
Website: www.keppeldcreit.com

Principal Business Address
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Investor Relations Contact
Phone: +65 6803 1857
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Joint Company Secretaries

Kelvin Chua

Winnie Mak

Directors of the Manager

Christina Tan
Chairman and Non-Executive Director

Lee Chiang Huat
Independent Director

Dr Tan Tin Wee
Independent Director

Leong Weng Chee
Independent Director

Dileep Nair
Independent Director

Thomas Pang
Non-Executive Director

Low Huan Ping
Independent Director

Kenny Kwan
Independent Director

Audit and Risk Committee

Lee Chiang Huat
Chairman

Dileep Nair

Leong Weng Chee

Low Huan Ping

Nominating and Remuneration Committee

Dr Tan Tin Wee
Chairman

Christina Tan

Dileep Nair

Kenny Kwan

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Report of the Trustee

For the year ended 31 December 2018

Perpetual (Asia) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Keppel DC REIT (the "Trust") and its subsidiaries (collectively, the "Group") in trust for the holders of units ("Unitholders") in the Trust. In accordance with, inter alia, the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes and the Listing Manual (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of Keppel DC REIT Management Pte. Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 17 March 2011 (as amended) (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed Keppel DC REIT and its subsidiaries during the period covered by these financial statements, set out on pages 83 to 135 in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
Perpetual (Asia) Limited

Sin Li Choo
Director

Singapore
18 February 2019

Statement by the Manager

For the year ended 31 December 2018

In the opinion of the directors of Keppel DC REIT Management Pte. Ltd., the accompanying financial statements of Keppel DC REIT (the "Trust") and its subsidiaries (collectively, the "Group") set out on pages 83 to 135, comprising the Statements of Financial Position for the Group and the Trust, the Consolidated Portfolio Statement of the Group as at 31 December 2018, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Comprehensive Income of the Group, the Statements of Movements in Unitholders' Funds of the Group and the Trust and the Distribution Statement and the Consolidated Statement of Cash Flows of the Group, and the Notes to the Financial Statements for the year have been drawn up so as to present fairly, in all material respects, the financial positions of the Group and the Trust as at 31 December 2018, the consolidated profit and loss of the Group, the consolidated comprehensive income of the Group, the movements in Unitholders' funds of the Group and the Trust, and the distribution statement and the consolidated cash flows of the Group for the year ended in accordance with the Singapore Financial Reporting Standards (International) and the provisions of the Trust Deed dated 17 March 2011 (as amended) and the relevant requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore. At the date of this statement, there are reasonable grounds to believe that the Trust will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager,
Keppel DC REIT Management Pte. Ltd.

Christina Tan
Director

Singapore
18 February 2019

Independent Auditor's Report to the Unitholders of Keppel DC Reit

(Constituted under a Trust Deed in the Republic of Singapore)

Our opinion

In our opinion, the accompanying consolidated financial statements of Keppel DC REIT (the "Trust") and its subsidiaries (the "Group") and the statement of financial position and statement of movements of unitholders' funds of the Trust are properly drawn up in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") and applicable requirements of the Code on Collective Investment Schemes relating to financial reporting (the "CIS Code") so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust and the consolidated portfolio statement of the Group as at 31 December 2018 and the consolidated financial performance of the Group, the consolidated distribution statement of the Group, the consolidated movements of unitholders' funds of the Group and movements in unitholders' funds of the Trust, and the consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Group and the Trust comprise:

- the statements of financial position of the Group and the Trust as at 31 December 2018;
- the consolidated statement of profit and loss of the Group for the year ended 31 December 2018;
- the consolidated statement of comprehensive income of the Group for the year ended 31 December 2018;
- the statements of movements of unitholders' funds of the Group and the Trust for the year ended 31 December 2018;
- the consolidated statement of cash flows of the Group for the year then ended;
- the distribution statement of the Group for the year then ended;
- the consolidated portfolio statement of the Group as at 31 December 2018; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended 31 December 2018. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How Our Audit Addressed The Key Audit Matter
Valuation of investment properties Refer to Note 4 – Investment Properties As at 31 December 2018, the carrying value of the Group's investment properties of $2.03 billion accounted for 90.0% of the Group's total assets. The valuation of investment properties was a key audit matter due to the significant judgement in the key inputs used in valuation techniques. These key inputs include capitalisation rates and discount rates and are dependent on the nature of each investment property and the prevailing market conditions. The key inputs are disclosed in Note 26 to the accompanying financial statements.	Our audit procedures included the following: • assessed the competence, capabilities and objectivity of the external valuers engaged by the Group; • obtained an understanding of the techniques used by the external valuers in determining the valuation of individual investment properties; • discussed the signficant judgements made by the external valuers for the key inputs used in the valuation techniques; • tested the integrity of information, including underlying lease and financial information provided to the external valuers; and • assessed the reasonableness of the capitalisation rates and discount rates by benchmarking these against those of comparable properties and prior year inputs.

Key Audit Matter	How Our Audit Addressed The Key Audit Matter
	We have also assessed the adequacy of the disclosures relating to the assumptions, as we consider them as likely to be significant to users of the financial statements given the estimation uncertainty and sensitivity of the valuations. We found the external valuers to be members of recognised bodies for professional valuers. We also found that the valuation techniques used were appropriate in the context of the Group's investment properties and the critical assumptions used for the key inputs were within the range of market data.

Other information

The Manager is responsible for the other information. The other information comprises the information included in Report of the Trustee, and Statement by the Manager, (but does not include the financial statements and our auditor's report thereon) which we obtained prior to the date of this auditor's report, and other sections of the Trust's annual report ("Other Sections"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Financial Reporting Standards International ("SFRS(I)"), applicable requirements of the Code on Collective Investment Schemes relating to financial reporting (the "CIS Code") and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Group or to cease the Group's operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report to the Unitholders of Keppel DC Reit

(Constituted under a Trust Deed in the Republic of Singapore)

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yeow Chee Keong.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore
18 February 2019

Statements of Financial Position

As at 31 December 2018

	Note	Group			Trust		
		31 Dec 2018 $'000	31 Dec 2017 $'000	1 Jan 2017 $'000	**31 Dec 2018 $'000**	31 Dec 2017 $'000	1 Jan 2017 $'000
Non-current assets							
Investment properties	4	**2,028,672**	1,570,090	1,225,938	**456,000**	452,000	455,000
Investment in subsidiaries	5	**–**	–	–	**1,205,063**	772,192	515,724
Loans to subsidiaries	6	**–**	–	–	**223,338**	214,331	160,236
Deposit	7	**777**	13,474	12,920	**777**	–	–
Intangible assets	8	**–**	–	3,999	**–**	–	3,999
Derivative financial assets	9	**3,238**	1,640	1,685	**2,044**	295	642
Deferred tax assets	10	**–**	–	145	**–**	–	–
		2,032,687	1,585,204	1,244,687	**1,887,222**	1,438,818	1,135,601
Current assets							
Trade and other receivables	11	**85,723**	56,155	38,691	**32,060**	20,496	17,102
Intangible assets	8	**4,000**	3,110	–	**4,000**	2,000	–
Other asset	12	**6,213**	–	–	**–**	–	–
Derivative financial assets	9	**2,106**	631	1,663	**1,952**	762	1,663
Cash and cash equivalents	13	**128,415**	118,182	297,958	**67,752**	64,834	273,742
		226,457	178,078	338,312	**105,764**	88,092	292,507
Total Assets		**2,259,144**	1,763,282	1,582,999	**1,992,986**	1,526,910	1,428,108
Current liabilities							
Loans from a subsidiary	14	**–**	–	–	**130,000**	–	3,123
Loans and borrowings	15	**133,563**	3,660	6,655	**–**	–	–
Trade and other payables	16	**42,481**	37,836	20,806	**29,569**	19,376	13,951
Derivative financial liabilities	9	**–**	1,396	499	**–**	442	499
Provision for taxation	17	**16,948**	10,332	7,184	**2,781**	906	330
		192,992	53,224	35,144	**162,350**	20,724	17,903
Non-current liabilities							
Loans from a subsidiary	14	**–**	–	–	**543,952**	546,481	436,198
Loans and borrowings	15	**573,084**	575,663	464,034	**–**	–	–
Derivative financial liabilities	9	**4,459**	1,352	2,148	**341**	516	171
Deferred tax liabilities	10	**12,615**	16,541	7,805	**4**	4	4
		590,158	593,556	473,987	**544,297**	547,001	436,373
Total Liabilities		**783,150**	646,780	509,131	**706,647**	567,725	454,276
Net assets		**1,475,994**	1,116,502	1,073,868	**1,286,339**	959,185	973,832
Represented by:							
Unitholders' funds	18	**1,444,839**	1,089,716	1,073,525	**1,286,339**	959,185	973,832
Non-controlling interests	23	**31,155**	26,786	343	**–**	–	–
		1,475,994	1,116,502	1,073,868	**1,286,339**	959,185	973,832
Units in issue ('000)	19	**1,351,578**	1,127,171	1,125,210	**1,351,578**	1,127,171	1,125,210
Net asset value per Unit ($)		**1.07**	0.97	0.95	**0.95**	0.85	0.87

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Profit and Loss

Year ended 31 December 2018

	Note	Group 2018 $'000	Group 2017 $'000
Gross revenue	20	**175,535**	139,050
Property operating expenses		**(17,862)**	(13,931)
Net property income		**157,673**	125,119
Finance income		**834**	1,402
Finance costs	21	**(16,663)**	(14,671)
Trustees' fees		**(299)**	(295)
Manager's base fee		**(8,922)**	(7,216)
Manager's performance fee		**(5,062)**	(4,077)
Audit fees		**(299)**	(226)
Valuation fees		**(238)**	(200)
Net realised gains on derivatives		**555**	934
Other trust expenses		**(9,192)**	(14,660)
Profit before tax and fair value change in investment properties		**118,387**	86,110
Net change in fair value of investment properties	4	**32,634**	(8,519)
Profit before tax		**151,021**	77,591
Tax expenses	22	**(5,012)**	(7,317)
Profit after tax		**146,009**	70,274
Profit attributable to:			
Unitholders		**141,881**	65,225
Non-controlling interests	23	**4,128**	5,049
		146,009	70,274
Earnings per Unit (cents)			
- Basic and diluted	24	**11.09**	5.77
- Basic and diluted (excluding net change in fair value of investment properties and their related deferred tax impact)	24	**8.49**	6.68

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

Year ended 31 December 2018

	Group	
	2018 **$'000**	2017 $'000
Profit after tax	**146,009**	70,274
Other comprehensive income:		
Movement in fair value of cash flow hedges	**1,170**	(1,136)
Foreign currency translation movement	**(5,798)**	22,180
Total other comprehensive income	**(4,628)**	21,044
Total comprehensive income	**141,381**	91,318
Attributable to:		
Unitholders	**137,322**	86,234
Non-controlling interests	**4,059**	5,084
	141,381	91,318

The accompanying notes form an integral part of these financial statements.

Statement of Movements in Unitholders' Funds

Year ended 31 December 2018

	Note	Unitholders' funds $'000	Non-controlling interests $'000	Total $'000
Group				
At 1 January 2018		1,089,716	26,786	1,116,502
Operations				
Profit after tax		141,881	4,128	146,009
Net increase in net assets resulting from operations		141,881	4,128	146,009
Unitholders' transactions				
Net increase in net assets resulting from Unitholders' contribution	19	299,291	–	299,291
Distributions to Unitholders		(82,051)	–	(82,051)
Payment of management fees in Units	19	561	–	561
Net increase in net assets resulting from Unitholders' transactions		217,801	–	217,801
Non-controlling interests				
Acquisition of an interest in a subsidiary		–	1,250	1,250
Capital contribution from a non-controlling interest		–	1,796	1,796
Dividends paid to non-controlling interests		–	(2,736)	(2,736)
Other comprehensive income				
Movement in hedging reserve	18(b)	1,170	–	1,170
Foreign currency translation movement		(5,729)	(69)	(5,798)
Net decrease in other comprehensive income		(4,559)	(69)	(4,628)
At 31 December 2018		1,444,839	31,155	1,475,994

The accompanying notes form an integral part of these financial statements.

	Note	Unitholders' funds $'000	Non-controlling interests $'000	Total $'000
Group				
At 1 January 2017		1,073,525	343	1,073,868
Reclassification on adoption of SFRS (I)				
Adjustment to foreign currency translation reserve		71,494	–	71,494
Adjustment to revenue reserves		(71,494)	–	(71,494)
At 1 January 2017		1,073,525	343	1,073,868
Operations				
Profit after tax		65,225	5,049	70,274
Net increase in net assets resulting from operations		65,225	5,049	70,274
Unitholders' transactions				
Distributions to Unitholders		(72,419)	–	(72,419)
Payment of management and acquisition fees in Units	19	2,376	–	2,376
Net decrease in net assets resulting from Unitholders' transactions		(70,043)	–	(70,043)
Non-controlling interests				
Acquisition of an interest in a subsidiary		–	23,194	23,194
Dividends paid to non-controlling interests		–	(1,835)	(1,835)
Other comprehensive income				
Movement in hedging reserve	18(b)	(1,136)	–	(1,136)
Net decrease in other comprehensive income		(1,136)	–	(1,136)
Foreign currency translation movement		22,145	35	22,180
At 31 December 2017		1,089,716	26,786	1,116,502

The accompanying notes form an integral part of these financial statements.

Statement of Movements in Unitholders' Funds
Year ended 31 December 2018

	Note	2018 $'000	2017 $'000
Trust			
At 1 January		**959,185**	973,832
Operations			
Profit after tax		**105,797**	56,932
Net increase in net assets resulting from operations		**105,797**	56,932
Unitholders' transactions			
Net increase in net assets resulting from Unitholders' contribution	19	**299,291**	–
Distributions to Unitholders		**(82,051)**	(72,419)
Payment of management and acquisition fees in Units	19	**561**	2,376
Net increase/(decrease) in net assets resulting from Unitholders' transactions		**217,801**	(70,043)
Other comprehensive income			
Movement in hedging reserve	18(b)	**3,556**	(1,536)
Net increase/(decrease) in other comprehensive income		**3,556**	(1,536)
At 31 December		**1,286,339**	959,185

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows
Year ended 31 December 2018

	Note	2018 $'000	2017 $'000
Cash flows from operating activities			
Profit after tax		**146,009**	70,274
Adjustments for:			
Tax expenses		**5,012**	7,317
Finance income		**(834)**	(1,402)
Finance costs		**16,663**	14,671
Amortisation of intangible assets	8	**6,791**	2,482
Net change in fair value of investment properties	4	**(32,634)**	8,519
Management fees paid in Units		**561**	351
Unrealised translation differences		**1,942**	19,200
		143,510	121,412
Changes in working capital:			
Trade and other receivables		**(15,832)**	(3,536)
Trade and other payables		**(14,053)**	4,647
Cash generated from operations		**113,625**	122,523
Net income tax paid		**(1,699)**	(4,745)
Net cash from operating activities		**111,926**	117,778
Cash flows from investing activities			
Acquisitions of interests in investment properties (Note A)		**(413,265)**	(292,714)
Acquisition of an intangible asset		**(8,000)**	(1,563)
Rental top up received		**8,000**	1,563
Additions to investment properties	4	**(10,153)**	(6,256)
Capital expenditures on investment properties	4	**(23,707)**	(6,169)
Deposit paid to a vendor		**(808)**	–
Net cash used in investing activities		**(447,933)**	(305,139)
Cash flows from financing activities			
Proceeds from issuance of Units	19	**303,072**	–
Proceeds from bank borrowings		**229,165**	356,661
Capital contribution from a non-controlling interest		**1,796**	–
Payment of financing transaction costs		**(156)**	(514)
Repayment of bank borrowings		**(83,934)**	(257,758)
Finance costs paid		**(15,751)**	(13,489)
Distributions paid to Unitholders		**(82,051)**	(72,419)
Dividends paid to non-controlling interests		**(2,736)**	(1,835)
Payment of transaction costs relating to fund-raising		**(2,183)**	(934)
Net cash generated from financing activities		**347,222**	9,712
Net increase/(decrease) in cash and cash equivalents		**11,215**	(177,649)
Cash and cash equivalents at beginning of the year		**116,098**	293,959
Effects of exchange rate fluctuations on cash held		**1,102**	(212)
Cash and cash equivalents at end of the year	13	**128,415**	116,098
Cash and cash equivalent balances	13	**128,415**	118,182
Less: Rental top up received in advance held in a designated account (Note B)		**–**	(2,084)
Cash and cash equivalents per Consolidated Statement of Cash Flows		**128,415**	116,098

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December 2018

Note A – Acquisitions of interests in investment properties
In June 2018, Keppel DC REIT announced the completion of the acquisition of a 99% interest in Keppel DC Singapore 5 Pte. Ltd. (KDCS5PL) which in turns holds KDC SGP 5, located at 13 Sunview Way, Singapore 627541. A business transfer agreement with Keppel DCS3 Services Pte. Ltd. (Facility Manager) was entered into to transfer the employees, contracts and assets for the purpose of providing facility management services of KDCS5PL to the Facility Manager. This acquisition has been accounted for as an asset acquisition.

In March 2018, Keppel DC REIT completed the acquisition of maincubes DC in Offenbach am Main, Germany. The remaining 90% balance of the purchase consideration was paid, along with the release of the 10% deposit to the vendor as settlement of the purchase consideration.

In 2017, Keppel DC REIT announced the completion of the acquisition of the 90% interest in KDC SGP 3 and 100% interest in KDC DUB 2.

Note B – Rental top up received in advance held in a designated account
This relates to the remaining rental top up payments received in advance by the Group held in a designated account for the 100.0% interest in Milan DC. These rental top up payments will be recognised periodically under other income till December 2018.

Reconciliation of liabilities arising from financing activities

			Non-cash changes		
	2017 $'000	**Cash flows $'000**	**Interest expense $'000**	**Foreign exchange movement $'000**	**2018 $'000**
Bank borrowings	545,554	**145,075**	**313**	**(17,761)**	**673,181**
Finance lease liabilities	33,769	**(3,976)**	**4,575**	**(902)**	**33,466**
Interest payable	516	**(11,775)**	**11,775**	**431**	**947**
	579,839	**129,324**	**16,663**	**(18,232)**	**707,594**

			Non-cash changes		
	2016 $'000	Cash flows $'000	Interest expense $'000	Foreign exchange movement $'000	2017 $'000
Bank borrowings	438,291	98,389	618	8,256	545,554
Finance lease liabilities	32,398	(3,900)	4,464	807	33,769
Interest payable	359	(9,589)	9,589	157	516
	471,048	84,900	14,671	9,220	579,839

These notes form an integral part of these financial statements.

Distribution Statement
Year ended 31 December 2018

	Group	
	2018 $'000	2017 $'000
Amount available for distribution to Unitholders at beginning of the year	**41,453**	31,552
Profit after tax attributable to Unitholders after tax	**141,881**	65,225
Net tax and other adjustments (Note A)	**(45,785)**	17,095
Amount available for distribution to Unitholders	**137,549**	113,872
Distributions to Unitholders:		
Distribution of 2.80 cents per Unit for the period from 1/7/2016 to 31/12/2016	**–**	(31,506)
Distribution of 3.39 cents per Unit for the period from 1/1/2017 to 30/6/2017	**–**	(38,208)
Capital distribution of 0.24 cents per Unit for the period from 1/1/2017 to 30/6/2017	**–**	(2,705)
Distribution of 3.49 cents per Unit for the period from 1/7/2017 to 31/12/2017	**(39,338)**	–
Distribution of 2.77 cents per Unit for the period from 1/7/2018 to 15/5/2018	**(31,227)**	–
Distribution of 0.85 cents per Unit for the period from 16/5/2018 to 30/6/2018	**(11,486)**	–
	(82,051)	(72,419)
Amount available for distribution to Unitholders at end of the year	**55,498**	41,453

Note A:

Net tax and other adjustments comprise:

	Group	
	2018 $'000	2017 $'000
Trustee's fees	**221**	216
Rental income adjustment on a straight-line basis	**(5,149)**	(1,126)
Amortisation of capitalised transaction costs	**313**	618
Net fair value (gains)/losses in investment properties[1]	**(31,549)**	10,689
Foreign exchange (gains)/losses	**(98)**	10,329
Deferred tax	**(3,768)**	2,480
Amortisation of intangible assets	**6,791**	2,482
Capital distribution	**–**	2,705
Other net adjustments[1,2]	**(12,546)**	(11,298)
	(45,785)	17,095

[1] Net of non-controlling interests
[2] Included in other net adjustments were dividends and distribution income, finance lease charges, other non-taxable income and non-deductible expenses.

These notes form an integral part of these financial statements.

Consolidated Portfolio Statement

As at Year ended 31 December 2018

Description of investment properties	Location	Land tenure	Term of lease* (Years)	Remaining term of lease* (Years)	Carrying amount at fair value 2018 $'000	Carrying amount at fair value 2017 $'000	Percentage of total net assets 2018 %	Percentage of total net assets 2017 %
Fully fitted								
iseek Data Centre ("iseek DC")	Brisbane, Queensland, Australia	Leasehold	37	28	**44,187**	43,479	**3.0**	3.9
GV7 Data Centre ("GV7 DC")	Greenwich, London, England	Leasehold	199	164	**63,487**	68,325	**4.3**	6.1
Almere Data Centre ("Almere DC")	Amsterdam, The Netherlands	Freehold	Not applicable	Not applicable	**139,011**	143,558	**9.4**	12.9
maincubes Data Centre ("maincubes DC")	Offenbach am Main, Germany	Freehold	Not applicable	Not applicable	**135,517**	-	**9.2**	-
Shell and core								
Intellicentre 2 Data Centre ("IC2 DC")	Macquarie Park, New South Wales, Australia	Freehold	Not applicable	Not applicable	**53,880**	51,255	**3.7**	4.6
Cardiff Data Centre ("Cardiff DC")	Cardiff, United Kingdom	Freehold	Not applicable	Not applicable	**65,375**	61,948	**4.4**	5.5
Milan Data Centre ("Milan DC")	Milan, Italy	Freehold	Not applicable	Not applicable	**57,313**	56,461	**3.9**	5.1
Colocation								
Gore Hill Data Centre ("Gore Hill DC") #	Artarmon, New South Wales, Australia	Freehold	Not applicable	Not applicable	**207,463**	204,000	**14.1**	18.3
Keppel DC Singapore 1 ("KDC SGP 1")	Serangoon, Singapore	Leasehold	60	36	**287,000**	286,000	**19.4**	25.6
Keppel DC Singapore 2 ("KDC SGP 2")	Tampines, Singapore	Leasehold	60	32	**169,000**	166,000	**11.4**	14.9
Keppel DC Singapore 3 ("KDC SGP 3")	Tampines, Singapore	Leasehold	60	33	**257,000**	248,300	**17.4**	22.2
Keppel DC Singapore 5 ("KDC SGP 5")	Jurong, Singapore	Leasehold	30	22	**316,000**	-	**21.4**	-
Basis Bay Data Centre ("Basis Bay DC") ^	Cyberjaya, Malaysia	Freehold	Not applicable	Not applicable	**27,846**	31,350	**1.9**	2.8
Keppel DC Dublin 1 ("KDC DUB 1")	Dublin, Republic of Ireland	Leasehold	40	22	**100,752**	101,613	**6.8**	9.1
Keppel DC Dublin 2 ("KDC DUB 2") (f.k.a B10 DC)	Dublin, Republic of Ireland	Leasehold	999	979	**104,841**	107,801	**7.1**	9.6
Total investment properties at fair value					**2,028,672**	1,570,090	**137.4**	140.6
Other assets and liabilities (net)					**(552,678)**	(453,588)	**(37.4)**	(40.6)
Total net assets of the Group					**1,475,994**	1,116,502	**100.0**	100.0

* Term of lease includes option to renew the land leases.

A portion of the premises at Gore Hill DC relates to shell and core lease arrangements and the remaining portion of the premises relates to colocation lease arrangements.

^ During the financial year ended 31 December 2017, there was a change in the lease arrangement from a fully-fitted data centre to a data centre with colocation lease agreement.

At 31 December 2018, the Group's investment properties amounting to $2,028.7 million (2017: $ 1,570.1 million) are free from encumbrances for debt facilities.

Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements of Keppel DC REIT (the "Trust") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2018 were authorised for issue by the Manager on 18 February 2019.

1 General Information

Keppel DC REIT is a Singapore-domiciled real estate investment trust constituted by the trust deed dated 17 March 2011 (as amended) (the "Trust Deed") between Keppel DC REIT Management Pte. Ltd. and AEP Investment Management Pte. Ltd., together as Trustee-Managers.

Pursuant to the Deed of Appointment and Retirement dated 24 October 2014, the Trustee-Managers were replaced by Keppel DC REIT Management Pte. Ltd. (the "Manager"). Meanwhile, Perpetual (Asia) Limited (the "Trustee") was appointed as the trustee of the Trust on 24 October 2014.

The Trust Deed is governed by the laws of The Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Group in trust for the holders ("Unitholders") of units in the Trust (the "Units"). The address of the Trustee's registered office and principal place of business is 8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981 and 16 Collyer Quay #07-01, Singapore 049318 respectively.

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 12 December 2014 and was included under the Central Provident Fund ("CPF") Investment Scheme on 12 December 2014.

The principal activity of the Trust is to 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-related assets, with an initial focus on Asia-Pacific and Europe. The principal activities of the subsidiaries are disclosed in Note 5.

The Trust has entered into several service agreements in relation to management of the Trust and its property operations. The fee structures for these services are as follows:

(a) Trustee's fees
The Trustee's fees are charged on a scaled basis of up to 0.015% per annum of the value of Deposited Property (as defined in the Trust Deed) subject to a minimum amount of $15,000 per month.

(b) Manager's fees
The Manager is entitled under the Trust Deed to the following management fees:

(i) a Base Fee of 0.5% per annum of the value of Deposited Property; and

(ii) a Performance Fee of 3.5% per annum of the Group's Net Property Income (as defined in the Trust Deed) in the relevant financial year.

The Manager is also entitled to receive an acquisition fee at the rate of 1.0% of the acquisition price and a divestment fee of 0.5% of the sale price on all acquisitions or disposals of properties respectively.

The Manager is also entitled to receive a development management fee equivalent to 3.0% of the total project costs incurred in a development project undertaken by the Manager on behalf of the Group.

Any increase in the rate or any change in the structure of the Manager's fees must be approved by an Extraordinary Resolution of Unitholders passed at a Unitholders meeting duly convened and held in accordance with the provisions of the Trust Deed.

The management fees are paid in the form of cash and/or Units (as the Manager may elect). The management fees payable in Units are issued at the volume weighted average price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of last 10 Business Days (as defined in the Trust Deed) of the relevant period in which the relevant component of the management fees accrues. The Manager's management fees are payable in arrears.

(c) Facility management fees
Under the facility management agreement in respect of certain properties, the facility manager provides facility management services, lease management services and project management services. The facility manager is entitled to receive the following fees:

(i) KDC SGP 1, KDC SGP 2, KDC SGP 3 and KDC SGP5: facility management fee of 4.0% of EBITDA derived from the underlying end-users (after deducting the fixed rent payable to the Group and operating expenses incurred for each property); and

(ii) Gore Hill DC: facility management fee of AUD 2.6 million subject to an increase of 4.0% per annum on each anniversary of 10 March 2017, being the commencement date.

2 Basis of Preparation

2.1 Statement of Compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)"), issued by the Accounting Standards Council (Singapore) ("ASC"), the provisions of the Trust Deed and the relevant requirements of the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore ("MAS").

The Monetary Authority of Singapore has granted the Group a waiver from compliance with the requirement under Paragraph 4.3 of Appendix 6 to the CIS Code to prepare its financial statements in accordance with Singapore Financial Reporting Standards. These financial statements for the year ended 31 December 2018 are the first set of financial statements the Group prepared in accordance with SFRS(I). The Group's previously issued financial statements for periods up to and including the financial year ended 31 December 2017 were prepared in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("RAP 7") issued by the Institute of Singapore Chartered Accountants.

In adopting SFRS(I) on 1 January 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of SFRS(I).

Under SFRS(I) 1, these financial statements are required to be prepared using accounting policies that comply with SFRS(I) effective as at 31 December 2018. The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

The Group's opening balance sheet has been prepared as at 1 January 2017, which is the Group's date of transition to SFRS(I) ("date of transition"). There is no restatement of comparatives as there is no significant impact on the opening balance sheet on the adoption of SFRS(I), except for the effects arising from cumulative translation differences as below. For notes to the financial statements relating to the balance sheet, balances as at 1 January 2017, where applicable, have been included as comparatives.

Cumulative translation differences

The Group has elected to deem the cumulative translation differences for all foreign operations to be zero as at the date of transition to SFRS(I) on 1 January 2017. Cumulative translation losses of $71.5 million from foreign exchange translation account had been reclassified to revenue reserves as at 1 January 2017.

Short-term exemption on adoption of SFRS(I) 9 Financial Instruments

The Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 January 2018. Accordingly, the requirements of SFRS 39 Financial Instruments: Recognition and Measurement are applied to financial instruments up to the financial year ended 31 December 2017. The Group is also exempted from complying with SFRS(I) 7 Financial Instruments: Disclosure to the extent that the disclosures required by SFRS(I) 7 relate to the items within scope of SFRS(I) 9.

2.2 Basis of Measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies set out in Note 3.

2.3 Functional and Presentation Currency

The Manager has determined the functional currency of the primary economic environment in which the Trust operates, i.e. functional currency, to be Singapore dollars ($). The financial statements are expressed in Singapore dollars and rounded to the nearest thousand ($'000) unless otherwise stated.

2.4 Use of Estimates and Judgements

The preparation of financial statements requires the Manager to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in Note 4 –Investment Properties and Note 26 – Fair Value of Assets and Liabilities.

3 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the entities in the Group.

3.1 Basis of Consolidation

Business combination
Business combinations are accounted for using the acquisition method in accordance with SFRS(I)-3 Business Combination as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree, over the fair value of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment and whenever there is indication that the goodwill may be impaired.

When the excess is negative, a bargain purchase gain is recognised immediately in the statement of profit and loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the statement of profit and loss.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the statement of profit and loss.

Subsidiaries
Subsidiaries are all entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control
Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the statement of profit and loss.

If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting for subsidiaries by the Trust
Investment in subsidiaries are stated in the Trust's statement of financial position at cost less accumulated impairment losses, if any.

3.2 Foreign Currency

Foreign currency transactions
Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity.

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency of the Group at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in the statement of profit and loss, except for the following differences which are recognised in the foreign currency translation reserve ("translation reserve") in Unitholders' funds, arising on the retranslation of:

3 Significant Accounting Policies (continued)

3.2 Foreign Currency (continued)

Foreign currency transactions (continued)

- available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in the translation reserve in Unitholders' funds are reclassified to the statement of profit and loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent the hedge is effective.

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at the average exchange rates for the reporting period.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at exchange rates at the reporting date.

Foreign currency differences are recognised in the translation reserve in Unitholders' funds. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests ("NCI"). When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the statement of profit and loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the statement of profit and loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in the translation reserve in Unitholders' funds.

3.3 Financial Instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets – Policy applicable from 1 January 2018

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

<u>Financial assets at amortised cost</u>

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt investments at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment - Policy applicable from 1 January 2018

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest - Policy applicable from 1 January 2018.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Notes to the Financial Statements

3 **Significant Accounting Policies** (continued)

3.3 **Financial Instruments** (continued)

(ii) **Classification and subsequent measurement** (continued)

Non-derivative financial assets: Subsequent measurement and gains and losses - Policy applicable from 1 January 2018

<u>Financial assets at FVTPL</u>
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

<u>Financial assets at amortised cost</u>
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

<u>Debt investments at FVOCI</u>
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

<u>Equity investments at FVOCI</u>
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non-derivative financial assets - Policy applicable before 1 January 2018

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into loans and receivables category.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables and cash and cash equivalents.

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value.

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash received in advance held in a designated rental top up, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

Non-derivative financial liabilities

The Group initially recognises all financial liabilities (including liabilities designated at fair value through profit or loss) on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities under the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and bank borrowings and trade and other payables.

3.4 Hedge Accounting

Derivative financial instruments and hedge accounting – Policy applicable from 1 January 2018
The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Hedging relationships designated under FRS 39 that were still existing as at 31 December 2017 are treated as continuing hedges and hedge documentations were aligned accordingly to the requirements of SFRS(I) 9.

Cash flow hedges
The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised in a cost of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

3 Significant Accounting Policies (continued)

3.4 Hedge Accounting (continued)

Net investment hedges
The Group designates certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

Derivative financial instruments and hedge accounting – Policy applicable before 1 January 2018
The policy applied in the comparative information presented for 2017 is similar to that applied for 2018. However, embedded derivatives are not separated from host contracts that are financial assets in the scope of SFRS(I) 9. Instead, the hybrid financial instrument is assessed as a whole for classification of financial assets under SFRS(I) 9. Furthermore, for all cash flow hedges, including hedges of transactions resulting in the recognition of non-financial items, the amounts accumulated in the cash flow hedge reserve were reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affected profit or loss. Furthermore, for cash flow hedges that were terminated before 2017, forward points were recognised immediately in profit or loss.

3.5 Unitholders' Funds

Unitholders' funds represent the Unitholders' residual interest in the Group's net assets upon termination. Proceeds from issuance of Units are recognised as Units in issue in Unitholders' funds. Incremental costs directly attributable to the issue of Units are recognised as deduction from Unitholders' funds.

3.6 Investment Properties

Investment property is property held either to earn rental income or capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in the statement of profit and loss. Rental income from investment properties is accounted for in a manner described in Note 3.12.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

3.7 Intangible Assets

Intangible assets
Intangible assets, which relate to rental top up payments, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation
Amortisation expense is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The intangible assets in relation to the rental top up payments (Note 8) will be amortised over the relevant top up periods.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.8 Other asset

Other asset is initially recognised at cost and subsequently carried at cost less accumulated impairment losses.

3.9 Impairment

(i) Non-derivative financial assets

Policy applicable from 1 January 2018
The Group recognises loss allowances for expected credit loss (ECLs) on:
- financial assets measured at amortised costs; and
- debt investments measured at FVOCI;

Loss allowances of the Group are measured on either of the following bases:
- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach
The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach
The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs
ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets carried at amortised cost, and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Notes to the Financial Statements

3 Significant Accounting Policies (continued)

3.9 Impairment (continued)

(i) Non-derivative financial assets (continued)

Presentation of allowance for ECLs in the statement of financial position
Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

For debt investments at FVOCI, loss allowances are charged to profit or loss and recognised in OCI.

Write-off
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Policy applicable before 1 January 2018
A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the group, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Objective evidence that financial assets (including equity investments) were impaired included default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer would enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Loans and receivables
The Group considers evidence of impairment for loans and receivables at a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in the statement of profit and loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the statement of profit and loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognised in the statement of profit and loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if and only if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.10 Employee Benefits

Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligations to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in the statement of profit and loss in the periods during which services are rendered by employees.

Short-term employee benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.11 Leases

When entities within the Group are lessees of a finance lease
Leased assets in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, investment properties acquired through finance leases are capitalised at the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Lease payments are apportioned between finance expense and reduction of the lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest over the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

At inception, an arrangement that contains a lease is accounted for based on the terms and conditions even though the arrangement is not in the legal form of a lease.

When entities within the Group are lessors of an operating lease
Assets subject to operating leases are included in investment properties. Payments received under the leases are recognised in the statement of profit and loss on a straight-line basis over the term of the lease.

3.12 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually define terms of payment.

Rental income
Rental income from investment property is recognised in the statement of profit and loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

Power revenue
Power revenue derived from clients is recognised in the statement of profit and loss when there is provision of power to the clients.

Service revenue
Service revenue derived from clients is recognised in the statement of profit and loss as and when the services are rendered.

Rental top up income
Rental top up income provided from the vendors is recognised in the statement of profit and loss as and when there is an economic inflow of benefits.

3.13 Finance Costs

Borrowing costs are recognised in the statement of profit and loss using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

3.14 Finance Income

Interest income is recognised using the effective interest method.

3 Significant Accounting Policies (continued)

3.15 Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in Unitholders' funds.

Current income tax
Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects at the end of the reporting period to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events.

New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Tax transparency
Pursuant to the Tax Transparency Ruling issued by the Inland Revenue Authority of Singapore ("IRAS"), tax transparency treatment has been granted to the Trust in respect of certain taxable income ("Specified Taxable Income"). Subject to meeting the terms and conditions of the tax ruling which includes a distribution of at least 90% of the taxable income of the Trust, the Trust will not be assessed for tax on the portion of its taxable income that is distributed to Unitholders. Any portion of the Trust's taxable income that is not distributed to Unitholders will be taxed at the prevailing corporate tax rate at the Trust's level.

In the event that there are subsequent adjustments to the Specified Taxable Income when the actual taxable income of the Trust is finally agreed with the IRAS, such adjustments are taken up as an adjustment to the amount distributed for the next distribution following the agreement with the IRAS.

Subject to the terms and conditions of the Tax Transparency Ruling, the Trustee will not be taxed on Specified Taxable Income distributed to the Unitholders in the year in which the income was derived. Instead, the Trustee and the Manager will undertake to deduct income tax at the prevailing corporate tax rate on the distributions made to the Unitholders out of such Specified Taxable Income except:

a) where the beneficial owner is a Qualifying Unitholder, the Trustee and the Manager will make the distributions to such Unitholder without deducting any income tax; and

b) where the beneficial owner is Qualifying Foreign Non-Individual Unitholder (as defined below), the Trustee and the Manager will undertake to deduct income tax at a reduced rate of 10% from the distributions made up to 31 March 2020, unless otherwise extended.

A Qualifying Unitholder is a Unitholder who is:

a) an individual;

b) a company incorporated and tax resident in Singapore;

c) a Singapore branch of a company incorporated outside Singapore;

d) a body of persons (excluding company or partnership) incorporated or registered in Singapore, including a charity registered under the Charities Act (Cap. 37) or established by any written law, a town council, a statutory board, a co-operative society registered under the Co-operative Societies Act (Cap. 62) or a trade union registered under the Trade Unions Act (Cap. 333); or

(e) international organisations that are exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and privileges) Act, (Cap. 145).

A Qualifying Foreign Non-Individual Unitholder is a person other than an individual not resident in Singapore for Singapore income tax purposes and:

a) who does not have a permanent establishment in Singapore; or

b) who carries on an operation in Singapore through a permanent establishment in Singapore, where the funds used by that person to acquire the Units are not obtained from that operation in Singapore.

The above tax transparency ruling does not apply to gains from sale of real properties. Such gains, if they are considered as trading gains, are assessable to tax in accordance with Section 10(1)(a) of the Income Tax Act (Cap. 134) and be collected from the Trustee. Where the gains are capital gains, they will not be assessed to tax and the Trustee and Manager may distribute the capital gains to Unitholders without having to deduct tax at source.

Tax exemption
Pursuant to the Foreign-Source Income Tax Exemption Ruling issued by the Ministry of Finance and subject to meeting the terms and conditions of the tax ruling, the Trust and/or its Singapore subsidiaries (i.e. KDCR GVP Pte. Ltd., KDCR Netherlands 1 Pte. Ltd., KDCR Netherlands 2 Pte. Ltd., KDCR Netherlands 3 Pte. Ltd., KDCR Netherlands 4 Pte. Ltd., KDCR UK Pte. Ltd., and KDCR Australia Pte. Ltd. (collectively, the “Singapore Subsidiaries”)) will be exempted from Singapore tax on foreign-sourced dividends and interest income received from overseas entities in Australia, Malaysia, England, The Netherlands, Germany, the British Virgin Islands and the Bailiwick of Guernsey (“Guernsey”).

Any distributions made by the Trust to the Unitholders out of tax-exempt income and income taxed at Trust’s level would be exempted from Singapore income tax in the hands of all Unitholders.

3.16 Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. All operating segments’ operating results are reviewed regularly by the Manager to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the senior management of the Manager include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Trust’s head office), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire and fit-out investment properties.

3.17 Provisions

A provision is recognised if, as a result of a past event, the Group has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost in the statement of profit and loss.

Notes to the Financial Statements

3 Significant Accounting Policies (continued)

3.18 Significant Accounting Estimates and Judgments

The preparation of the financial statements requires the Manager to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures made. The estimates and associated assumptions are based on historical experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates and underlying assumptions are reviewed on an ongoing basis. Financial impact arising from revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is the valuation of investment properties included in Note 4 – Investment Properties and Note 26 – Fair Value of Assets and Liabilities.

3.19 New Standards and Interpretations not Adopted

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2019 and which the Group has not early adopted:

SFRS(I) 16 Leases (effective for annual periods beginning on or after 1 January 2019)

SFRS(I) 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

As at 31 December 2018, the Group does not have any non-cancellable operating lease commitments.

The Group does not expect any significant impact on the financial statements. However, some additional disclosures will be required from next year.

4 Investment Properties

	Group		Trust	
	2018 **$'000**	2017 $'000	**2018** **$'000**	2017 $'000
At 1 January	**1,570,090**	1,225,938	**452,000**	455,000
Acquisitions	**419,774**	327,143	**–**	–
Additions (e)	**10,153**	6,256	**–**	–
Capital expenditure	**23,707**	6,169	**2,448**	4,145
Change in fair value	**32,634**	(8,519)	**1,552**	(7,145)
Translation differences on consolidation	**(27,686)**	13,103	**–**	–
At 31 December	**2,028,672**	1,570,090	**456,000**	452,000

(a) Investment properties are stated at fair value based on valuations performed by independent valuers, Colliers International New Zealand Limited, CIVAS Limited trading as Colliers International, Cushman & Wakefield Debenham Tie Leung Limited, Jones Lang Lasalle Limited, CBRE Ltd & CBRE GmbH, Cushman & Wakefield VHS Pte. Ltd. & IVPS Property Consultant Sdn Bhd. (2017: Savills Valuation And Professional Services (S) Pte. Ltd., Jones Lang Lasalle Limited and Cushman & Wakefield (Valuations) Pty Ltd.). The external independent valuers have the appropriate recognised professional qualifications and recent experience in the locations and categories of properties being valued. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

In determining fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation yield, terminal yield and discount rate. In relying on the valuation reports, the Manager has exercised its judgement and is satisfied that the valuation approaches and estimates are reflective of current market conditions and that the valuation reports are prepared in accordance with recognised appraisal and valuation standards.

The valuers have considered valuation techniques including the discounted cash flow approach and the capitalisation approach in arriving at the open market value as at the reporting date.

The discounted cash flow approach involves estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The discounted cash flow approach requires the valuer to assume a rental growth rate indicative of the market and the selection of a target internal rate of return consistent with current market requirements. The capitalisation approach capitalises in perpetuity an income stream with appropriate adjustments for rental shortfalls and overages and discounts the stream using an appropriate capitalisation rate to arrive at the market value.

(b) In March 2018, Keppel DC REIT announced the completion of the acquisition of a 100% interest in maincubes Data Centre located in Offenbach am Main, Germany. The remaining 90% balance of the purchase consideration was paid, along with the release of the 10% deposit to the vendor as settlement of the purchase consideration. This acquisition has been accounted for as an asset acquisition.

On 12 June 2018, Keppel DC REIT announced the completion of the acquisition of a 99% interest in Keppel DC Singapore 5 Pte. Ltd. ("KDCS5PL") which in turn holds Keppel DC Singapore 5, located at 13 Sunview Way, Singapore 627541. A business transfer agreement with Keppel DCS3 Services Pte. Ltd. (Facility Manager) was entered into to transfer the employees, contracts and assets for the purpose of providing facility management services of KDCS5PL to the Facility Manager. This acquisition has been accounted for as an asset acquisition.

(c) In 2017, Keppel DC REIT announced the completion of the acquisition of a 90% interest in KDCS3PL, which in turn holds KDC SGP 3, located at 27 Tampines Street 92, Singapore 528878. This acquisition has been accounted for as an asset acquisition.

In September 2017, Keppel DC REIT announced the completion of the acquisition of 100.0% interest in KDCR I2L, which in turn holds KDC DUB 2 located at Unit B10, Ballycoolin Business and Technology Park, Blanchardstown, Dublin 15, Ireland and on completion date, through KDCR I2L, acquired the 999-year leasehold interest of the property from Ficepot Limited. This acquisition has been accounted for as an asset acquisition.

(d) The Group entered into leases in iseek DC and KDC DUB 1 as lessees under finance lease arrangements. The total carrying values of the investment properties were $144.9 million (2017: $145.1 million) for iseek DC and KDC DUB 1. Under these arrangements, the Group leased for 30 years to 2040 with a seven year renewal option and 40 years to 2041 for iseek DC and KDC DUB 1 respectively.

(e) The additions include transaction-related costs and any costs other than capital expenditures capitalised as part of the investment properties.

5 Investment in Subsidiaries

	Trust	
	2018 $'000	2017 $'000
Investment in subsidiaries, at cost		
At 1 January	**772,192**	515,724
Incorporation/acquisition of subsidiaries [(c)]	**305,450**	256,468
Capital injection	**127,421**	–
At 31 December	**1,205,063**	772,192

Details of the subsidiaries are as follows:

Name of entities	Principal activities	Place of incorporation/ business	Effective equity held by the Trust	
			2018 %	2017 %
Subsidiaries held by the Trust				
KDCR 1 Limited [(b)]	Investment holding	Guernsey	100	100
KDCR 2 Limited [(b)]	Investment holding	Guernsey	100	100
Boxtel Investment Limited [(b)]	Investment holding	British Virgin Islands	100	100
KDCR GVP Pte. Ltd.	Other holding companies	Singapore	100	100
Basis Bay Capital Management Sdn. Bhd. [(a)]	Investment in real estate properties	Malaysia	99	99
KDCR Netherlands 1 Pte. Ltd.	Other holding companies	Singapore	100	100
KDCR Netherlands 2 Pte. Ltd.	Provision of financial and asset management services	Singapore	100	100
KDCR Netherlands 3 Pte. Ltd.	Other holding companies	Singapore	100	100
KDCR Netherlands 4 Pte. Ltd.	Investment holding	Singapore	100	100
KDCR Ireland Pte. Ltd.	Other holding companies	Singapore	100	100
KDCR Ireland 2 Pte. Ltd.	Other holding companies	Singapore	100	100
Keppel DC REIT Fin. Company Pte. Ltd.	Commercial and Industrial Real Estate Management	Singapore	100	100
Keppel DC REIT MTN Pte. Ltd.	Commercial and Industrial Real Estate Management	Singapore	100	100
KDCR Australia Pte. Ltd.	Investment holding	Singapore	100	100
KDCR Australia Trust [(b)]	Investment holding	Australia	100	100
KDCR UK Pte. Ltd.	Investment holding	Singapore	100	100

Name of entities	Principal activities	Place of incorporation/ business	Effective equity held by the Trust 2018 %	2017 %
Keppel DC Singapore 3 LLP	Letting of self-owned or leased real estate property	Singapore	90	90
Keppel DC Singapore 5 LLP [c]	Letting of self-owned or leased real estate property	Singapore	99	-
Subsidiaries held through KDCR 1 Limited				
KDCR Australia Trust No.1 [b]	Investment in real estate properties	Australia	100	100
KDCR Australia 1 Pty Limited [b]	Trustee	Australia	100	100
Subsidiary held through KDCR Australia Trust No.1				
Iseek Facilities Pty Ltd [b]	Data centre services	Australia	100	100
Subsidiaries held through KDCR 2 Limited				
KDCR Australia Trust No.2 [b]	Investment in real estate properties	Australia	100	100
KDCR Australia 2 Pty Limited [b]	Trustee	Australia	100	100
Subsidiary held through KDCR Australia Trust				
KDCR Australia Sub-Trust 1 [b]	Investment in real estate properties	Australia	100	100
Subsidiary held through KDCR GVP Pte. Ltd.				
Greenwich View Place Limited [b]	Investment in real estate properties	Guernsey	100	100
Subsidiary held through KDCR Netherlands 1 Pte. Ltd.				
KDCR Netherlands B.V. [b]	Investment holding	The Netherlands	100	100
Subsidiary held through KDCR Netherlands B.V.				
KDCR Almere B.V. [b]	Investment in real estate properties	The Netherlands	100	100
Subsidiary held through KDCR Ireland Pte. Ltd.				
KDCR (Ireland) Limited [a]	Investment in real estate properties and provision of data services and colocation services	Republic of Ireland	100	100

5 Investment in Subsidiaries (Continued)

Name of entities	Principal activities	Place of incorporation/ business	Effective equity held by the Trust 2018 %	Effective equity held by the Trust 2017 %
Subsidiary held through KDCR Netherlands 3 Pte. Ltd.				
KDCR Netherlands 3 B.V. (b)	Investment in real estate properties	The Netherlands	100	100
Subsidiaries held through KDCR Ireland 2 Pte. Ltd.				
KDCR Ireland Fin. Company Limited (a)	Provision of financial and treasury services	Republic of Ireland	100	100
KDCR Ireland Holdings Limited (a)	Investment holding	Republic of Ireland	100	100
Subsidiary held through KDCR Ireland Holdings Limited				
KDCR (Ireland) 2 Limited (a)	Investment in real estate properties	Republic of Ireland	100	100
Subsidiary held through KDCR UK Pte. Ltd.				
KDCR Cardiff Limited (b)	Investment in real estate properties	Guernsey	100	100
Subsidiary held through KDCR Netherlands 4 Pte. Ltd.				
KDCR Netherlands 4 B.V. (b)	Investment holding	The Netherlands	100	100
Subsidiary held through KDCR Netherlands 4 B.V.				
MarLux S.à.r.l (b)	Investment holding	Luxemburg	100	100
Subsidiary held through MarLux S.à.r.l				
BI71 SRL (b)	Investment in real estate properties	Italy	100	100

(a) PwC LLP, Singapore is the auditor of the Singapore-incorporated subsidiaries, the Australia-constituted trusts and significant foreign-incorporated subsidiaries except for KDCR (Ireland) Limited, KDCR (Ireland) 2 Limited and Basis Bay Capital Management Sdn Bhd , which are audited by PricewaterhouseCoopers Ireland, Ireland and PricewaterhouseCoopers PLT, Malaysia respectively (FY2017: Grant Thornton, Ireland, Deloitte & Touche, Ireland and McDonald Carter, Malaysia).

In accordance to Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit and Risk Committee and the Board of Directors of the Manager confirmed that they are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Trust.

(b) Not required to be audited by law in the country of incorporation.

Incorporation/acquisition of subsidiaries:

(c) In June 2018, Keppel DC REIT announced the completion of the acquisition of a 99% interest in Keppel DC Singapore 5 Pte. Ltd. (KDCS5PL, formerly known as Kingsland Data Centre Pte. Ltd.) which in turns holds KDC SGP 5, located at 13 Sunview way, Singapore 627541. A business transfer agreement with Keppel DCS3 Services Pte. Ltd. (Facility Manager) was entered into to transfer the employees, contracts and assets for the purpose of providing facility management services of KDCS5PL to the Facilities Manager. This acquisition has been accounted for as an asset acquisition.

On 18 January 2019, KDCS5PL was converted to Keppel DC Singapore 5 LLP (KDCS5LLP) a limited liability partnership pursuant to section 21 of the Limited Liability Partnership Act (Chapter 163A of Singapore) to regulate the relationship between them inter se as partners of KDCS5LLP.

6 Loans to Subsidiaries

	Trust		
	31 December		1 January
	2018 $'000	2017 $'000	2017 $'000
Loans to subsidiaries	**91,668**	92,842	94,763
Quasi-equity loans to subsidiaries	**131,670**	121,489	65,473
	223,338	214,331	160,236

Loans to subsidiaries are unsecured, interest-bearing and not expected to be repaid within the next 12 months. The interest rates range from 7.10% to 8.00% (2017: 7.10% to 8.00%) per annum.

Quasi-equity loans to subsidiaries are non-trade in nature. These loans are unsecured, interest free and settlement is neither planned nor likely to occur in the foreseeable future.

7 Deposit

In March 2018, the Group paid a deposit of EUR 0.5 million (approximately $0.8 million) to the vendor for the acquisition of the remaining 999-year leasehold land interest in KDC DUB1.

8 Intangible Assets

	Group		Trust	
	2018 $'000	2017 $'000	**2018 $'000**	2017 $'000
At 1 January	**3,110**	3,999	**2,000**	3,999
Additions (net)	**7,681**	1,593	**8,000**	-
Amortisation	**(6,791)**	(2,482)	**(6,000)**	(1,999)
At 31 December	**4,000**	3,110	**4,000**	2,000

The intangible assets relate to a rental top up provided by the vendors of KDC SGP 5 (2017: Milan DC and KDC DUB 2). The remaining rental support is available for the next 6 months (2017: 1 year).

Notes to the Financial Statements

9 Derivative Financial Instruments

	Maturity	Contract/ Notional amount $'000	Assets $'000	Liabilities $'000
Group				
2018				
Current				
Forward exchange contracts	2019	45,025	1,952	–
Interest rate swaps	2019	130,000	154	–
			2,106	–
Non-current				
Forward exchange contracts	2020	43,896	1,703	–
Interest rate swaps	2021 - 2023	451,784	1,535	(4,459)
			3,238	(4,459)
2017				
Current				
Forward exchange contracts	2018	28,892	631	(311)
Interest rate swaps	2018	154,609	–	(1,085)
			631	(1,396)
Non-current				
Forward exchange contracts	2019	31,546	116	(337)
Interest rate swaps	2019-2023	468,623	1,524	(1,015)
			1,640	(1,352)

	Maturity	Contract/ Notional amount $'000	Assets $'000	Liabilities $'000
Trust				
2018				
Current				
Forward exchange contracts	2019	45,025	1,952	–
			1,952	–
Non-current				
Forward exchange contracts	2020	43,896	1,703	–
Interest rate swaps	2021 - 2022	30,633	341	(341)
			2,044	(341)
2017				
Current				
Forward exchange contracts	2018	28,892	631	(311)
Interest rate swaps	2018	21,346	131	(131)
			762	(442)
Non-current				
Forward exchange contracts	2019	31,546	116	(337)
Interest rate swaps	2019-2022	31,370	179	(179)
			295	(516)

Interest rate swaps are used to hedge interest rate risk arising from the underlying floating interest rates of respective bank borrowings (Note 15). Under these interest rate swaps, the Group receives the following floating interest equal to S$ swap offer rate ("SGD SOR"); A$ bank bill swap bid rate ("AUD BBSW"), Euro interbank offer rate ("EUR EURIBOR") and £ London interbank offer rate ("GBP LIBOR") at specific contracted intervals and pays fixed rates of interest ranging from 1.01% to 3.33% (2017: 1.32% to 3.59%) per annum.

The Group designates these forward currency contracts and interest rate swaps as cash flow hedges. A net unrealised fair value gain of $1,170,000 (2017: fair value loss of $1,136,000) and fair value gain of $3,556,000 (2017: fair value loss of $1,536,000) were included in hedging reserve in respect of these contracts for the Group and the Trust respectively during the financial year.

Hedging instruments used in Group's hedging strategy in 2018

		Carrying Amount		Changes in fair value used for calculating hedge ineffectiveness			
	Contractual notional amount $'000	Assets/ (Liabilities) $'000	Category	Hedging instrument $'000	Hedged Item $'000	Weighted average hedged rate	Maturity date
Group							
Cash flow hedge							
Foreign exchange risk							
- Forward contracts to hedge highly probable transactions	88,921	3,655	Derivative financial instruments	3,556	(3,556)	AUD 1 : $1.01 EUR 1 : S1.64 GBP 1 : $1.81	2019 - 2020
Interest rate risk							
- Interest rate swap to hedge floating rate borrowings	581,784	(2,770)	Derivative financial instruments	(2,386)	2,386	1.90%	2019 – 2023
Net investment hedge							
Foreign exchange risk							
- Borrowings to hedge net investments in foreign operations	-	447,756	Borrowings	17,636	(17,636)	AUD 1 : $1.01 EUR 1 : S1.61 GBP 1 : $1.82	2021 - 2023
Trust							
Cash flow hedge							
Foreign exchange risk							
- Forward contracts to hedge highly probable transactions	88,921	3,655	Derivative financial instruments	3,556	(3,556)	AUD 1 : $1.01 EUR 1 : S1.64 GBP 1 : $1.81	2019 - 2020
Interest rate risk							
- Interest rate swap to hedge floating rate borrowings	30,633	-	Derivative financial instruments	-	-	1.90%	2019 - 2023

Notes to the Financial Statements

10 Deferred Taxation

Deferred tax assets and liabilities are attributable to the following:

	Assets 2018 $'000	Liabilities 2018 $'000	Assets 2017 $'000	Liabilities 2017 $'000
Group				
Investment properties	–	(21,160)	–	(20,890)
Tax losses carried forward	8,545	–	4,349	–
	8,545	(21,160)	4,349	(20,890)
Offset	(8,545)	8,545	(4,349)	4,349
Deferred tax liabilities	–	(12,615)	–	(16,541)

Movement in temporary differences during the year:

	At 1 January $'000	Recognised in profit or loss $'000	Exchange difference $'000	At 31 December $'000
Group				
2018				
Investment properties	(20,890)	(723)	453	(21,160)
Tax losses carried forward	4,349	4,491	(295)	8,545
Net deferred tax liabilities	(16,541)	3,768	158	(12,615)

The deferred tax liabilities disclosed above includes the deferred tax liability of $6.1 million acquired from the acquisition of interest in KDCS3 LLP in 2017.

	At 1 January $'000	Recognised in profit or loss $'000	Exchange difference $'000	Acquistion $'000	At 31 December $'000
Group					
2017					
Investment properties	(14,628)	330	(540)	(6,052)	(20,890)
Tax losses carried forward	6,968	(2,810)	191	–	4,349
Net deferred tax liabilities	(7,660)	(2,480)	(349)	(6,052)	(16,541)

Net deferred tax assets and liabilities are determined by offsetting deferred tax assets against deferred tax liabilities of the same entities. Deferred tax assets are recognised for unutilised tax benefits carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable.

As at 31 December 2018 and 31 December 2017, the Group does not have unrecognised deductible temporary differences in respect of tax losses which can be carried forward and used to offset against future taxable income.

11 Trade and Other Receivables

	Group			Trust		
	31 December		1 January	31 December		1 January
	2018 $'000	2017 $'000	2017 $'000	**2018 $'000**	2017 $'000	2017 $'000
Trade receivables	**29,258**	17,990	5,779	**7,331**	5,089	87
Accrued income	**11,384**	6,529	5,564	**2,289**	3,819	5,195
Other receivables	**14,273**	6,590	2,039	**1,889**	2,053	1,441
Amount due from subsidiaries	**–**	–	-	**17,306**	6,697	8,213
Loans and receivables	**54,915**	31,109	13,382	**28,815**	17,658	14,936
Prepayments	**1,183**	313	1,512	**8**	17	29
Deferred lease receivables	**29,625**	24,733	23,797	**3,237**	2,821	2,137
	85,723	56,155	38,691	**32,060**	20,496	17,102

Trade receivables are receivable within 3 months.

Accrued income relates to lease income which has been recognised but not yet billed to the clients.

Amount due from subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

Deferred lease receivables relate to lease income which has been recognised but not yet received from the clients.

12 Other asset

Other asset for the Group relates to the economic benefits to be derived from an overseas asset acquired in 2017.

13 Cash and Cash Equivalents

	Group			Trust		
	31 December		1 January	31 December		1 January
	2018 $'000	2017 $'000	2017 $'000	**2018 $'000**	2017 $'000	2017 $'000
Bank balances	**108,338**	83,972	252,517	**48,377**	30,624	228,301
Short-term deposits	**20,077**	34,210	45,441	**19,375**	34,210	45,441
Cash and cash equivalents in the Statements of Financial Position	**128,415**	118,182	297,958	**67,752**	64,834	273,742
Less: Rental top up received in advance held in a designated account	**–**	(2,084)	(3,999)	**–**	–	–
Cash and cash equivalents in the Consolidated Statement of Cash Flows	**128,415**	116,098	293,959	**67,752**	64,834	273,742

The cash and cash equivalents disclosed above include the cash acquired from the acquisition of interests in KDCS5 LLP ($14.8 million) (2017: interests in KDCS3 LLP ($23.4 million) and KDCR I2L ($5.0 million)).

Notes to the Financial Statements

14 Loans from a Subsidiary

Trust

The loans from a subsidiary are unsecured, interest-bearing, and have loan maturities of one to four years (2017: two to five years) with interest ranging from 0.40% to 3.59% (2017: 0.48% to 3.59%) per annum.

Terms and debt repayment schedule

Terms and conditions of loans from a subsidiary are as follows:

	Interest rate% per annum	Year of maturity	2018 Face value $'000	2018 Carrying amount $'000	2017 Face value $'000	2017 Carrying amount $'000
Trust						
Non-current liabilities						
Loans from a subsidiary	0.40 - 3.59 (2017: 0.48 - 3.59)	2020 - 2023 (2017: 2019 – 2023)	**543,952**	**543,952**	546,481	546,481
Current liabilities						
Loans from a subsidiary	2018: 2.48 (2017: Nil)	2018: 2019 (2017: Nil)	**130,000**	**130,000**	–	–

15 Loans and Borrowings

	Group 31 December 2018 $'000	Group 31 December 2017 $'000	Group 1 January 2017 $'000
Non-current liabilities			
Bank borrowings	**543,952**	546,481	436,198
Capitalised transaction costs of debt financing	**(771)**	(927)	(1,030)
	543,181	545,554	435,168
Finance lease liabilities	**29,903**	30,109	28,866
	573,084	575,663	464,034
Current liabilities			
Bank borrowings	**130,000**	–	3,123
Finance lease liabilities	**3,563**	3,660	3,532
	133,563	3,660	6,655
Total loans and borrowings	**706,647**	579,323	470,689

Borrowings for the Group denominated in currencies other than the Group's presentation currency amounted to $544.0 million (2017: $416.5 million). These balances are denominated in Australian Dollar ("AUD"), Euro ("EUR") and British Pound ("GBP"). The loans and borrowings are carried at amortised cost.

Finance lease liabilities

At the reporting date, the Group has obligations under finance leases that are payable as follows

Group	Future minimum lease payments $'000	Financing costs $'000	Present value of minimum lease payments $'000
2018			
Within one year	**3,942**	**379**	**3,563**
Between one and five years	**17,089**	**5,814**	**11,275**
More than five years	**103,617**	**84,989**	**18,628**
	124,648	**91,182**	**33,466**
2017			
Within one year	4,002	342	3,660
Between one and five years	16,913	5,769	11,144
More than five years	111,034	92,069	18,965
	131,949	98,180	33,769

Terms and conditions of outstanding financial liabilities are as follows:

			31 December			
			2018		2017	
	Interest rate% per annum	Year of maturity	Face value $'000	Carrying amount $'000	Face value $'000	Carrying amount $'000
Group						
Bank borrowings	0.40 – 3.59 (2017: 0.48 - 3.59)	2019-2023 (2017: 2019 – 2023)	**673,952**	**673,952**	546,481	546,481
Finance lease liabilities	13.00 – 15.09 (2017: 13.00 - 15.09)	2040 - 2041 (2017: 2040 – 2041)	**124,648**	**33,466**	131,949	33,769
			798,600	**707,418**	678,430	580,250

As at 31 December 2018 and 31 December 2017, the Trust does not have any external loans, borrowings and finance lease liabilities.

16 Trade and Other Payables

	Group			Trust		
	31 December		1 January	31 December		1 January
	2018 $'000	2017 $'000	2017 $'000	**2018 $'000**	2017 $'000	2017 $'000
Trade payables	**4,052**	3,138	1,557	**2,130**	791	768
Amount due to subsidiaries	**–**	–	–	**8,653**	5,717	1,779
Interest payables	**947**	516	359	**–**	–	–
Other payables and accruals	**37,482**	34,182	18,890	**18,786**	12,868	11,404
	42,481	37,836	20,806	**29,569**	19,376	13,951

Amount due to subsidiaries are non-trade, unsecured, interest-free and repayable on demand.

As at 31 December 2018 and 31 December 2017, other payables and accruals mainly relate to unearned revenue, accruals for management fees, amount payable to external parties, audit fees, valuation fees and other expenses.

Trade and other payables are carried at amortised cost.

17 Provision for Taxation

Movement in current tax liabilities:-

	Group		Trust	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Beginning of financial year	**10,332**	7,184	**906**	330
Currency translation differences	**(465)**	(339)	**–**	–
Acquisition of subsidiary	**–**	3,395	**–**	–
Income tax paid	**(1,699)**	(4,745)	**(646)**	(312)
Tax expense	**8,780**	4,837	**2,521**	888
	16,948	10,332	**2,781**	906

Included in provision for tax comprise withholding tax payable of $10,654,000 (2017: $8,121,000), relating to overseas subsidiaries.

18 Unitholders' Funds

(a) Foreign currency translation reserve

The foreign currency translation reserve attributable to Unitholders comprises:

- foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Group; and

- foreign exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

	Group	
	2018 $'000	2017 $'000
At 1 January	**22,145**	(71,494)
Reclassification of foreign currency translation reserves to revenue reserves	**–**	71,494
Net currency translation differences of financial statements of foreign subsidiaries	**(23,434)**	22,180
Less: Non-controlling interest	**69**	(35)
Net currency translation difference on borrowings designated as net investment hedge of foreign operations	**17,636**	–
At 31 December	**16,416**	22,145

(b) Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss.

	2018			2017
	Interest rate risk $'000	Foreign exchange risk $'000	Total $'000	Total $'000
Group				
At 1 January	**(384)**	**99**	**(285)**	851
Fair value (losses)/gains	**(2,386)**	**3,556**	**1,170**	(1,136)
At 31 December	**(2,770)**	**3,655**	**885**	(285)

	2018			2017
	Interest rate risk $'000	Foreign exchange risk $'000	Total $'000	Total $'000
Trust				
At 1 January	**–**	**99**	**99**	1,635
Fair value gains/(losses)	**–**	**3,556**	**3,556**	(1,536)
At 31 December	**–**	**3,655**	**3,655**	99

(c) Revenue reserve

	2018 $'000	2017 $'000
Group		
At 1 January	**85,434**	161,417
Profit after tax	**141,881**	65,225
Reclassification of foreign currency translation reserves to revenue reserve	**-**	(71,494)
Distributions paid	**(82,051)**	(69,714)
At 31 December	**145,264**	85,434

	2018 $'000	2017 $'000
Trust		
At 1 January	**(23,336)**	(10,554)
Profit after tax	**105,797**	56,932
Distributions paid	**(82,051)**	(69,714)
At 31 December	**410**	(23,336)

(d) Other reserves

Other reserves comprise an excess amounting to $95,751,000 of the consideration paid by Trust over the nominal value of the Unitholders' funds for the redemption of the existing units from unitholders on the listing date.

Capital management
The Manager reviews the Group's debt and capital management cum financial policy regularly so as to optimise the Group's funding structure. The Group's exposures to various risk elements are also monitored closely through clearly established management policies and procedures.

The Manager seeks to maintain an optimal combination of debt and equity in order to balance the cost of capital and the returns to Unitholders. The Manager also monitors the externally imposed capital requirements closely and ensures the capital structure adopted complies with the requirements.

Under the Property Funds Appendix of the CIS Code, the aggregate leverage should not exceed 45.0% of the Group's deposited properties. The Group has complied with this requirement and all externally imposed capital requirements for the financial years ended 31 December 2018 and 31 December 2017.

The Manager also monitors the Group's capital using a net debt to total funding ratio, which is defined as the (1) net borrowings divided by (2) total Unitholders' funds and liabilities:

	Group	
	2018 $'000	2017 $'000
Gross bank borrowings (Note 15)	**673,952**	546,481
Less: cash and cash equivalents (Note 13)	**(128,415)**	(118,182)
(1) Net borrowings	**545,537**	428,299
(2) Total Unitholders' funds and liabilities	**2,227,989**	1,736,496
Net debt to total funding ratio at end of the year	**0.24**	0.25

There were no significant changes in the Manager's approach to capital management for the Group during the year.

19 Units in Issue

	Group and Trust			
	2018		2017	
	No. of Units	**$'000**	No. of Units	$'000
Units in issue:				
At 1 January	**1,127,171,336**	**1,078,173**	1,125,209,991	1,078,502
Issue of Units:				
Management fees [(a)]	**407,114**	**561**	285,298	351
Acquisition fees	**–**	**–**	1,676,047	2,025
Issuance of Units[(b)]	**224,000,000**	**303,072**	–	–
Issue expenses (net) [(c)]	**–**	**(3,781)**	–	–
Capital distribution	**–**	**–**	–	(2,705)
At 31 December	**1,351,578,450**	**1,378,025**	1,127,171,336	1,078,173

(a) In 2018, the Trust issued 407,114 new Units (2017: 285,298) to the Manager as payment of 100% of the base fees and performance fees in respect of IC2 DC and 50% of the base fees and performance fees in respect of 99% interest in KDC SGP 5 for the period from 1 October 2017 to 30 September 2018 (2017: 1 October 2016 to 30 September 2017).

(b) On 8 May 2018, pursuant to the private placement, the Trust issued 224,000,000 new Units at an issue price of $1.353. The new Units were listed on 16 May 2018.

(c) During the year, approximately $0.4 million (2017: nil) of transactions costs relating to the preferential offering have been adjusted from Unitholders' funds and reallocated to other use.

(d) Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed which includes the rights to:

- receive income and other distributions attributable to the Units;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any assets (or part thereof) or of any estate or interest in any asset (or part thereof) of the Trust; and
- have the right to receive notice of, attend and one vote per Unit at any meeting of the Unitholders.

The holders of Units are entitled to receive all distributions declared and paid by the Trust. Upon winding up, the holders of Units are entitled to a return of capital based on the net asset value per Unit of the Trust.

The restrictions on Unitholders include the following:

- A Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- A Unitholder has no right to request the Manager to redeem his Units while the Units are listed on SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any Units in the Trust. The provisions of the Trust Deed provide that no Unitholders will be personally liable for indemnifying the Trustee or any creditor of the Trustee in the event that the liabilities of the Trust exceed its assets.

20 Gross Revenue

	Group 2018 $'000	Group 2017 $'000
Rental income	**167,158**	134,630
Power related revenue	**433**	339
Other revenue	**7,944**	4,081
	175,535	139,050

Power related revenue refers to the recovery of power costs from clients. Other revenue mainly refers to rental top up income of $6.8 million (2017: $3.2 million) provided by the vendors of assets acquired and non-recurring service fee charged to clients as stipulated in the lease agreements.

Contingent rent recognised as rental income amounted to $65.3 million (2017: $54.1 million).

Disaggregation of revenue from contracts with customers

The Group derives power-related revenue and service fee from certain clients and rental top up income provided by vendors at a point in time for certain colocation data centres.

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions. Revenue is attributed to countries by location of customers.

At a point in time	Group 2018 $'000	Group 2017 $'000
2018		
Power revenue		
- Australia	**721**	585
- Other countries	**(288)**	(246)
	433	339
Rental top up income		
- Singapore	**4,000**	702
- Italy	**2,000**	2,000
- Other countries	**792**	482
	6,792	3,184

21 Finance Costs

	Group 2018 $'000	Group 2017 $'000
Interest expense for bank borrowings	**11,775**	9,589
Amortisation of:		
- finance lease charges	**4,575**	4,464
- capitalised transaction costs of debt financing	**313**	618
	16,663	14,671

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22 Tax Expenses

	Group	
	2018 $'000	2017 $'000
Current tax expense	**8,780**	4,837
Deferred tax – origination and reversal of temporary differences	**(3,768)**	2,480
	5,012	7,317
Reconciliation of effective tax rate		
Profit before tax	**151,021**	77,591
Tax calculated using Singapore tax rate of 17% (2017: 17%)	**25,674**	13,190
Effects of tax rates in foreign jurisdictions	**1,680**	(1,035)
Income not subject to tax	**(20,291)**	(6,734)
Non-deductible expenses	**7,173**	10,846
Utilisation of previously unrecognised tax benefits	**(2,885)**	(795)
Effect of unrecognised temporary differences	**3,505**	849
Tax transparency	**(9,844)**	(9,004)
	5,012	7,317

The Trust has been awarded the Enhanced-Tier Fund Tax incentive Scheme under Section 13X of the Income Tax Act (SITA) with effect 13 April 2011 pursuant to the letter of award issued by the Monetary Authority of Singapore (MAS) dated 3 May 2011. The tax exemption will be for the life of the Trust, provided that all the conditions and terms as set out in the MAS Circulars – FDD Circular 03/2009 and FDD Circular 05/2010 and the relevant income tax legislations are met.

Under the terms of the tax incentives granted, qualifying income derived from approved investment is exempted from income tax in the Republic of Singapore.

Included in tax expenses comprise withholding tax expense of $2,902,000 (2017: $2,698,000) relating to overseas subsidiaries.

23 Non-Controlling Interests

As at 31 December 2018, non-controlling interest in relation to Keppel DC Singapore 3 LLP is significant to the Group. Set out below are the summarised financial information for Keppel DC Singapore 3 LLP. These are presented before inter-company eliminations.

Summarised balance sheet	**2018 $'000**	2017 $'000
Current		
Assets	**27,070**	30,073
Liabilities	**(2,411)**	(8,285)
Total current net assets	**24,659**	21,788
Non-current		
Assets	**257,000**	248,300
Liabilities	**(6,052)**	(6,052)
Total non-current net assets	**250,948**	242,248
Net assets	**275,607**	264,036
Summarised income statement		
Revenue	**30,765**	29,403
Profit before tax	**38,030**	50,156
Income tax	**–**	(66)
Profit after tax	**38,030**	50,090
Other comprehensive income	**–**	–
Total comprehensive income	**38,030**	50,090
Total comprehensive income allocated to non-controlling interest	**3,803**	5,009
Dividends paid to non-controlling interest	**(2,646)**	(1,821)
Summarised cash flows		
Cash flows from operating activities		
Cash generated from operations	**16,524**	35,282
Income tax paid	**–**	(3,072)
Net cash generated from operating activities	**16,524**	32,210
Net cash generated from/(used in) investing activities	**331**	(2,954)
Net cash used in financing activities	**(26,459)**	(18,207)
Net (decrease)/increase in cash and cash equivalents	**(9,604)**	11,049
Cash and cash equivalent at the beginning of financial year	**23,366**	12,317
Cash and cash equivalent at the end of financial year	**13,762**	23,366

24 Earnings per Unit and Distribution per Unit

(a) Basic and diluted earnings per Unit

The calculation of basic and diluted earnings per Unit is based on the profit or loss for the year and weighted average number of Units during the year:

	Group	
	2018 $'000	2017 $'000
Profit attributable to Unitholders	**141,881**	65,225
Profit attributable to Unitholders (excluding net change in fair value of investment properties and their related deferred tax impact)	**108,606**	75,510

	Number of Units	
	2018 $'000	2017 $'000
Weighted average number of Units:		
- outstanding during the year	**1,129,884**	913,537
- effects of Units issued	**149,084**	216,347
Weighted average number of Units during the year	**1,278,968**	1,129,884

	Group	
	2018	2017
Basic and diluted earnings per Unit (cents)	**11.09**	5.77
Basic and diluted earnings per Unit (cents) (excluding net change in fair value of investment properties and their related deferred tax impact)	**8.49**	6.68

(b) Distribution per Unit

The calculation of distribution per Unit for the financial year is based on:

	Group	
	2018 $'000	2017 $'000
Total amount available for distribution for the year	**96,096**	82,320
Distribution per Unit (cents)	**7.32**	7.12

The amount available for distribution for the financial year included capital expenditure reserves set aside for KDC SGP 3 and KDC SGP 5 of $2.3 million and $1.0 million respectively (2017: 2.1 million).

25 Financial Risk Management

Overview

The Manager has a system of controls for the Group in place to determine an acceptable balance between the cost of risks occurring and the cost of managing risks. The Manager continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty fails to meet its contractual obligations.

Prior to signing any major contracts, credit assessments on prospective clients are carried out. This is usually done by way of evaluating information from corporate searches. The Group's client trade sector mix in its property portfolio is actively managed to avoid excessive exposure to any one potentially volatile trade sector.

Cash and cash equivalents are placed and derivative financial instruments are entered into with banks and financial institution counterparties which are of good credit ratings. The Manager assesses all counterparties for credit risk for the Group before contracting with them.

At the reporting date, the carrying amount of each class of financial assets recognised in the statement of financial position represents the Group's maximum credit exposure.

Trade and other receivables that are neither past due nor impaired are substantially with companies with good collection track record with the Group.

There were no significant trade and other receivables that are past due but not impaired.

Credit risk concentration profile

At the reporting date, approximately 27.0% (2017: 20.4%) and 38.1% (2017: 48.6%) of trade and other receivables of the Group and the Trust were due from a related corporation. Concentration of credit risk relating to trade receivables is limited due to Group's varied clients. The underlying clients are engaged in diversified businesses and the credit quality of its underlying trade and other receivables that were not past due or impaired at reporting date is assessed to be of acceptable risks. The Group's most significant client accounts for 23.2% (2017: 18.7%) of the trade receivables carrying amount as at the reporting date. The Trust's client trade receivables pertains to a related corporation.

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group may consider a financial asset as in default if the counterparty fails to make contractual payments within 90 days when they fall due, and writes off the financial asset when a debtor fails to make contractual payments on a case by case basis. Where receivables are written off, the company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Bank balances and short term deposits, forward foreign exchange contracts and interest rate swaps are mainly transacted with banks of high credit ratings assigned by international credit-rating agencies.

Previous accounting policy for impairment of trade receivables

In 2017, the impairment of financial assets was assessed based on the incurred loss impairment model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively, to determine whether there was objective evidence that an impairment had been incurred but not yet identified.

The Group considered that there was evidence if any of the following indicators were present:

- Significant financial difficulties of the debtor;
- Probability that the debtor will enter bankruptcy or financial reorganisation; and
- Default or delinquency in payments (more than 90 days overdue).

Financial assets that are neither past due nor impaired

Financial assets that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially customers with a good collection track records with the Company.

There are no credit loss allowance for other financial asset at amortised cost as at 31 December 2017.

25 Financial Risk Management (continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Manager manages the liquidity structure of the Group's assets, liabilities and commitments so that cash flows are appropriately balanced and all funding obligations are met when due.

The Manager monitors and maintains a level of cash and cash equivalents of the Group deems adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Steps will be taken to plan early for funding and expense requirements so as to manage the cash position at any point in time.

The following are the contractual undiscounted cash flows of financial liabilities, including estimated finance costs and excluding the impact of netting agreements:

	Contractual cash flows (including finance costs)			
	Total $'000	Within 1 year $'000	Within 1 to 5 years $'000	More than 5 years $'000
Group				
2018				
Non-derivative financial liabilities				
Bank borrowings	(705,367)	(140,381)	(564,986)	–
Finance lease liabilities	(124,648)	(3,942)	(17,089)	(103,617)
Trade and other payables	(42,481)	(42,481)	–	–
	(872,496)	(186,804)	(582,075)	(103,617)
Derivative financial instruments				
Forward foreign exchange contracts				
- Outflow	(84,997)	(43,039)	(41,958)	–
- Inflow	88,921	45,025	43,896	–
Interest rate swaps	(3,146)	(1,251)	(1,895)	–
	778	735	43	–
2017				
Non-derivative financial liabilities				
Bank borrowings	(585,814)	(8,640)	(502,860)	(74,314)
Finance lease liabilities	(131,949)	(4,002)	(16,913)	(111,034)
Trade and other payables	(37,836)	(37,836)	–	–
	(755,599)	(50,478)	(519,773)	(185,348)
Derivative financial instruments				
Forward foreign exchange contracts				
- Outflow	(60,221)	(28,544)	(31,677)	–
- Inflow	60,438	28,892	31,546	–
Interest rate swaps	(1,272)	(2,087)	815	–
	(1,055)	(1,739)	684	–

	Contractual cash flows (including finance costs)			
	Total $'000	Within 1 year $'000	Within 1 to 5 years $'000	More than 5 years $'000
Trust				
2018				
Non-derivative financial liabilities				
Loans from a subsidiary	**(708,513)**	**(141,632)**	**(566,881)**	**–**
Trade and other payables	**(29,569)**	**(29,569)**	**–**	**–**
	(738,082)	**(171,201)**	**(566,881)**	**–**
Derivative financial instruments				
Forward foreign exchange contracts				
- Outflow	**(84,997)**	**(43,039)**	**(41,958)**	**–**
- Inflow	**88,921**	**45,025**	**43,896**	**–**
	3,924	**1,986**	**1,938**	**–**
2017				
Non-derivative financial liabilities				
Loans from a subsidiary	(587,086)	(10,727)	(502,045)	(74,314)
Trade and other payables	(19,376)	(19,376)	–	–
	(606,462)	(30,103)	(502,045)	(74,314)
Derivative financial instruments				
Forward foreign exchange contracts				
- Outflow	(60,221)	(28,544)	(31,677)	–
- Inflow	60,438	28,892	31,546	–
	217	348	(131)	–

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Group's profit or loss. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Group's exposure to market risk for changes in interest rate environment relates mainly to its credit facilities.

	Group	
	Notional amount 2018 $'000	Notional amount 2017 $'000
Fixed rate instruments		
Interest rate swaps	**(581,784)**	(623,232)
Finance lease liabilities	**(33,466)**	(33,769)
Variable rate instruments		
Bank borrowings	**(673,952)**	(546,481)
Interest rate swaps	**581,784**	623,232

The Group's exposure to changes in interest rates relates primarily to interest-bearing financial liabilities. The Group constantly monitors its exposure to changes in interest rates for its interest-bearing financial liabilities. Interest rate risk is managed on an ongoing basis with the primary objective of limiting the extent to which net interest expense can be affected by adverse movements in interest rates through the use of interest rate swaps.

Notes to the Financial Statements

25 Financial Risk Management (continued)

Fair value sensitivity analysis for fixed rate instruments
The Group does not account for any fixed rate financial asset and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect the statement of profit and loss.

Cash flow sensitivity analysis for variable rate instruments
The Group manages interest risks by using interest rate swaps (Note 9). The details of the interest rates relating to interest-bearing financial liabilities are disclosed in Note 15.

As at 31 December 2018 and 31 December 2017, the Group is not exposed to significant floating interest rate risk since its floating rate bank borrowings are substantially hedged with interest rate swaps. In 2018, the Group has applied hedge accounting in order to manage volatility in profit or loss.

As at 31 December 2018 and 31 December 2017, the Trust is not exposed to significant floating interest rate risk.

Derivatives assets and liabilities designated as cash flow hedges
The following table indicates the periods in which the cash flows associated with cash flow hedges are expected to occur and the fair value of the related hedging instruments.

	Carrying amount $'000	Expected cash flows $'000	Within 1 year $'000	Within 1 to 2 years $'000	Within 2 to 5 years $'000
Group					
2018					
Interest rate swaps					
Assets	**1,689**	**1,407**	**411**	**420**	**576**
Liabilities	**(4,459)**	**(4,553)**	**(1,662)**	**(1,649)**	**(1,242)**
	(2,770)	**(3,146)**	**(1,251)**	**(1,229)**	**(666)**
Forward exchange contracts					
Assets	**3,655**	**3,655**	**1,952**	**1,703**	**–**
	3,655	**3,655**	**1,952**	**1,703**	**–**
2017					
Interest rate swaps					
Assets	1,524	1,078	(371)	(338)	1,787
Liabilities	(2,100)	(2,350)	(1,716)	(474)	(160)
	(576)	(1,272)	(2,087)	(812)	1,627
Forward exchange contracts					
Assets	747	747	631	116	–
Liabilities	(648)	(648)	(311)	(337)	–
	99	99	320	(221)	–

Foreign currency risk
The Group operates across multiple jurisdictions and is exposed to various currencies, particularly AUD, EUR and GBP.

The Group manages its foreign currency risk, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

In relation to its overseas investments in its foreign subsidiaries whose net assets are exposed to currency translation risk and which are held for long term investment purposes, the differences arising from such translation are captured under the foreign currency translation reserve. These translation differences are reviewed and monitored on a regular basis.

The Group's exposure to fluctuations in foreign currency rates relates primarily to its receivables, borrowings and payables that are denominated in a currency other than the presentation currency of the Group. The Group has material receivables, borrowings and payables denominated in foreign currencies in AUD, EUR and GBP. To hedge against the volatility of future cash flows caused by changes in foreign currency rates, the Group utilises forward foreign currency contracts to hedge the Group's exposure to specific currency risks relating to receivables and payables.

As at the end of the financial year, the Group and Trust has outstanding forward foreign exchange contracts with notional amounts totalling $87.0 million (2017: $60.4 million). The net positive fair value of forward foreign exchange contracts is $0.3 million (2017: $0.1 million) comprising assets of $2.0 million (2017: $0.7 million) and liabilities of $1.7 million (2017: $0.6 million). These amounts are recognised as derivative financial instruments in Note 9.

Exposure to currency risk:
The summary of quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

	2018			2017		
	AUD $'000	**EUR $'000**	**GBP $'000**	AUD $'000	EUR $'000	GBP $'000
Group						
Cash and cash equivalents	**17,186**	**33,816**	**6,442**	19,016	26,168	7,359
Trade receivables and other receivables	**9,130**	**15,282**	**84**	4,311	9,294	135
Bank borrowings	**(85,955)**	**(373,891)**	**(84,106)**	(87,055)	(241,759)	(87,667)
Trade payables and other payables	**(2,631)**	**(14,609)**	**(832)**	(2,562)	(11,135)	(2,263)
Add: Firm commitments and highly probable forecast transactions in foreign currencies	**28,617**	**47,043**	**13,261**	12,657	33,666	14,115
Less: Forward exchange contracts	**(28,617)**	**(47,043)**	**(13,261)**	(12,657)	(33,666)	(14,115)
Add: Net investment hedge	**1,101**	**12,974**	**3,561**	-	-	-
Net statement of financial position exposure	**(61,169)**	**(326,428)**	**(74,851)**	(66,290)	(217,432)	(82,436)

The summary of quantitative data about the Trust's exposure to currency risk as reported to the management of the Trust is as follows:

	2018			2017		
	AUD $'000	**EUR $'000**	**GBP $'000**	AUD $'000	EUR $'000	GBP $'000
Trust						
Cash and cash equivalents	**3,443**	**17,609**	**4,617**	9,464	8,936	4,635
Trade receivables and other receivables	**8,781**	**673**	**266**	4,993	839	98
Trade payables and other payables	**(188)**	**(2,236)**	**(1,669)**	(198)	(3,580)	(1,686)
Loans from a subsidiary	**(85,955)**	**(373,891)**	**(84,106)**	(87,055)	(241,759)	(87,667)
Loans to subsidiaries	**126,733**	**96,605**	**-**	128,357	85,974	-
Add: Firm commitments and highly probable forecast transactions in foreign currencies	**28,617**	**47,043**	**13,261**	12,657	33,666	14,115
Less: Forward exchange contracts	**(28,617)**	**(47,043)**	**(13,261)**	(12,657)	(33,666)	(14,115)
Net statement of financial position exposure	**52,814**	**(261,240)**	**(80,892)**	55,561	(149,590)	(84,620)

Sensitivity analysis:
A 10% (2017: 10%) strengthening of the Group's presentation currency against the following foreign currencies at the reporting date would increase/(decrease) the Group and Trust's profit or loss as at the reporting date by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group		Trust	
	2018 $'000	**2017 $'000**	2018 $'000	2017 $'000
AUD	**6,117**	**6,629**	5,281	5,556
EUR	**32,643**	**21,743**	26,124	14,959
GBP	**7,485**	**8,244**	8,089	8,462
	46,245	**36,616**	39,494	28,977

A 10% (2017: 10%) weakening of the Group's presentation currency against the above currencies would have an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Notes to the Financial Statements

26 Fair Value of Assets and Liabilities

Determination of fair values

The following valuation methods and assumptions are used to estimate the fair values of the following significant classes of assets and liabilities:

Investment properties
External, independent valuation companies, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, value the Group's investment properties portfolio annually. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

In the absence of current prices in an active market, the valuations are prepared by considering the estimated rental revenue of the property. A market yield is applied to the estimated rental value to arrive at the gross property valuation. When actual rents differ materially from the estimated rental value, adjustments are made to reflect actual rents.

Valuations reflect, when appropriate, the type of clients actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, the allocation of maintenance and insurance responsibilities between the Group and the lessee, and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices, and when appropriate counter-notices, have been served validly and within the appropriate time.

Non-derivative financial liabilities
Fair value, which is determined for disclosure purposes, is calculated based on the present value of expected future principal and interest cash flows, where the discount rate is computed from the market rate of interest at the reporting date.

Other financial assets and liabilities
The carrying amounts of financial assets and financial liabilities with a maturity of less than one period (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

Fair value information has not been disclosed for the Trust's interest bearing amounts owing by subsidiaries that are carried at cost because their fair value cannot be measured reliably as the amounts have no fixed repayment terms.

Fair value hierarchy
The table below analyses fair value measurements for financial assets, financial liabilities and non-financial assets carried at fair value. The different levels are defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: unobservable inputs for the asset or liability.

Assets and liabilities carried at fair value

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2018				
Derivative financial assets	–	5,344	–	5,344
Investment properties	–	–	2,028,672	2,028,672
	–	5,344	2,028,672	2,034,016
Derivative financial liabilities	–	(4,459)	–	(4,459)
2017				
Derivative financial assets	–	2,271	–	2,271
Investment properties	–	–	1,570,090	1,570,090
	–	2,271	1,570,090	1,572,361
Derivative financial liabilities	–	(2,748)	–	(2,748)
Trust				
2018				
Derivative financial assets	–	3,996	–	3,996
Investment properties	–	–	456,000	456,000
	–	3,996	456,000	459,996
Derivative financial liabilities	–	(341)	–	(341)
2017				
Derivative financial assets	–	1,057	–	1,057
Investment properties	–	–	452,000	452,000
	–	1,057	452,000	453,057
Derivative financial liabilities	–	(958)	–	(958)

There were no transfers between levels of the fair value hierarchy during the years ended 31 December 2018 and 31 December 2017.

Movement in Level 3 fair values of investment properties for the financial year is as shown in Note 4.

Level 3 fair values

The following table shows the valuation techniques and the significant unobservable inputs used in the determination of fair value.

Valuation method	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment properties – data centres		
Capitalisation approach	Capitalisation rate: 5.75% to 10.75% (2017: 6.00% to 10.75%)	The estimated fair value varies inversely against the capitalisation rate.
Discounted cash flow approach	Discount rate: 5.50% to 12.25% (2017: 5.25% to 11.75%) Terminal yield rate: 5.52% to 16.00% (2017: 5.00% to 12.25%)	The estimated fair value varies inversely against the discount rate and terminal yield rate.

Fair value

The basis for fair value measurement of financial assets and liabilities is set out above. The carrying amounts of other financial assets and liabilities approximate their fair values.

27 Related Party Transactions

For the purpose of these financial statements, parties are considered to be related to the Group when the Group has the ability, whether directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions or vice-versa, or where the Group and the party are subject to common control or with a Unitholder that has significant influence. Other than disclosed elsewhere in the financial statements, the following are significant transactions with related parties on terms agreed between the parties.

	Group	
	2018 $'000	2017 $'000
Fixed rental income from a related corporation	**15,548**	13,245
Variable rental income from a related corporation	**65,286**	54,065
Management base fees to the Manager	**(8,922)**	(7,216)
Management performance fees to the Manager	**(5,062)**	(4,077)
Acquisition fees to the Manager	**(4,308)**	(3,062)
Facility management fees to a related corporation	**(2,977)**	(4,850)
Recharge of expenses from a related corporation	**–**	(192)
Support services fee to a related corporation	**(574)**	(563)
Purchase consideration in relation to 90% interest in KDC SGP 3	**–**	(206,339)
Colocation guarantee income from a related corporation	**–**	702
Recovery of expenses paid/incurred on behalf of a related corporation	**–**	995

28 Commitments and Contingencies

Operating lease commitments (as lessor)

The Group has future minimum payments receivable under non-cancellable operating leases as follows:

	Group	
	2018 $'000	2017 $'000
Within one year	**100,913**	82,140
Between one and five years	**344,947**	289,029
More than five years	**418,919**	358,424
	864,779	729,593

Operating lease income represents data centre rental receivable from clients.

Finance lease commitments (as lessee)

The Group has future minimum payments payable under non-cancellable finance leases as follows:

	Group	
	2018 $'000	2017 $'000
Within one year	**3,942**	4,002
Between one and five years	**17,089**	16,913
More than five years	**103,617**	111,034
	124,648	131,949

As at 31 December 2018 and 31 December 2017, the Trust does not have finance lease liabilities nor finance lease commitments.

Capital commitments

In March 2018, Keppel DC REIT entered into a contract to acquire the remainder of the 999-year leasehold land interest in Keppel DC Dublin 1 in first half of 2020 for an agreed value of EUR30.0 million. The REIT paid a deposit of EUR0.5 million, with the remaining EUR29.5 million to be paid upon legal completion in 2020.

In August 2018, the Group entered into an agreement to construct a new shell and core data centre on the vacant land within the current Intellicentre 2 Data Centre site. The cost payable by Keppel DC REIT will be based on the actual total costs of construction works, within a range of AUD26.0 million to AUD36.0 million, to be payable only on completion. The completion is expected to be between 2019 and 2020.

Guarantees

Group
The Group has also provided bank guarantee of approximately $0.6 million (2017: $0.6 million) to a lessor under a lease agreement.

Trust
The Trust has also provided corporate guarantee amounting to approximately $0.6 million (2017: $0.6 million) to the banks for loan facilities obtained by a subsidiary.

29 Financial Ratios

	Group	
	2018 **%**	2017 %
Expenses to average net assets[1]		
- including asset management fees	**1.84**	1.48
- excluding asset management fees	**0.77**	0.46

	Group	
	2018	2017
Operating expenses[2] ($'000)	**39,881**	35,252
Operating expenses[2] to net asset value as at 31 December (%)	**3.04**	3.20

[1] The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio was based on total expenses of the Group divided by the average net asset value for the year. The expenses used in the computation exclude property expenses, finance costs, foreign exchange gains/losses, gains/losses from derivatives and tax expenses. The average net asset value is based on the month-end balances.

[2] The operating expenses include property expenses, the Manager's management fees, trustee's fees and all other fees and charges paid to interested persons as well as current taxation incurred.

30 Operating Segments

The Group has 15 (2017: 13) investment properties, as described in the consolidated portfolio statement in three reportable segments. The various investment properties are managed separately given the different geographic locations. For each of the investment properties, the Manager reviews internal management reports at least on a quarterly basis.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit or loss before tax, as included in the internal management reports that are reviewed by the Manager. Segment return is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

30 Operating Segments (continued)

Information about reportable segments

By type of asset

	2018			
	Colocation $'000	**Fully fitted $'000**	**Shell and core $'000**	**Total $'000**
Gross revenue	128,581	29,324	17,630	175,535
Net property income	112,448	28,911	16,314	157,673
Finance income	558	248	28	834
Finance costs	(9,384)	(4,881)	(2,398)	(16,663)
Amortisation of intangible assets	(4,791)	–	(2,000)	(6,791)
Reportable segment profit before tax	122,866	20,747	21,475	165,088
Unallocated amounts:				
-Other corporate expenses				(14,067)
Profit before tax				151,021
Segment assets	1,412,771	411,055	362,222	2,186,048
Other unallocated amounts				73,096
Consolidated assets				2,259,144
Segment liabilities	307,722	280,391	190,578	778,691
Other unallocated amounts				4,459
Consolidated liabilities				783,150
Other segment items:				
Net change in fair value of investment properties	18,253	(1,626)	16,007	32,634
Capital expenditure/net additions	27,325	6,102	433	33,860

	2017			
	Colocation $'000	Fully fitted $'000	Shell and core $'000	Total $'000
Gross revenue	98,837	22,756	17,457	139,050
Net property income	86,624	22,270	16,225	125,119
Finance income	399	972	31	1,402
Finance costs	(8,096)	(4,084)	(2,491)	(14,671)
Amortisation of intangible assets	(482)	–	(2,000)	(2,482)
Reportable segment profit before tax	67,824	18,178	13,474	99,476
Unallocated amounts:				
- Other corporate expenses				(21,885)
Profit before tax				77,591
Segment assets	1,056,570	290,577	349,031	1,696,178
Other unallocated amounts				67,104
Consolidated assets				1,763,282
Segment liabilities	306,286	143,198	194,548	644,032
Other unallocated amounts				2,748
Consolidated liabilities				646,780
Other segment items:				
Net change in fair value of investment properties	(3,339)	(590)	(4,590)	(8,519)
Capital expenditure/net additions	12,394	142	(111)	12,425

In 2017, there was a change in the lease arrangement of a client from a fully-fitted data centre to a data centre with colocation lease arrangement.

By geographical area

	Group	
	2018 $'000	**2017 $'000**
Gross revenue		
- Singapore	**85,838**	69,391
- Australia	**30,439**	27,040
- Ireland	**22,620**	14,117
- United Kingdom	**10,769**	10,552
- Other countries	**25,869**	17,950
Total gross revenue	**175,535**	139,050
Investment properties		
- Singapore	**1,029,000**	700,300
- Australia	**305,530**	298,734
- Ireland	**205,593**	209,414
- The Netherlands	**139,011**	143,558
- Germany	**135,517**	–
- Other countries	**214,021**	218,084
Total carrying value of investment properties	**2,028,672**	1,570,090

Major customers

Gross revenue of $98.3 million (2017: $80.2 million) is derived from 2 external clients from Singapore and Australia. (2017: Singapore and Australia).

31 Subsequent Events

On 22 January 2019, the Manager declared a distribution of 3.70 cents per Unit for the period from 1 July 2018 to 31 December 2018.

In January 2019, an additional consideration of approximately $5.7 million was paid to a vendor of an overseas asset acquired in 2017.

Additional Information

Interested Person Transactions

The transactions entered into with interested persons during the financial year which falls under the Listing Manual of the SGX-ST and the CIS Code are as follows:

Name of Interested Persons	Aggregate value of all interested person transaction during the financial period under review (excluding transactions less than $100,000)	
	FY 2018 $'000	FY 2017 $'000
Keppel Corporation Limited and its subsidiaries		
- Manager's acquisition fees	**4,308**	3,062
- Manager's management fees	**13,984**	11,293
Keppel Telecommunications & Transportation Ltd and its subsidiaries		
- Purchase consideration in relation to 90% interest of KDC SGP 3	**-**	206,339
- Fixed rental income	**2,970**	51,587
- Variable rental income	**62,692**	51,749
- Colocation guarantee income	**-**	702
- Recovery of expenses paid/incurred on behalf	**-**	995
- Facility management fees	**2,872**	16,743
- Support services fees	**574**	563
Perpetual (Asia) Limited		
- Trustee fees	**221**	216

Certain other interested person transactions outlined in the Prospectus dated 5 December 2014 are deemed to have been approved by the Unitholders and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that specific information on these agreements have been disclosed in the Prospectus and there is no subsequent change to the rates and/or bases of the fees charged thereunder which will adversely affect Keppel DC REIT.

Keppel DC REIT has not obtained a general mandate from Unitholders for Interested Person Transactions for the financial period under review. Please also see significant related party transactions on Note 27 in the financial statements.

Subscription of Keppel DC REIT Units

During the financial year ended 31 December 2018, Keppel DC REIT issued:
1. 224,000,000 new Units pursuant to the Private Placement at an issue price of $1.353 per Unit; and
2. 407,114 new Units to the Manager as payment of 100% of the base and performance fees in respect of Intellicentre 2 Data Centre in Australia and 50% of the base and performance fees in respect of 99% interest in Keppel DC Singapore 5 for the period from 1 October 2017 to 30 September 2018 at issue prices ranging from $1.3461 - $1.4220 per Unit.

Corporate Governance

The board and management of Keppel DC REIT Management Pte. Ltd., the manager of Keppel DC REIT (the "Manager"), are fully committed to good corporate governance as they firmly believe that it is essential in protecting the interests of the Unitholders. Good corporate governance is also critical to the performance and success of the Manager.

The Manager adopts the Code of Corporate Governance 2012 (the "2012 Code") as its benchmark for corporate governance policies and practices. The following describes the Manager's main corporate governance policies and practices, with specific reference to the 2012 Code.

The Manager of Keppel DC REIT
The Manager has general powers of management over the assets of Keppel DC REIT. The Manager's main responsibility is to manage the assets and liabilities of Keppel DC REIT for the benefit of Unitholders. The Manager manages the assets of Keppel DC REIT with a focus on generating rental income and enhancing asset value over time so as to maximise the returns from the investments, and ultimately, the distributions and total returns to Unitholders.

The primary role of the Manager is to set the strategic direction of Keppel DC REIT and make recommendations to Perpetual (Asia) Limited as trustee of Keppel DC REIT (the "Trustee") on the acquisitions to, and divestments from, Keppel DC REIT's portfolio of assets, as well as enhancement of the assets of Keppel DC REIT, in accordance with its investment strategy. The research, analysis and evaluation required to achieve this is carried out by the Manager. The Manager is also responsible for the risk management of Keppel DC REIT.

The Manager uses its best endeavours to carry on and conduct its business in a proper and efficient manner and to conduct all transactions with, or for Keppel DC REIT, at arm's length.

Other functions and responsibilities of the Manager include:

1. developing a business plan for Keppel DC REIT with a view to maximise the distributable income of Keppel DC REIT;

2. acquiring, selling, leasing, licensing, entering into colocation arrangements for the use of colocation space or otherwise dealing with any real estate in furtherance of the investment policy and prevailing investment strategy that the Manager has for Keppel DC REIT;

3. supervising and overseeing the management of Keppel DC REIT's properties (including lease and facility management, systems control, data management and business plan implementation);

4. undertaking regular individual asset performance analysis and market research analysis;

5. managing the finances of Keppel DC REIT, including accounts preparation, capital management, co-ordination of the budget process, forecast modeling, performance analysis and reporting, corporate treasury functions and ongoing financial market analysis;

6. ensuring compliance with the applicable provisions of the Companies Act, the Securities and Futures Act and all other relevant legislation of Singapore, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX"), the Code on Collective Investment Schemes (including the Property Funds Appendix) issued by the Monetary Authority of Singapore ("MAS"), the tax rulings issued by the Inland Revenue Authority of Singapore on taxation of Keppel DC REIT and its Unitholders;

7. managing regular communications with Unitholders; and

8. supervising the facility managers who perform day-to-day facility management functions (including leasing, accounting, budgeting, marketing, promotion, facility management, maintenance and administration) for Keppel DC REIT's properties, pursuant to the facility management agreements signed for the respective properties.

Keppel DC REIT, constituted as a trust, is externally managed by the Manager. The Manager appoints an experienced and well-qualified management team to run the day-to-day operations of Keppel DC REIT. All Directors and employees of the Manager are remunerated by the Manager, and not by Keppel DC REIT.

The Manager is appointed in accordance with the terms of the Deed of Trust dated 17 March 2011 as amended and supplemented by a First Supplemental Deed dated 24 October 2014, a Supplemental Deed of Appointment and Retirement dated 24 October 2014, the First Amending and Restating Deed dated 24 October 2014, the Second Supplemental Deed dated 18 November 2014, the Third Supplemental Deed dated 21 January 2015, the Fourth Supplemental Deed dated 11 March 2016 and the Fifth Supplemental Deed dated 17 April 2018 (collectively, the "Trust Deed"). The Trust Deed outlines certain circumstances under which the Manager can be removed by notice in writing given by the Trustee in favour of a corporation appointed by the Trustee, upon the occurrence of certain events, including if the Unitholders by a resolution duly proposed and passed by a simple majority of Unitholders present and voting at a meeting of Unitholders, with no Unitholder (including the Manager and its related parties) being disenfranchised, vote to remove the Manager.

The Board's Conduct of Affairs
Principle 1:
Effective Board to lead and control the company

The Board of Directors of the Manager (the "Board") is responsible for the overall management and the corporate governance of Keppel DC REIT and the Manager, including establishing goals for management and monitoring the achievement of these goals.

The principal functions of the Board are to:

- decide on matters in relation to Keppel DC REIT's and the Manager's activities which are significant in nature, including decisions on strategic direction, guidelines and the approval of periodic plans and major investments and divestments;

- oversee the business and affairs of Keppel DC REIT and the Manager, establish, with management, the strategies and financial objectives to be implemented by management, and monitor the performance of management;

- oversee processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance, and satisfy itself as to the adequacy of such processes; and

- assume responsibility for corporate governance.

All directors of the Manager (the "Directors") are expected to exercise independent judgment in the best interests of Keppel DC REIT, and all Directors have discharged this duty consistently well.

To assist the Board in the discharge of its oversight function, the Audit and Risk Committee and the Nominating and Remuneration Committee have been constituted with clear written terms of reference, and play an important role in ensuring good corporate governance. The responsibilities of the Board committees are disclosed in the Appendix hereto.

Corporate Governance

The Board meets at least four times a year and as warranted by particular circumstances to discuss and review the Manager's key activities, including its business strategies and policies for Keppel DC REIT, proposed acquisitions and divestments, the annual budget, the performance of the business and the financial performance of Keppel DC REIT and the Manager. The Board also reviews and approves the release of the quarterly, half- and full-year results. In addition, the Board reviews the risks to the assets of Keppel DC REIT, and acts upon any comments from the auditor of Keppel DC REIT.

The Manager's constitution permits Board meetings to be held by way of conference via telephone or any other electronic means of communication by which all persons participating are able, contemporaneously, to hear and be heard by all other participants.

If a Director is unable to attend a Board or Board committee meeting, he or she still receives all the papers and materials for discussion at that meeting. He or she will review them and will advise the Chairman or Board committee Chairman of his or her views and comments on the matters to be discussed so that they can be conveyed to other members at the meeting.

The Manager has adopted a set of internal guidelines which sets out the level of authorisation and financial authority limits for investment/business acquisition and divestment, operating/capital expenditure, capital management, leasing, divestments and write-off of assets and corporate matters. Transactions and matters which require the approval of the Board are clearly set out in the internal guidelines. Appropriate delegations of authority and approval sub-limits are also provided at management level to facilitate operational efficiency.

A formal letter is sent to newly-appointed Directors upon their appointment explaining their duties and obligations as Director. All newly-appointed Directors undergo a comprehensive orientation programme which includes management presentations on the businesses and strategic plans and objectives of Keppel DC REIT, and site visits. Changes to laws, regulations, policies, accounting standards and industry-related matters are monitored closely. Where the changes have an important and significant bearing on Keppel DC REIT and its disclosure obligations, the Directors are briefed either during Board meetings, at specially convened sessions or via circulation of Board papers. The Directors are also provided with continuing education in areas such as directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, changes in the Companies Act and industry-related matters, so as to update and refresh them on matters that affect or may enhance their performance as Board or Board committee members.

Board Composition and Guidance

Principle 2:
Strong and independent element on the Board

The Board consists of eight members, six of whom are non-executive independent Directors.

The Board determines on an annual basis, taking into account the views of the Nominating and Remuneration Committee ("NRC"), whether or not a Director is independent, bearing in mind the 2012 Code's definition of an "independent director" and guidance as to relationships the existence of which would deem a Director not to be independent, as well as the independence criteria under the Securities and Futures (Licensing and Conduct of Business) Regulations ("SF(LCB) Regulations").

Under the 2012 Code, a Director who has no relationship with the Manager, its related companies, its 10% shareholders/unitholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of Keppel DC REIT, is considered to be independent. In addition, under the SF(LCB) Regulations, an independent Director is one who:

(i) is independent from the management of the Manager and Keppel DC REIT;

(ii) is independent from any business relationship with the Manager and Keppel DC REIT;

(iii) is independent from every substantial shareholder of the Manager, and every substantial unitholder of Keppel DC REIT;

(iv) is not a substantial shareholder of the Manager, or a substantial unitholder of Keppel DC REIT; and

(v) has not served as a director of the Manager for a continuous period of 9 years or longer.

The NRC is of the view that, taking into account the nature and scope of Keppel DC REIT's operations, the present Board size is appropriate and facilitates effective decision making.

The number of Board and Board committee meetings held in FY 2018, as well as the attendance of each Board member at these meetings, are disclosed in the following table:

Director	Board Meetings Attending	Audit and Risk Committee Meetings Attended	Executive Committee Meetings Attended [1]
Ms Christina Tan	4/5	-	1
Mr Chan Hon Chew (resigned w.e.f from 18 April 2018)	2/2	2/2	1
Mr Lee Chiang Huat	5	4	-
Mr Leong Weng Chee	5	1/1	1
Mr Dileep Nair	5	4	-
Mr Richard Teo (resigned w.e.f 18 April 2018)	2/2	2/2	-
Dr Tan Tin Wee	5	0/1	1
Mr Thomas Pang	5	-	-
Mr Low Huan Ping (appointed w.e.f 28 February 2019)	-	-	-
Mr Kenny Kwan (appointed w.e.f 28 February 2019)	-	-	-
No. of Meetings held in FY2018	5	4	1

1 The Executive Committee was dissolved with effect from 1 August 2018. The Nominating and Remuneration Committee was constituted with effect from 1 August 2018 but there was no meeting convened for the remainder of FY 2018.

The nature of the Directors' appointments on the Board and details of their Board committee membership are set out in the Appendix hereto.

The NRC is satisfied that the Board and the Board committees comprise Directors who as a group provide an appropriate balance and diversity of skills, experience, gender, age and knowledge, as well as core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge, required for the Board and the Board committees to be effective. In this respect, the NRC recognises the merits of gender diversity in relation to the composition of the Board and, in identifying candidates for new appointment to the Board, would consider suitable female candidates. Having said that, gender is but one aspect of diversity and new Directors will continue to be selected based on objective criteria set out as part of the process for appointment of new Directors and Board succession planning. As of 31 December 2018, there was one female Director out of a total of six Directors on the Board.

The composition of the Board is also determined using the following principles:

(i) The Chairman of the Board should be a non-executive Director of the Manager;
(ii) The Board comprises Directors with a broad range of commercial experience including expertise in funds management, audit and accounting and the property industry; and
(iii) At least one-third of the Board comprises independent Directors.

Further, in accordance with Guideline 2.2 of the 2012 Code, at least half of the Board should comprise independent Directors where the Chairman is not an independent director.

The composition is reviewed regularly to ensure that the Board has the appropriate mix of expertise and experience.

The Board and management fully appreciate that fundamental to good corporate governance is an effective and robust Board whose members engage in open and constructive debate and challenge management on its assumptions and proposals. For this to happen, the Board is kept well informed of Keppel DC REIT's and the Manager's businesses and affairs and are knowledgeable about the industry in which the businesses operate. For the current financial year, the Directors have constructively challenged and helped to develop proposals on strategy and reviewed the performance of management. The Directors are supported by accurate, complete and timely information, have unrestricted access to management, and have sufficient time and resources to discharge their oversight function effectively. Time is also set aside at the end of every Board meeting for closed door discussions between the Directors without the presence of management.

Chairman and Chief Executive Officer

Principle 3:

Clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making

The positions of Chairman and Chief Executive Officer ("CEO") are held by two separate persons to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. The Chairman and CEO are not immediate family members.

The Chairman leads the Board in working together with management with integrity, competency and in an effective manner to address strategy, business operations and enterprise risk issues, and facilitates the effective contribution of the non-executive Directors and the Board as a whole. With the assistance of the company secretaries, the Chairman also sets and approves the agenda of all Board meetings.

The Chairman monitors the flow of information from management to the Board to ensure that material information is provided timeously to the Board. She also encourages constructive relations between the Board and management.

The Chairman ensures effective communication with Unitholders and leads discussions and development of relations with them. She also takes a leading role in promoting high standards of corporate governance with the full support of the Directors and the management.

The CEO is responsible for working with the Board to determine the strategy for Keppel DC REIT. The CEO also works with the other members of the Manager's management team to ensure that Keppel DC REIT is operated in accordance with the stated investment strategy of the Manager. He is also responsible for the strategic planning and development of Keppel DC REIT.

The clear separation of roles of the Chairman and CEO provides a healthy professional relationship between the Board and management with clarity of roles and robust deliberations on the business activities of Keppel DC REIT.

The Chairman and CEO are separate persons, the independent Directors currently comprise a majority of the Board, and the Board committees are chaired by and comprise at least a majority of independent Directors. If the Chairman is conflicted, the ARC Chairman will lead the Board. In addition, the Keppel Whistle-Blower Policy provides an independent mechanism for employees and other persons to raise any concerns, and matters under the policy are reported directly to the ARC Chairman. In light of the foregoing, the Board is of the view that it is not necessary, for the time being, to appoint a lead independent Director.

Board Membership

Principle 4:

Formal and transparent process for the appointment of new Directors to the Board

Nominating and Remuneration Committee

The Manager has established the Nominating and Remuneration Committee ("NRC") to, among other things, make recommendations to the Board on all Board appointments. The NRC comprises four Directors, the majority of whom, including the Chairman of the NRC, are independent; namely:

Dr Tan Tin Wee	Chairman
Ms Christina Tan	Member
Mr Dileep Nair	Member
Mr Kenny Kwan	Member

The responsibilities of the NRC are disclosed in the Appendix hereto.

Process for appointment of new Directors and succession planning for the Board

The NRC is responsible for reviewing the succession plans for the Board (in particular, the Chairman). In this regard, it has put in place a formal process for the renewal of the Board and the selection of new Directors. The NRC leads the process and makes recommendations to the Board as follows:

(a) the NRC reviews annually the balance and diversity of skills, experience, gender and knowledge required by the Board and the size of the Board which would facilitate decision-making;
(b) in light of such review and in consultation with management, the NRC assesses if there are any inadequate representation in respect of those attributes and if so, prepares a description of the role and the essential and desirable competencies for a particular appointment;

(c) external help (for example, the Singapore Institute of Directors, search consultants, open advertisement) to be used to source for potential candidates if need be. Directors and management may also make suggestions; and
(d) the NRC meets with the shortlisted candidates to assess suitability and to ensure that the candidate(s) is/are aware of the expectations and the level of commitment required; and
(e) the NRC makes recommendations to the Board for approval.

The Board believes that orderly succession and renewal is achieved as a result of careful planning, where the appropriate composition of the Board is continually under review.

Criteria for appointment of new Directors
All new appointments are subject to the recommendations of the NRC based on the following objective criteria:

(1) Integrity;
(2) Independent mindedness;
(3) Diversity – possess core competencies that meet the current needs of Keppel DC REIT and the Manager and complement the skills and competencies of the existing Directors on the Board;
(4) Able to commit time and effort to carry out duties and responsibilities effectively – proposed Director should not have more than six listed company board representations and other principal commitments;
(5) Track record of making good decisions;
(6) Experience in high-performing corporations or property funds; and
(7) Financially literate.

Endorsement by Unitholders of appointment of Directors
Keppel Capital Holdings Pte. Ltd. ("Keppel Capital") and Keppel Telecommunications & Transportation Ltd ("Keppel T&T") have on 1 July 2016 provided an undertaking to the Trustee (the "Undertaking") to provide Unitholders with the right to endorse the appointment of each of the Directors by way of an ordinary resolution at the Annual General Meetings ("AGM") of Unitholders. Pursuant to the Undertaking, each of Keppel Capital and Keppel T&T undertakes to the Trustee:

(i) to procure the Manager to seek Unitholders' re-endorsement for the appointment of each Director no later than every third AGM after the relevant general meeting at which such Director's appointment was last endorsed or re-endorsed, as the case may be;
(ii) (where a person is appointed as Director, either to fill a vacancy or as an addition to the existing Directors, at any time) to procure the Manager to seek Unitholders' endorsement for his appointment as a Director at the next AGM immediately following his appointment; and
(iii) to procure any person whose appointment as a Director has not been endorsed or re-endorsed (as the case may be) by the Unitholders at the relevant general meeting where the endorsement or re-endorsement (as the case may be) for his appointment was sought, to resign or otherwise be removed from the Board either (i) within 21 days from the date of the relevant general meeting or (ii) in the event that the Board determines that a replacement Director has to be appointed, no later than the date when such replacement Director is appointed, and the regulatory approval for such appointment (if any) has been obtained.

The endorsement or re-endorsement from Unitholders of any appointment of any person as a Director shall be by way of an ordinary resolution passed at the relevant general meeting. The Undertaking shall not restrict the Manager, Keppel Capital or Keppel T&T from appointing any Director from time to time in accordance with applicable laws and regulations (including any applicable rules of SGX) and the constitution of the Manager.

The Undertaking shall remain in force for so long as:

(a) Keppel Capital and Keppel T&T continue to hold shares in the Manager; and
(b) Keppel DC REIT Management Pte. Ltd. remains as the manager of Keppel DC REIT.

As the appointment of Mr Dileep Nair as Director was last endorsed by Unitholders on 14 April 2016, the Manager is seeking the re-endorsement of the appointment of Mr Dileep Nair at the AGM to be held in 2019. In addition, as Mr Low Huan Ping and Mr Kenny Kwan were appointed as Directors on 28 February 2019, the Manager is also seeking the endorsement of their appointments at the AGM to be held in 2019.

The NRC recommends the seeking of endorsement and re-endorsement of Directors to the Board for approval, having regard to the Director's contribution and performance (such as attendance, preparedness, participation and candour), with reference to the results of the assessment of the performance of the individual Director.

Review of Directors' independence
The NRC is also charged with determining the "independence" status of the Directors annually and providing its views to the Board. Please refer to page 138 on the basis of the Board's determination as to whether a Director should or should not be deemed independent. In this regard and taking into account the views of the NRC, the Board has determined that:

(i) each of Dr Tan Tin Wee, Mr Leong Weng Chee and Mr Dileep Nair (1) have been independent from management and business relationships with the Manager and Keppel DC REIT, (2) has not been a substantial shareholder of the Manager or a substantial unitholder of Keppel DC REIT, and (3) has been independent from every substantial shareholder of the Manager and substantial unitholder of Keppel DC REIT;

(ii) Mr Lee Chiang Huat (1) has been independent from management and business relationships with the Manager and Keppel DC REIT, and (2) has not been a substantial shareholder of the Manager or a substantial unitholder of Keppel DC REIT. The Board has also determined that Mr Lee shall nevertheless be considered independent notwithstanding that he is a director of Keppel REIT Management Limited (the manager of Keppel REIT) which is a related corporation of the substantial shareholder of the Manager and the substantial unitholder of Keppel REIT, namely Keppel Corporation Limited ("Keppel Corporation"). Taking into consideration (I) Mr Lee having declared that (a) he serves in his personal capacity as an independent non-executive director of Keppel REIT Management Limited (the manager of Keppel REIT), and (b) he is not in any employment relationship with the Keppel Group and is not under any obligation to act in accordance with the directions, instructions or wishes of the Keppel Group, and (II) the instances of constructive challenge and probing of management by Mr Lee at the Board and the Board committee meetings of the Manager, the Board is satisfied that Mr Lee is able to act in the best interests of all the unitholders of Keppel DC REIT as whole;

(iii) Mr Low Huan Ping (1) has been independent from management and business relationships with the Manager and Keppel DC REIT, and (2) has not been a substantial shareholder of the Manager or a substantial unitholder of Keppel DC REIT. The Board has also determined that Mr Low shall nevertheless be considered independent notwithstanding that he is a director of M1 Limited which is a company that Keppel Corporation is a substantial shareholder of. An entity majority owned by Keppel Corporation Limited is also making a voluntary general offer for the shares in M1 Limited. Taking into consideration Mr Low having declared that (a) he serves on the board of M1 Limited as a nominee of Singapore Press Holdings Limited, and not as a nominee or representative of Keppel Group, and (b) he is neither in any employment relationship with, nor under any obligation to act in accordance with the directions, instructions or wishes of, the Keppel Group, the Board is satisfied that Mr Low is able to act in the best interests of all the unitholders of Keppel DC REIT as whole;

(iv) Mr Kenny Kwan (1) has been independent from the management of the Manager and Keppel REIT, (2) has not been a substantial shareholder of the Manager or a substantial unitholder of Keppel REIT, and (3) has been independent from every substantial shareholder of the Manager and substantial unitholder of Keppel DC REIT. The Board has also determined that Mr Kwan shall nevertheless be considered independent notwithstanding that he was a director of Drew & Napier LLC, a Singapore law firm which has provided legal services to the Keppel Group. Taking into consideration Mr Kwan having declared that (a) he has not previously acted for Keppel DC REIT and he does not hold a substantial partnership interest in Drew & Napier LLC, (b) in 2018, the total legal fees he earned from the Keppel Group was less than US$30,000, and the legal fees which Drew & Napier LLC received from the Keppel Group are insubstantial in relation to Drew & Napier LLC's overall revenue, and (c) he does not regard the business relationship which Drew & Napier LLC has with the Keppel Group as something which could interfere with or be reasonably regarded as interfering with his exercise of independent judgment and ability to act in the best interests of Keppel DC REIT as a whole, the Board is satisfied that Mr Kwan is able to act in the best interests of all the unitholders of Keppel DC REIT as whole; and

(v) Ms Christina Tan and Mr Thomas Pang are not considered independent from Keppel Corporation. Ms Tan is the Chief Executive Officer of Keppel Capital and Mr Pang is the Chief Executive Officer of Keppel T&T, both being related corporations of Keppel Corporation.

None of the Directors have served on the Board for continuous period of 9 years or longer.

Annual review of Directors' time commitments
The Board also determines annually whether a Director with other listed company board representations and other principal commitments is able to and has been adequately carrying out his or her duties as a Director of the Manager. The Board took into account the results of the annual assessment of the effectiveness of the individual Director, and the respective Directors' actual conduct on the Board, in making this determination, and is satisfied that all the Directors have been able to and have adequately carried out their duties as Director notwithstanding their other listed company board representations and other principal commitments.

The Board has adopted internal guidelines addressing competing time commitments that are faced when Directors serve on multiple boards and have other principal commitments. As a guide, Directors should not have more than six listed company board representations and other principal commitments.

Key information regarding Directors
The following key information regarding Directors are set out in the following pages of this Annual Report:

Pages 12 to 15: Academic and professional qualifications, Board committee served on (as a member or Chairman), date of first appointment as a Director, listed company and other principal directorships both present and past held over the preceding five years and other major appointments, whether appointment is executive or non-executive, whether considered by the Board to be independent; and

Page 166: Unitholdings in Keppel DC REIT as at 21 January 2019.

Board Performance

Principle 5:
Formal assessment of the effectiveness of the Board as a whole and its Board committees and the contribution by each Director to the effectiveness of the Board

The Board has implemented formal processes for assessing the effectiveness of the Board as a whole and its Board committees, the contribution by each individual Director to the effectiveness of the Board, as well as the effectiveness of the Chairman of the Board.

To ensure that the assessments are done promptly and fairly, the Board has appointed an independent third party (the "Independent Co-ordinator") to assist in collating and analysing the returns of the Board members. Mr Terry Wee, partner at Ernst & Young LLP, was appointed for this role. Mr Wee does not have any other connection with Keppel DC REIT, the Manager or any of its directors.

The evaluation processes and performance criteria are set out in the Appendix hereto.

The Board assessment exercise provided an opportunity to obtain constructive feedback from each Director on whether the Board's procedures and processes allow him to discharge his duties effectively and the changes which should be made to enhance the effectiveness of the Board and/or Board committees. The assessment exercise also helped the Directors to focus on their key responsibilities. The individual director assessment exercise allowed for peer review with a view of raising the quality of Board members. It also assisted the Board in evaluating the skills required by the Board, the size and the effectiveness of the Board as a whole.

Access to information

Principle 6:
Board members to have complete, adequate and timely information

Management provides the Board with relevant and accurate information in a timely manner relating to matters to be brought before the Board, prior to Board meetings and on an ongoing basis.

As a general rule, Board papers are required to be sent to the Directors at least seven days before each Board meeting. However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed prior to the meeting. Management who can provide additional insight into the matters at hand would be present at the relevant time during the Board meeting. The Board has separate and independent access to the Manager's senior management for further clarification if required.

The information provided to the Board includes financial results, market and business developments, and business and operational information. Such reports keep the Board informed, on a balanced and understandable basis, of Keppel DC REIT's business, performance, business and financial environment, risk and prospects. The financial results are also compared against the budgets, together with explanations given for significant variances for the reporting period. Management also surfaces key risk issues for discussion and confers with the Audit and Risk Committee and the Board regularly.

The Manager has implemented quarterly financial reporting from the date of listing of Keppel DC REIT on the SGX.

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The Directors have separate and independent access to the company secretaries of the Manager. The company secretaries assist the Chairman in ensuring that Board procedures (including but not limited to assisting the Chairman to ensure timely and good information flow to the Board and its committees, and between senior management and the Directors) are followed and that the Manager's constitution and relevant rules and regulations are complied with. At least one of the company secretaries attends all Board meetings and prepares minutes of the Board proceedings. The appointment and removal of the company secretary is subject to the approval of the Board as a whole.

Subject to the approval of the Chairman, the Directors, whether as a group or individually, may seek and obtain independent professional advice in the furtherance of their duties.

Remuneration matters

Principle 7:

The procedure for developing policy on executive remuneration and for fixing remuneration packages of individual directors should be formal and transparent

Principle 8:

The level and structure of director fees are aligned with the long-term interest of the company and appropriate to attract, retain and motivate directors to provide good stewardship of the company

The level and structure of key management remuneration are aligned with the long-term interest and risk policies of the company and appropriate to attract, retain and motivate key management to successfully manage the company

Principle 9:

There should be clear disclosure of remuneration policy, level and mix of remuneration, and procedure for setting remuneration

The composition of the NRC has been set out under Principle 4 on page 139. The NRC comprises entirely non-executive Directors, a majority of whom are independent Directors.

The NRC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration and for determining the remuneration packages of individual Directors and key management personnel. The NRC assists the Board to ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive, and thereby maximise Unitholder value. The NRC recommends to the Board for endorsement a framework of remuneration (which covers all aspects of remuneration including Directors' fees, salaries, allowances, bonuses, and Unit grants) and the specific remuneration packages for each Director and the key management personnel. The NRC also reviews the remuneration of the key management personnel of the Manager and administers the Manager's Unit-based incentive plans. In addition, the NRC reviews the Manager's obligations arising in the event of termination of key management personnel's contract of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The NRC has access to expert advice from external consultants where required. In FY 2018, the NRC sought views on market practice and trends from external remuneration consultants, namely Aon Hewitt. The external remuneration consultants had no relationships with the Manager which would affect their independence and objectivity.

Annual remuneration report

Although the remuneration of the Directors and employees of the Manager is paid by the Manager, and not by Keppel DC REIT, the Manager is disclosing the following information on the remuneration of its Directors, CEO and key management personnel.

Policy in respect of Directors' remuneration

Each Director is paid a basic fee and an additional fee for services performed on Board committees. The Director's fees for Ms Christina Tan, Mr Chan Hon Chew (resigned w.e.f 18 April 2018) and Mr Thomas Pang will be paid in cash to Keppel Capital, Keppel Corporation Limited and Keppel T&T respectively. The Chairman of the Board and of each Board committee are paid a higher fee compared with members of the Board and of such Board committee in view of the greater responsibility carried by that office. The non-executive Directors participated in additional ad-hoc meetings with management during the year and are not paid for attending such meetings.

In 2017, the NRC, in consultation with Aon Hewitt, conducted a review of the 2017/2018 non-executive Directors' fee structure. The review took into account a variety of factors, including prevailing market practices and referencing Directors' fees against comparable benchmark, as well as the roles and responsibilities of the Board and Board committees. Recognising that Directors have ongoing oversight responsibilities towards the Manager, a revised Directors' fee structure was developed, comprising basic fees for the Board, as well as additional fees for services performed on Board committees.

Remuneration policy in respect of key management personnel

The Manager advocates a performance-based remuneration system that is highly flexible and responsive to the market corporate and individual performance.

In designing the remuneration structure, the NRC seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in finding a balance between current versus long-term remuneration and between cash versus equity incentive remuneration.

In 2016/2017, the NRC undertook a comprehensive review of the total remuneration structure. With the assistance of Aon Hewitt, the total remuneration structure was revised to reflect four key objectives:

(a) Unitholder Alignment: To incorporate performance measures that are aligned to Unitholder's interests

The framework for determining the Directors' fees is shown in the table below:

	Chairman	Director	Member
Main Board	$75,000 per annum	$46,000 per annum	-
Audit and Risk Committee	$23,000 per annum	-	$14,000 per annum
Executive Committee (Dissolved effective from 1 August 2018)	$23,000 per annum	-	$14,000 per annum
Nominating and Remuneration Committee	$23,000 per annum	-	$14,000 per annum

(b) Long-term orientation: To motivate employees to drive sustainable long-term growth
(c) Simplicity: To ensure that the remuneration structure is easy to understand and communicate to stakeholders
(d) Synergy: To facilitate talent mobility and enhance collaboration across businesses

The revised total remuneration mix comprises three components - annual fixed pay, annual performance bonus and long-term incentive. The annual fixed pay component comprises the annual basic salary plus any other fixed allowances which the Manager benchmarks against the relevant industry market data. The size of the Manager's annual performance bonus pot is determined by Keppel DC REIT's financial and non-financial performance, and is distributed to employees based on their individual performance. The long-term incentive is in the form of two Unit plans, being the Restricted Unit Plan ("RUP") and the Performance Unit Plan ("PUP"). A portion of the annual performance bonus is granted in the form of deferred Units that are awarded under the RUP. The PUP comprises performance targets determined on an annual basis and which vest over a longer term horizon. Executives who have greater ability to influence strategic outcomes have a greater proportion of their overall reward at risk. Eligible employees of the Manager are granted existing Units in Keppel DC REIT that are already owned by the Manager. Therefore, no new Units are or will be issued by Keppel DC REIT to satisfy the grant of the Units under the RUP and/or the PUP as the Units that are granted under these plans will be taken from the Units which are already owned by the Manager.

The NRC exercises broad discretion and independent judgment in ensuring that the amount and mix of remuneration are aligned with the interests of Unitholders and promote the long-term success of Keppel DC REIT. The mix of fixed and variable reward is considered appropriate for the Manager and for each individual role.

The remuneration structure is directly linked to corporate and individual performance, both in terms of financial and non-financial performances. This link is achieved in the following ways:

(1) By placing a significant portion of executive's remuneration at risk ("at-risk component") and in some cases, subject to a vesting schedule;
(2) By incorporating appropriate key performance indicators ("KPIs") for awarding of annual cash incentives:
   a. There are four scorecard areas that the Manager has identified as key to measuring its performance –
      i. Financial;
      ii. Process;
      iii. Customers & Stakeholders; and
      iv. People.
      Some of the key sub-targets within each of the scorecard areas include key financial indicators, safety goals, risk management, compliance and controls measures, corporate social responsibility activities, employee engagement, talent development and succession planning;
   b. The four scorecard areas have been chosen because they support how the Manager achieves its strategic objectives. The framework provides a link for staff in understanding how they contribute to each area of the scorecard, and therefore to the Manager's overall strategic goals. The NRC reviews and approves the scorecard annually;
   c. By selecting performance conditions for the KDCRM PUP such as Asset Under Management, Distribution Per Unit and Total Unitholder Returns for equity awards that are aligned with Unitholders' interests;
   d. By requiring those KPIs or conditions to be met in order for the at-risk components of remuneration to be awarded or to vest; and
   e. Forfeiture of the at-risk components of remuneration when those KPIs or conditions are not met at a satisfactory level.

The NRC also recognises the need for a reasonable alignment between risk and remuneration to discourage excessive risk taking. Therefore, in reviewing the remuneration structure, the NRC had taken into account the risk policies and risk tolerance of Keppel DC REIT and the Manager as well as the time horizon of risks, and incorporated risks-adjustments into the remuneration structure through several initiatives, including but not limited to:

(1) Prudent funding of annual performance bonus;
(2) Granting a portion of the annual performance bonus in the form of deferred Units, to be awarded under the RUP;
(3) Vesting of contingent Unit awards under the PUP being subjected to KPIs and/or performance conditions being met; and
(4) Potential forfeiture of variable incentives in any year due to misconduct.

The NRC is of the view that the overall level of remuneration is not considered to be at a level which is likely to promote behaviours contrary to the Manager's risk profile.

In determining the actual quantum of the variable component of remuneration, the NRC had taken into account the extent to which the performance conditions, as set out above, have been met. The NRC is of the view that remuneration is aligned to performance during FY2018.

In order to align the interests of the CEO and key management personnel with that of the Unitholders, the CEO and key management personnel are remunerated partially in the form of Units owned by the Manager and are encouraged to hold such Units while they remain in the employment of the Manager.

The Directors, the CEO and the key management personnel (who are not Directors or the CEO) are remunerated on an earned basis and there are no termination, retirement and post-employment benefits that are granted over and above what have been disclosed.

In order not to hamper the Manager's efforts to retain and nurture its talent pool and given the highly competitive conditions in the industry where poaching of senior management is commonplace, the Manager is disclosing the remuneration of the CEO and key management personnel (who are not Directors or the CEO) in bands of S$250,000, and is not disclosing the aggregate total remuneration paid to the top five key management personnel. The Manager is of the view that such disclosure or non-disclosure (as the case may be) will not be prejudicial to the interests of the Unitholders as sufficient information is provided on the Manager's remuneration framework to enable Unitholders to understand the link between the remuneration paid to the CEO and its key management personnel, and performance as set out on pages 142 to 144.

Long term incentive plans - KDCRM Unit Plans

The RUP and the PUP (the "KDCRM Unit Plans") are long-term incentive schemes implemented by the Manager since 2015. No employee share option schemes or share schemes have been implemented by Keppel DC REIT.

The KDCRM Unit Plans are put in place to increase the Manager's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve superior performance and to motivate them to continue to strive for long-term Unitholders' value. The KDCRM Unit Plans also aim to strengthen the Manager's competitiveness in attracting and retaining talented key management personnel and employees. The RUP applies to a broader base of employees while the PUP applies to a selected group of key management personnel. The range of performance targets to be set under the PUP emphasizes stretched or strategic targets aimed at sustaining longer-term growth.

The NRC has the discretion to not award variable incentives in any year if an executive is directly involved in a material restatement of financial statements or in misconduct resulting in restatement of financial statements or financial losses to Keppel DC REIT or the Manager. Outstanding performance bonuses under the RUP and the PUP are also subject to the NRC's discretion before further payment or vesting can occur.

Remuneration of Employees who are Immediate Family Members of a Director or the Chief Executive Officer
No employee of the Manager was an immediate family member of a Director or the CEO and whose remuneration exceeded $50,000 during the financial year ended 31 December 2018. "Immediate family member" refers to the spouse, child, adopted child, step-child, brother, sister and parent.

Accountability and Audit

Principle 10:
The Board should present a balanced and understandable assessment of the company's performance, position and prospects

Principle 12:
Establishment of Audit Committee with written terms of reference

The Board is responsible for providing a balanced and understandable assessment of Keppel DC REIT's performance, position and prospects, including interim and other price-sensitive public reports, and reports to regulators, if required.

The Board has embraced openness and transparency in the conduct of the Manager's affairs, whilst preserving the commercial interests of Keppel DC REIT. Financial reports and other price sensitive information are disseminated to Unitholders through announcements via SGXNET, media releases, as well as Keppel DC REIT's corporate website.

The level and mix of each of the Directors' remuneration are set out below:

Name of Director	Base/ Fixed Salary	Variable or performance-related income/bonuses	Directors' Fees (S$)	Benefits-in-Kind
Chan Hon Chew [(1)]	-	-	S$32,832	-
Lee Chiang Huat	-	-	S$69,000	-
Thomas Pang [(2)]	-	-	S$46,000	-
Dileep Nair [(3)]	-	-	S$65,868	-
Leong Weng Chee [(4)]	-	-	S$60,000	-
Richard Teo [(5)]	-	-	S$17,589	-
Dr Tan Tin Wee [(6)]	-	-	S$71,905	-
Christina Tan [(7)]	-	-	S$80,499	-

1 Mr Chan Hon Chew ceased to be the Chairman of the Board, the Chairman of the Executive Committee and member of ARC with effect from 18 April 2018. Fees are pro-rated accordingly. Mr Chan's fees are paid 100% to Keppel Corporation.
2 Mr Thomas Pang's fees are paid 100% to Keppel T&T.
3 Mr Dileep Nair was appointed a member of NRC with effect from 1 August 2018.
4 Mr Leong Weng Chee ceased to be a member of the Executive Committee which was dissolved on 1 August 2018. Fees are pro-rated accordingly.
5 Mr Richard Teo ceased to be a member of the Board and member of ARC with effect from 18 April 2018. Fees are pro-rated accordingly.
6 Dr Tan Tin Wee was appointed as the Chairman of NRC with effect from 1 August 2018. Dr Tan ceased to be a member of ARC with effect from 1 August 2018 and a member of the Executive Committee which was dissolved on 1 August 2018. Fees are pro-rated accordingly.
7 Ms Christina Tan was appointed as the Chairman of the Board and Chairman of the Executive Committee with effect from 18 April 2018, and member of NRC with effect from 1 August 2018. Ms Tan ceased to be Chairman of the Executive Committee which was dissolved on 1 August 2018. Fees are pro-rated accordingly. Ms Tan's fees will be paid 100% to Keppel Capital.

The level and mix of the remuneration of the CEO and each of the other key management personnel, in bands of $250,000, are set out below:

Remuneration Band and Names of CEO and Key Management Personnel [(1)]	Base/ Fixed Salary	Variable or Performance-related income/ bonuses [(2)]	Benefits-in-kind	Contingent award of units/ shares	
				PUP [(3)]	RUP [(3)]
Above S$750,000 to S$1,000,000					
Chua Hsien Yang	38%	23%	n.m [(5)]	16%	23%
Above S$250,000 to S$500,000					
Lee Meng Hoon, Anthea	50%	30%	n.m [(5)]	-	20%
Thng Bee Lay	58%	32%	n.m [(5)]	-	10%
Below S$250,000					
Adam Lee [(4)]	58%	32%	n.m [(5)]	-	10%

1 The Manager has less than five key management personnel other than the CEO.
2 The NRC is satisfied that the quantum of performance-related bonuses earned by the CEO and key management personnel of the Manager was fair and appropriate taking into account the extent to which their KPIs for FY2018 were met.
3 Units awarded under the KDCRM PUP are subject to pre-determined performance targets set over a three-year performance period. As at 30 April 2018 (being the grant date), the estimated value of each unit granted in respect of the contingent awards under the KDCRM PUP was $1.43. As at 15 February 2019 (being the grant date for the contingent deferred units under the KDCRM RUP), the estimated value of each unit granted in respect of the contingent awards under the KDCRM RUP was $1.39. For the KDCRM PUP, the figures were based on the value of the PUP units at 100% of the award and the figures may not be indicative of the actual value at vesting which can range from 0% to 150% of the award.
4 Mr Adam Lee was appointed Head, Finance on 28 July 2018. The remuneration disclosed is on an annual basis.
5 "n.m" means not material.

Management provides all members of the Board with management accounts which present a balanced and understandable assessment of Keppel DC REIT's performance, position and prospects on a periodic basis. Such reports include financial results, market and business developments, and business and operational information. The financial results are compared against the respective budgets, together with explanations for significant variances for the reporting period.

Audit and Risk Committee

The Audit and Risk Committee ("ARC") has been appointed by the Board from among the Directors of the Manager and comprises four non-executive Directors, all of whom (including the Chairman of the ARC) are independent Directors. The Chairman of the ARC is Mr Lee Chiang Huat and the members are Mr Dileep Nair, Mr Leong Weng Chee and Mr Low Huan Ping.

At least two of the members of the ARC have accounting or related financial management expertise or experience.

The ARC's role includes assisting the Board to ensure the integrity of financial reporting and that sound internal control systems are in place. The responsibilities of the ARC are disclosed in the Appendix hereto.

The ARC has authority to investigate any matter within its terms of reference, full access to and co-operation by management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly. The Manager's internal audit functions are performed by Keppel Corporation Limited's Group Internal Audit department ("Group Internal Audit"). Group Internal Audit, together with the external auditor, report their findings and recommendations independently to the ARC.

A total of four ARC meetings were held in 2018. In addition, the ARC met with the external auditor and the internal auditor at least once during the year, without the presence of the management.

During the year, the ARC performed independent reviews of the financial statements of Keppel DC REIT before the announcement of Keppel DC REIT's quarterly, half- and full-year results. In the process, the ARC reviewed the key areas of management judgment applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have a significant impact on the financials.

The ARC also reviewed and approved both the internal auditor's and external auditor's plans to ensure that the plans covered sufficiently in terms of audit scope in reviewing the significant internal controls of Keppel DC REIT and the Manager. Such significant controls comprise financial, operational, compliance and information technology controls. All audit findings and recommendations reported by the internal and external auditors were forwarded to the ARC. Significant issues were discussed at these meetings.

In addition, the ARC undertook a review of the independence and objectivity of the external auditor through discussions with the external auditor as well as reviewing the non-audit fees awarded to them, and has confirmed that the non-audit services performed by the external auditor would not affect their independence.

For FY 2018, an aggregate amount of $306,000, comprising audit service fees of $224,000 and non-audit service fees of $82,000, was paid/payable to Keppel DC REIT's external auditor.

Keppel DC REIT has complied with Rule 712 and Rule 715, read with Rule 716 of the SGX Listing Manual in relation to its appointment of audit firms.

The ARC also reviewed the adequacy of the internal audit function and was satisfied that the team was adequately resourced to perform its functions, and had appropriate standing within Keppel DC REIT and the Manager.

The ARC reviewed the "Whistle-Blower Policy" (the "Policy") which provides for the mechanisms by which employees and other persons may, in confidence, raise concerns about possible improprieties in financial reporting or other matters, and was satisfied that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action.
To facilitate the management of incidences of alleged fraud or other misconduct, the ARC is guided by a set of guidelines to ensure proper conduct of investigations and appropriate closure actions following completion of the investigations, including administrative, disciplinary, civil and/or criminal actions, and remediation of any control weaknesses that perpetrated the fraud or misconduct so as to prevent a recurrence.

In addition, the ARC reviews the Policy annually to ensure that it remains current. The details of the Policy are set out on pages 151 and 152 herein.

The ARC members are kept updated whenever there are changes to the accounting standards or issues that may have an impact on the financial statements of Keppel DC REIT.

Risk Management and Internal Controls

Principle 11:

Sound system of risk management and internal controls

The ARC also assists the Board in examining the adequacy and effectiveness of Keppel DC REIT's and the Manager's risk management system to ensure that a robust risk management system is maintained. The ARC reviews and guides management in the formulation of risk policies and processes to effectively identify, evaluate and manage significant risks, to safeguard Unitholders' interests and Keppel DC REIT's assets. The ARC reports to the Board on critical risk issues, material matters, findings and recommendations. The responsibilities of the ARC are disclosed in the Appendix hereto.

Risk Assessment and Management of Business Risk

Identifying and managing risks is central to the business of Keppel DC REIT and to protecting Unitholders' interests and value. Keppel DC REIT operates within overall guidelines and specific parameters set by the Board. Responsibility for managing risks lies with the Manager, working within the overall strategy outlined by the Board. The Manager has appointed experienced and well-qualified management to handle its day-to-day operations.

The Board met five times in 2018. Management surfaces key risk issues for discussion and confers with the ARC and the Board regularly.

Keppel DC REIT's Enterprise Risk Management framework ("ERM Framework") provides Keppel DC REIT and the Manager with a systematic approach to risk management. In assessing business risk, the Board takes into consideration the economic environment and the risks relevant to the data centre industry. The Manager has implemented a systematic risk assessment process to identify business risks and mitigating actions. Details of the Manager's approach to risk management and internal controls and the management of key business risks are set out in the "Risk Management" section on pages 57 and 58 of this Annual Report. The Manager is guided by a set of Risk Tolerance Guiding Principles, as disclosed on page 57.

The Manager has in place a risk management assessment framework which was established to facilitate the

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Board's assessment on the adequacy and effectiveness of Keppel DC REIT's and the Manager's risk management system. The framework lays out the governing policies, processes and systems pertaining to each of the key risk areas of Keppel DC REIT and the Manager and assessments are made on the adequacy and effectiveness of such policies, process and systems. The risk tolerance guiding principles and risk management assessment framework are reviewed and updated annually.

In addition, the Manager has adopted the Whistle-Blower Policy, Insider Trading Policy and Code of Practice for Safeguarding Information which reflect the management's commitment to conduct its business within a framework that fosters the highest ethical and legal standards.

Independent Review of Internal Controls
The Manager's internal auditor conduct an annual review of the effectiveness of Keppel DC REIT's and the Manager's material internal controls, including financial, operational, compliance and information technology controls, and risk management systems. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the ARC. The ARC also reviews the effectiveness of the actions taken by the management on the recommendations made by the internal auditor in this respect.

Keppel DC REIT and the Manager also have in place the Keppel DC REIT's System of Management Controls Framework (the "Framework") outlining Keppel DC REIT's and the Manager's internal control and risk management processes and procedures. The Framework comprises three Lines of Defence towards ensuring the adequacy and effectiveness of Keppel DC REIT's and the Manager's system of internal controls and risk management.

Under the first Line of Defence, management is required to ensure good corporate governance through implementation and management of policies and procedures relevant to the Keppel DC REIT's and the Manager's business scope and environment. Such policies and procedures govern financial, operational, regulatory compliance and information technology matters and are reviewed and updated periodically. Compliance governance is governed by the regulatory compliance management committee and working teams. Employees are guided by the Manager's core values and expected to comply strictly with the Employee Code of Conduct.

Under the second Line of Defence, Keppel DC REIT and the Manager are required to conduct self-assessment exercise on an annual basis. This exercise requires Keppel DC REIT and the Manager to assess the status of their respective internal controls and risk management via self-assessment questionnaires. Action plans would then be drawn up to remedy identified control gaps. Under Keppel DC REIT's ERM Framework, significant risk areas are also identified and assessed, with systems, policies and processes put in place to manage and mitigate the identified risks. Regulatory Compliance works alongside business management to ensure relevant policies, processes and controls are effectively designed, managed and implemented to ensure compliance risks and controls are effectively managed.

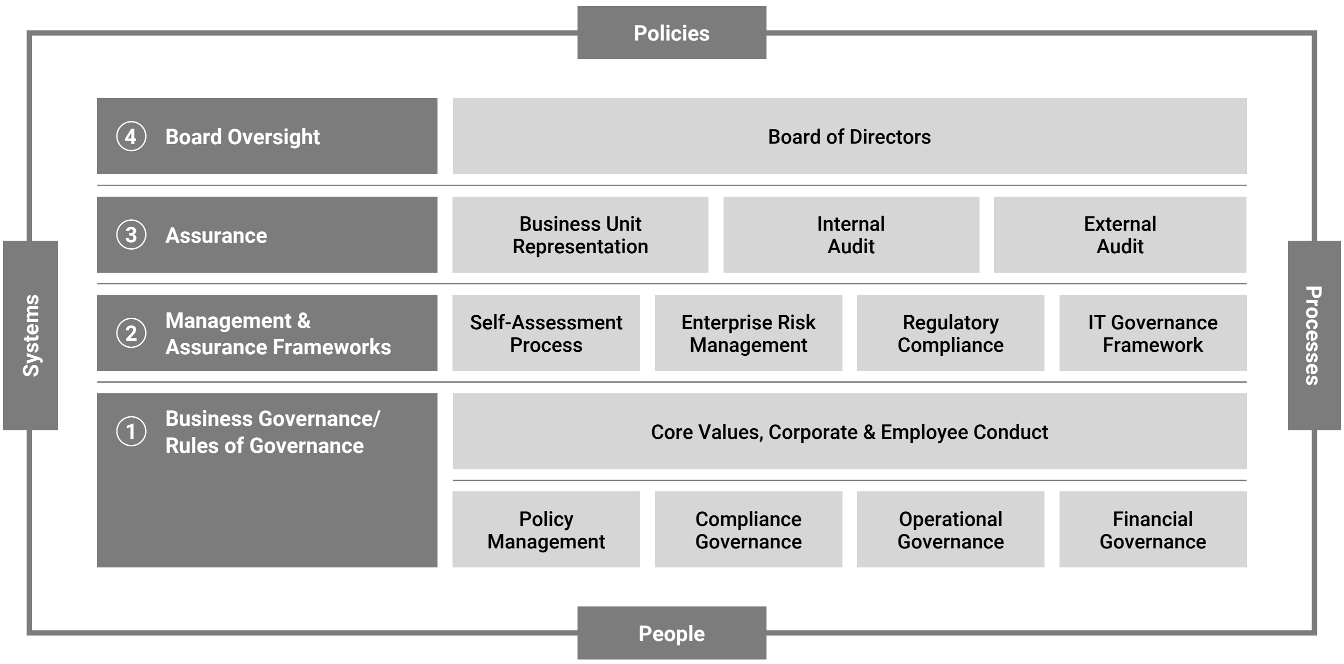
Under the third Line of Defence, the CEO and the Head of Finance are required to provide Keppel DC REIT and the Manager with written assurances as to the adequacy and effectiveness of their system of internal controls and risk management. The internal and external auditors provide added independent assessments of the overall control environment.

The Board, supported by the ARC, oversees Keppel DC REIT's and the Manager's system of internal controls and risk management. The Board has received assurance from the CEO, Mr Chua Hsien Yang, and the Head of Finance, Mr Adam Lee, that, amongst others:

(1) the financial records of Keppel DC REIT and the Manager have been properly maintained and the financial statements give a true and fair view of the operations and finances of Keppel DC REIT and the Manager;

(2) the internal controls of Keppel DC REIT and the Manager are adequate and effective to address the financial, operational, compliance and information technology risks which Keppel DC REIT and the Manager consider relevant and material to its current business scope and environment and that they are not

Keppel DC REIT's System of Management Controls



aware of any material weaknesses in the system of internal controls; and

(3) they are satisfied with the adequacy and effectiveness of Keppel DC REIT's and the Manager's risk management system.

Based on Keppel DC REIT's and the Manager's framework of management control, the internal control and risk management policies and procedures established and maintained by Keppel DC REIT and the Manager, and the regular audits, monitoring and reviews performed by the internal and external auditors, the Board, with the concurrence of the ARC, is of the opinion that, taking into account the nature, scale and complexity of Keppel DC REIT's and the Manager's operations, as at 31 December 2018, Keppel DC REIT's and the Manager's internal controls and risk management system, are adequate and effective to address the financial, operational, compliance and information technology risks which Keppel DC REIT and the Manager consider relevant and material to its current business scope and environment.

The system of internal controls and risk management established by Keppel DC REIT and the Manager provides reasonable, but not absolute, assurance that Keppel DC REIT and the Manager will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human errors, losses, fraud or other irregularities.

Internal Audit

Principle 13:

Adequately resourced and independent internal audit function

The internal audit function of the Manager is performed by Keppel Corporation Limited's Group Internal Audit. The role of the internal auditor is to provide independent assurance to the ARC that Keppel DC REIT and the Manager maintain a sound system of internal controls by reviewing the key controls and procedures and their effectiveness, undertaking investigations as directed by the ARC, and conducting regular in-depth audits of high-risk areas.

Staffed with suitably qualified executives, Group Internal Audit has access to the ARC and unrestricted access to all of Keppel DC REIT's and the Manager's documents, records, properties and personnel. The Head of Group Internal Audit's primary line of reporting is to the Chairman of the ARC.

As a member of the Institute of Internal Auditors ("IIA"), Group Internal Audit is guided by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors Incorporated, USA ("IIA"). External quality assessment reviews are carried out at least every five years by qualified professionals with the last assessment conducted in 2016. The results re-affirmed that the internal audit activity conforms to the International Standards for the Professional Practice of Internal Auditing. The professional competence of Group Internal Audit is maintained through its continuing professional development programme for its staff which includes sending auditors to attend professional courses conducted by external accredited organisations to enhance their knowledge on auditing techniques, as well as auditing and accounting pronouncements.

During the year, Group Internal Audit adopted a risk-based approach to audit planning and execution, that focuses on significant risks, including financial, operational, compliance and information technology risks. An annual audit plan is developed using a structured risk and control assessment framework. Group Internal Audit's reports are submitted to the ARC for deliberation with copies of these reports extended to the relevant senior management personnel. In addition, Group Internal Audit's summary of findings and recommendations are discussed at the ARC meetings. To ensure timely and adequate closure of audit findings, the status of the implementation of the actions agreed by management is tracked and discussed with the ARC.

Unitholder Rights and Responsibilities, Communication with Unitholders and Conduct of Unitholder Meetings

Principle 14:

Recognition, protection and facilitation of the exercise of Unitholders' rights

Principle 15:

Regular, effective and fair communication with Unitholders

Principle 16:

Greater Unitholder participation at Annual General Meetings

In addition to the matters mentioned above in relation to "Access to Information/ Accountability", the Manager regularly communicates with Unitholders and responds promptly to their queries and concerns.

The Manager employs various platforms to enhance its outreach to Unitholders, with an emphasis on timely, accurate, fair and transparent disclosure of information.

In addition to Unitholders' meetings, management engaged with a total of 320 local and foreign investors and analysts through meetings, conference calls, post-results engagements and site visits. Management also participated widely in local and overseas conferences to engage with the global investors and understand their views. More details on the Manager's investor relations activities are found on pages 19 to 20 of this Annual Report.

The Manager has in place an Investor Relations Policy which sets out the principles and practices that the Manager applies in order to provide Unitholders and prospective investors with information necessary to make well-informed investment decisions and to ensure a level playing field. The Investor Relations Policy is published on Keppel DC REIT's website at www.keppeldcreit.com.

Material information is disclosed in a comprehensive, accurate and timely manner via SGXNET and/or media releases. The Manager ensures that unpublished price sensitive information is not disclosed selectively, and if on the rare occasion when such information is inadvertently disclosed, this would be immediately released to the public via SGXNET and/or media releases.

Unitholders are also kept abreast of latest announcements and updates on Keppel DC REIT via the corporate website and email alert system. Unitholders and members of the public can post their queries and feedback to a dedicated investor relations contact via email or the phone.

The Manager ensures that Unitholders have the opportunity to participate effectively and vote at Unitholders' meetings. In this regard, the Unitholders' meetings are generally held in central locations which are easily accessible by public transportation. Unitholders are informed of Unitholders' meetings through notices published in the newspapers and via SGXNET, and reports or circulars sent to all Unitholders. Unitholders are invited to such meetings to put forth any questions they may have on the motions to be debated and decided upon. If any Unitholder is unable to attend, he or she is allowed to appoint up to two proxies to vote on his/her behalf at the meeting through proxy forms sent in advance.

At Unitholders' meetings, each distinct issue is proposed as a separate resolution. To ensure transparency, all resolutions proposed at the Unitholders' meeting will be voted on by way of an electronic poll and the results of the poll will be displayed "live" to Unitholders/proxies immediately after each poll is conducted. The total number of votes cast for and against each

Corporate Governance

resolution and the respective percentages will also be announced promptly after the meeting via SGXNET.

Where possible, all the Directors will attend Unitholders' meetings. In particular, the Chairmen of the Board and the Board committees are required to be present to address questions at Unitholders' meetings. The external auditor is also present at such meetings to assist the Directors to address Unitholders' queries, if necessary.

The Manager is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved. The company secretaries of the Manager prepares minutes of Unitholders' meetings, which incorporates comments or queries from Unitholders and responses from the Board and management. These minutes are available to Unitholders upon request.

Securities Transactions
Insider Trading Policy
The Manager has a formal Insider Trading Policy on dealings in the securities of Keppel DC REIT, which sets out the implications of insider trading and guidance on such dealings. The policy has been distributed to the Manager's directors and officers. It has also adopted the best practices on securities dealings issued by the SGX. In compliance with Rule 1207(19) of the Listing Manual on best practices on dealing in securities, the Manager issues notices to its Directors and officers informing that the Manager and its officers must not deal in listed securities of Keppel DC REIT one month before the release of the full-year results and two weeks before the release of quarterly results, and if they are in possession of unpublished price-sensitive information. The Manager's officers are also informed that they should not deal in Keppel DC REIT's securities on short-term considerations.

Conflicts of Interests
The Manager has instituted the following procedures to deal with potential conflicts of interests issues:

(1) The Manager will not manage any other real estate investment trust which invests in the same type of properties as Keppel DC REIT.
(2) All resolutions in writing of the directors of the Manager in relation to matters concerning Keppel DC REIT must be approved by at least a majority of the directors of the Manager, including at least one Independent Director.
(3) At least one-third of the Board shall comprise independent directors.
(4) In respect of matters in which Keppel Corporation Limited and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by Keppel Corporation Limited and/or its subsidiaries to the Board to represent their interests will abstain from deliberation and voting on such matters. For such matters, the quorum must comprise a majority of the independent directors and must exclude nominee directors of Keppel Corporation Limited and/or its subsidiaries.

It is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of Keppel DC REIT with a Related Party (meaning any "interested person" as defined in the Listing Manual and/or, as the case may be, an "interested party" as defined in the Property Funds Appendix) of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of Keppel DC REIT, has a prima facie case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The directors of the Manager (including its independent directors) will have a duty to ensure that the Manager so complies. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of Keppel DC REIT with a Related Party of the Manager and the Trustee may take such action as it deems necessary to protect the rights of Unitholders and/or which is in the interests of Unitholders. Any decision by the Manager not to take action against a Related Party of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such Related Party.

Employee Code of Conduct
The Manager has in place an employee code of conduct which establishes a culture of high integrity as well as reinforces ethical business practices.

This policy addresses, at the employee level, the standards of acceptable and unacceptable behaviour and personal decorum as well as issues of workplace harassment. On the business front, the policy addresses the standards of business behaviour including anti-corruption, the offering and receiving of gifts, hospitality and promotional expenditures as well as conflicts of interests. The policy also requires all staff to avoid any conflict between their own interests and the interests of the Manager in dealing with its suppliers, customers and other third parties.

The rules require business to be conducted with integrity, fairly, impartially, in an ethical and proper manner, and in compliance with all applicable laws and regulations. Relevant anti-corruption rules are also spelt out to protect the business, resources and reputation of Keppel DC REIT and the Manager. Employees must not offer or authorise the giving, directly or through third parties, of any bribe, kickback, illicit payment, or any benefit-in-kind or any other advantage to any person or entity, as an inducement or reward for an improper performance or non-performance of a function or activity. Similarly, employees must not solicit or accept illicit payment, directly or indirectly, from any person or entity that is intended to induce or reward an improper performance or non-performance of a function or activity.

New employees are briefed on the policy when they join the Manager. Subsequently, all employees are required to acknowledge the policy annually to ensure awareness.

Related Party Transactions
The Manager's Internal Control System
The Manager has established an internal control system to ensure that all Related Party transactions:

- will be undertaken on normal commercial terms; and
- will not be prejudicial to the interests of Keppel DC REIT and the Unitholders.

As a general rule, the Manager must demonstrate to the ARC that such transactions satisfy the foregoing criteria. This may entail:

- obtaining (where practicable) quotations from parties unrelated to the Manager; or
- obtaining two or more valuations from independent professional valuers (in compliance with the Property Funds Appendix).

The Manager maintains a register to record all Related Party transactions which are entered into by Keppel DC REIT and the bases, including any quotations from unrelated parties and independent valuations, on which they are entered into. The Manager also incorporates into its internal audit plan a review of all Related Party transactions entered into by Keppel DC REIT. The ARC reviews the internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor Related Party transactions have been complied with. The Trustee also has the right to review such audit reports to ascertain that the Property Funds Appendix has been complied with. The following procedures are undertaken:

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding S$100,000 in value but below 3.0% of the value of Keppel DC REIT's net tangible assets will be subject to review by the ARC at regular intervals;
- transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of Keppel DC REIT's net tangible assets will be subject to the review and prior approval of the ARC. Such approval shall only be given if the transactions are on normal commercial terms and not prejudicial to the interests of Keppel DC REIT and its Unitholders and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager; and
- transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 5.0% of the value of Keppel DC REIT's net tangible assets will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the ARC which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Furthermore, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by the Unitholders at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

Where matters concerning Keppel DC REIT relate to transactions entered into or to be entered into by the Trustee for and on behalf of Keppel DC REIT with a Related Party of Keppel DC REIT or the Manager, the Trustee is required to consider the terms of such transactions to satisfy itself that such transactions are conducted:
- on normal commercial terms;
- are not prejudicial to the interests of Keppel DC REIT and the Unitholders; and
- are in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question.

The Trustee has the discretion under the Trust Deed to decide whether or not to enter into a transaction involving a Related Party of Keppel DC REIT or the Manager. If the Trustee is to sign any contract with a Related Party of Keppel DC REIT or the Manager, the Trustee will review the contract to ensure that it complies with the requirements relating to interested party transactions in the Property Funds Appendix (as may be amended from time to time) and the provisions of the Listing Manual relating to interested person transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX to apply to REITs.

Keppel DC REIT will, in compliance with Rule 905 of the Listing Manual, announce any interested person transaction in accordance with the Listing Manual if such transaction, by itself or when aggregated with other interested person transactions entered into with the same interested person during the same financial year, is 3.0% or more of Keppel DC REIT's latest audited net tangible assets.

The aggregate value of all Related Party transactions which are subject to Rules 905 and 906 of the Listing Manual in a particular financial year will be disclosed in Keppel DC REIT's annual report for that financial year.

Role of the Audit and Risk Committee for Related Party Transactions
The Manager's internal control procedures are intended to ensure that Related Party transactions are conducted at arm's length and on normal commercial terms and are not prejudicial to Unitholders.

On a quarterly basis, the management reports to the ARC the Related Party transactions entered into by Keppel DC REIT. The Related Party transactions were also reviewed by the internal auditor and all findings were reported during the ARC meetings.

The ARC reviews all Related Party transactions to ensure compliance with the internal control procedures and with the relevant provisions of the Listing Manual and the Property Funds Appendix. The review includes the examination of the nature of the transaction and if necessary, its supporting documents or such other data deemed necessary by the ARC. In addition, the Trustee will review such internal audit reports to ascertain that the requirements of the Property Funds Appendix have been complied with.

If a member of the ARC has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.

Appendix

Board Committees – Responsibilities
A. Audit And Risk Committee

(1) Review financial statements and formal announcements relating to financial performance, and review significant financial reporting issues and judgments contained in them, for better assurance of the integrity of such statements and announcements.

(2) Review and report to the Board at least annually the adequacy and effectiveness of the Manager's and Keppel DC REIT's risk management and internal controls, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties).

(3) Review the audit plans and reports of the external auditor and internal auditor, and consider the effectiveness of actions or policies taken by management on the recommendations and observations.

(4) Review the independence and objectivity of external auditor annually.

(5) Review the nature and extent of non-audit services performed by external auditor.

(6) Meet with external and internal auditors, without the presence of management, at least annually.

(7) Make recommendations to the Board on the proposals to Unitholders on the appointment, re-appointment and removal of the external auditor, and approve the remuneration and terms of engagement of the external auditor.

(8) Review the adequacy and effectiveness of the Manager's and Keppel DC REIT's internal audit function, at least annually.

(9) Ensure at least annually that the internal audit function is adequately resourced and has appropriate standing with the Manager and Keppel DC REIT.

(10) Approve the accounting/auditing firm or corporation to which the internal audit function is outsourced.

(11) Review the policy and arrangements by which employees of the Manager and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow up action to be taken.

(12) Monitor the procedures in place to ensure compliance with applicable legislation, the Listing Manual and the Code on Collective Investment

Schemes (including the Property Funds Appendix).

(13) Review Related Party transactions, including ensuring compliance with the provisions of the Listing Manual relating to "interested person transaction" (as defined therein) and the provisions of the Property Funds Appendix relating to "interested party transactions" (as defined therein).

(14) Investigate any matters within the ARC's purview, whenever it deems necessary.

(15) Obtain recommendations on risk tolerance and strategy from management, and where appropriate, report and recommend to the Board for its determination:

(i) The nature and extent of significant risks which the Manager and Keppel DC REIT may take in achieving its strategic objectives; and

(ii) Overall levels of risk tolerance and risk policies

(16) Review and discuss, as and when appropriate, with management the Manager and Keppel DC REIT's risk governance structure and their risk policies, risk mitigation and monitoring processes and procedures.

(17) Receive and review at least quarterly reports from management on major risk exposures and the steps taken to monitor, control and mitigate such risks.

(18) Review the Manager's capability to identify and manage new risk types.

(19) Review and monitor management's responsiveness to the recommendations of the ARC.

(20) Provide timely input to the Board on critical risk issues.

(21) Report to the Board on material matters, findings and recommendations.

(22) Review the ARC's terms of reference annually and recommend any proposed changes to the Board.

(23) Perform such other functions as the Board may determine.

(24) Sub-delegate any of its powers within its terms of reference as listed above from time to time as the ARC may deem fit.

B. Nominating and Remuneration Committee

(1) Recommend to the Board the appointment/re-appointment of Directors.

(2) Annual review of balance and diversity of skills, experience, gender and knowledge required by the Board, and the size of the Board which would facilitate decision-making.

(3) Annual review of independence of each Director, and to ensure that the Board comprises at least half independent Directors. In this connection, the Nominating and Remuneration Committee should conduct particularly rigorous review of the independence of any Director who has served on the Board beyond 9 years from the date of his or her first appointment.

(4) Decide, where a Director has other listed company board representation and/or other principal commitments, whether the Director is able to and has been adequately carrying out his duties as Director of the Company.

(5) Recommend to the Board the process for the evaluation of the performance of the Board, the Board committees and individual Directors, and propose objective performance criteria to assess the effectiveness of the Board as a whole and the contribution of each Director.

(6) Annual assessment of the effectiveness of the Board as a whole and individual Directors.

(7) Review the succession plans for the Board (in particular, the Chairman) and senior management (in particular, the CEO).

(8) Review talent development plans.

(9) Review the training and professional development programs for Board members.

(10) Review and recommend to the Board a framework of remuneration for Board members and key management personnel, and the specific remuneration packages for each Director as well as the key management personnel.

(11) Review the Company's obligations arising in the event of termination of the executive Directors' and key management personnel's contracts of service, to ensure that such clauses are fair and reasonable and not overly generous.

(12) Consider whether Directors should be eligible for benefits under long-term incentive schemes (including weighing the use of share schemes against the other types of long-term incentive scheme).

(13) Administer the Company's long-term incentive schemes in accordance with the rules of such schemes.

(14) Report to the Board on material matters and recommendations.

(15) Review the Nominating and Remuneration Committee's terms of reference annually and recommend any proposed changes to the Board.

(16) Perform such other functions as the Board may determine.

(17) Sub-delegate any of its powers within its terms of reference as listed above, from time to time, as this Committee may deem fit.

Board Assessment

Evaluation processes

Board

Each Board member is required to complete a Board Evaluation Questionnaire and send the completed Questionnaire directly to the Independent Co-ordinator within five working days. An "Explanatory Note" is attached to the Questionnaire to clarify the background, rationale and objectives of the various performance criteria used in the Board Evaluation Questionnaire with the aim of achieving consistency in the understanding and interpretation of the questions. Based on the returns from each of the Directors, the Independent Co-ordinator prepares a consolidated report and briefs the NRC Chairman and Chairman on the report. Thereafter, the Independent Co-ordinator will present the report to the Board for discussion on the changes which should be made to help the Board discharge its duties more effectively.

Individual Directors

In the assessment of the performance of the non-executive Directors, each Director is required to complete the non-executive Directors' assessment form and send the completed form directly to the Independent Co-ordinator within five working days. Each non-executive Director is also required to perform a self-assessment in addition to a peer assessment. Based on the returns, the Independent Co-ordinator prepares a consolidated report and briefs the NRC Chairman and the Chairman. Thereafter, the report is presented to the NRC. Following the meeting and if necessary, the NRC Chairman will meet with non-executive Directors individually to provide feedback on their respective performance with a view to improving their board performance.

Chairman
The Chairman Evaluation Form is completed by each non-executive Director (other than the Chairman) and sent directly to the Independent Co-ordinator within five working days. Based on the returns from each of the non-executive Directors, the Independent Co-ordinator prepares a consolidated report and briefs the Chairman on the report. Thereafter, the Independent Co-ordinator will present the report to the NRC.

Performance Criteria
The performance criteria for the board evaluation are in respect of board size and composition, board independence, board processes, board information and accountability, management in diversity, board performance in relation to discharging its principal functions and board committee performance in relation to discharging its responsibilities set out in its terms of reference. Based on the responses received, the Board continues to perform and fulfill its duties, responsibilities and performance objectives in accordance with the established Board processes of the Company.

The individual Director's performance criteria are categorized into five segments; namely, (1) interactive skills (under which factors as to whether the Director works well with other Directors, and participates actively are taken into account); (2) knowledge (under which factors as to the Director's industry and business knowledge, functional expertise, whether he provides valuable inputs, his ability to analyse, communicate and contribute to the productivity of meetings, and his understanding of finance and accounts are taken into consideration); (3) Director's duties (under which factors as to the Director's board committee work contribution, whether the Director takes his role of Director seriously and works to further improve his own performance, whether he listens and discusses objectively and exercises independent judgment, and meeting preparation are taken into consideration); (4) availability (under which the Director's attendance at board and board committee meetings, whether he is available when needed, and his informal contribution via e-mail, telephone, written notes etc are considered); and (5) overall contribution, bearing in mind that each Director was appointed for his/her strength in certain areas which, taken together with the skill sets of the other Directors, provides the Board with the required mix of skills and competencies.

The assessment of the Chairman of the Board is based on his ability to lead, whether he established proper procedures to ensure the effective functioning of the Board, whether he ensured that the time devoted to board meetings was appropriate (in terms of number of meetings held a year and duration of each board meeting) for effective discussion and decision making by the Board, whether he ensured that information provided to the Board was adequate (in terms of adequacy and timeliness) for the Board to make informed and considered decisions, whether he guides discussions effectively so that there is timely resolution of issues, whether he ensured that meetings are conducted in a manner that facilitates open communication and meaningful participation, and whether he ensured that Board committees are formed where appropriate, with clear terms of reference, to assist the Board in the discharge of its duties and responsibilities.

Keppel DC REIT Management Whistle-Blower Policy

The Keppel Whistle-Blower Policy (the "Policy") was established to encourage reporting in good faith of suspected Reportable Conduct (as defined below) by establishing clearly defined processes and reporting channels through which such reports may be made with confidence that employees and other persons making such reports will be treated fairly and, to the extent possible, protected from reprisal.

Reportable Conduct refers to any act or omission by an employee of the Manager or contract worker appointed by the Manager, which occurred in the course of his or her work (whether or not the act is within the scope of his or her employment) which in the view of a Whistle-Blower acting in good faith, is:

a. Dishonest, including but not limited to theft or misuse of the resources owned by or under the management of the Manager;
b. Fraudulent;
c. Corrupt;
d. Illegal;
e. Other serious improper conduct;
f. An unsafe work practice; or
g. Any other conduct which may cause financial or non-financial loss to the Manager or damage to the Manager's reputation.

A person who files a report or provides evidence which he knows to be false, or without a reasonable belief in the truth and accuracy of such information, will not be protected by the Policy and may be subject to administrative and/or disciplinary action.

Similarly, a person may be subject to administrative and/or disciplinary action if he subjects (i) a person who has made or intends to make a report in accordance with the Policy, or (ii) a person who was called or who may be called as a witness, to any form of reprisal which would not have occurred if he did not intend to, or had not made the report or be a witness.

The Head of Group Internal Audit is the Receiving Officer for the purposes of the Policy, and is responsible for the administration, implementation and overseeing ongoing compliance with the Policy. She reports directly to the ARC Chairman on all matters arising under the Policy.

Reporting Mechanism
The Policy emphasises that the role of the Whistle-Blower is as a reporting party, and that Whistle-Blowers are not to investigate, or determine the appropriate corrective or remedial actions that may be warranted.

Nature of Current Directors' Appointments and Membership on Board Committees

		Committee Membership	
Director	**Board Membership**	**Audit and Risk**	**Nominating and Remuneration**
Ms Christina Tan	Chairman and Non-Executive Director	-	Member
Mr Lee Chiang Huat	Independent Director	Chairman	-
Dr Tan Tin Wee	Independent Director	-	Chairman
Mr Leong Weng Chee	Independent Director	Member	-
Mr Dileep Nair	Independent Director	Member	Member
Mr Thomas Pang	Non-Executive Director	-	-
Mr Low Huan Ping	Independent Director	Member	-
Mr Kenny Kwan	Independent Director	-	Member

Employees are encouraged to report suspected Reportable Conduct to their respective supervisors who are responsible for promptly informing the Receiving Officer, who in turn is required to promptly report to the ARC Chairman, of any such report. The supervisor must not start any investigation in any event. If any of the persons in the reporting line prefers not to disclose the matter to the supervisor and/or Receiving Officer (as the case may be) via the established reporting channel, he or she may make the report directly to the ARC Chairman.

Other Whistle-Blowers (other than employees) may report a suspected Reportable Conduct to either the Receiving Officer or the ARC Chairman via the established reporting channel.

All reports and related communications will be documented by the person first receiving the report. The information disclosed should be as precise as possible so as to allow for proper assessment of the nature, extent and urgency of preliminary investigative procedures to be undertaken.

Investigation

Every report received (whether oral or written, and anonymous or otherwise) will be assessed by the Receiving Officer, who will review the information disclosed, interview the Whistle-Blower(s) when required and if contactable and, either exercising his/her own discretion or in consultation with the Whistle-Blower Investigation Advisory Committee, make recommendations to the ARC Chairman as to whether the circumstances warrant an investigation. If the ARC Chairman or, if the ARC Chairman consults the ARC, the ARC, determines that an investigation should be carried out, the ARC Chairman or, as the case may be, the ARC, shall determine the appropriate investigative process to be employed. The ARC Chairman will use his best endeavours to ensure that there is no conflict of interests on the part of any person involved in the investigations. An Investigation Advisory Committee assists the ARC Chairman with overseeing the investigation process and any matters arising therefrom.

All employees have a duty to cooperate with investigations initiated under the Policy. An employee may be placed on administrative leave or investigatory leave when it is determined by the ARC Chairman that it would be in the best interests of the employee, the Manager or both. Such leave is not to be interpreted as an accusation or a conclusion of guilt or innocence of any employee, including the employee on leave. All participants in the investigation must also refrain from discussing or disclosing the investigation or their testimony with anyone not connected to the investigation. In no circumstance should such persons discuss matters relating to the investigation with the person(s) who is/are subject(s) of the investigation ("Investigation Subject(s)").

Identities of Whistle-Blowers, participants of the investigations and the Investigation Subject(s) will be kept confidential to the extent possible.

No Reprisal

No person will be subject to any reprisal for having made a report in accordance with the Policy or having participated in an investigation. A reprisal means personal disadvantage by:

a. Dismissal;
b. Demotion;
c. Suspension;
d. Termination of employment/ contract;
e. Any form of harassment or threatened harassment;
f. Discrimination; or
g. Current or future bias.

Any reprisal suffered may be reported to the Receiving Officer (who shall refer the matter to the ARC Chairman) or directly to the ARC Chairman. The ARC Chairman shall review the matter and determine the appropriate actions to be taken. Any protection does not extend to situations where the Whistle-Blower or witness has committed or abetted the Reportable Conduct that is the subject of allegation. However, the ARC Chairman will take into account the fact that he/she has cooperated as a Whistle-Blower or a witness in determining whether, and to what extent, the disciplinary measure to be taken against him/her.

Rule 720(6) of the Listing Manual of the SGX-ST

The information required under Rule 720(6) read with Appendix 7.4.1 of the Listing Manual in respect of Directors whom the Manager is seeking re-endorsement by Unitholders at the annual general meeting to be held in 2019 is set out below.

Name of Director	Dileep Nair	Low Huan Ping	Kenny Kwan
Date of Appointment	18 November 2014	28 February 2019	28 February 2019
Date of last re-appointment (if applicable)	14 April 2016	N.A.	N.A.
Age	68	62	49
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The process for succession planning for the Board, appointment of directors, and the seeking of endorsement or re-endorsement of Directors to the Board, is set out in pages 139 to 140 of this Annual Report.		
Whether the appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive	Non-executive

Rule 720(6) of the Listing Manual of the SGX-ST

The information required under Rule 720(6) read with Appendix 7.4.1 of the Listing Manual in respect of Directors whom the Manager is seeking re-endorsement by Unitholders at the annual general meeting to be held in 2019 is set out below.

Name of Director	Dileep Nair	Low Huan Ping	Kenny Kwan
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director and Member of the Audit and Risk Committee and the Nominating and Remuneration Committee	Independent Director and Member of the Audit and Risk Committee	Independent Director and Member of the Nominating and Remuneration Committee
Professional qualifications	Bachelor of Engineering, McGill University; Master in Public Administration, Harvard University	Bachelor of Arts (Honours) and Master of Arts, Cambridge University; Master of Science (Industrial Engineering), National University of Singapore; Advanced Management Program, Harvard University	Bachelor of Law (Honours), National University of Singapore
Working experience and occupation(s) during the past 10 years	Former Ambassador to the Lao People's Democratic Republic; Former Consul-General to the Emirate of Dubai; Former Under-Secretary-General (Internal Oversight Services), United Nations; Former Managing Director, DBS Bank; Former Chief Executive Officer, Post Office Savings Bank of Singapore; Former High Commissioner to the Republic of Ghana	Former Executive Vice President, Technology of Singapore Press Holdings Ltd	Principal, Baker & McKenzie; Former Director and Head of Capital Markets, Drew & Napier LLC; Former Partner, Allen & Overy LLP
Shareholding interest in the listed issuer and its subsidiaries	25,500 units in Keppel DC REIT	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No
Conflict of interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments including Directorships - Past (for the last 5 years)	Nil	iFast Corporation Ltd, Magzter Inc, Shareinvestor.com Holdings Pte Ltd, MediaCorp Press Ltd	Nil
Other Principal Commitments including Directorships - Present	Thakral Corporation Ltd; Singapore Reinsurance Corporation Ltd; Agri-Food Veterinary Authority of Singapore; Health Sciences Authority of Singapore	M1 Limited	Nil

Corporate Governance

Rule 720(6) of the Listing Manual of the SGX-ST

The information required under Rule 720(6) read with Appendix 7.4.1 of the Listing Manual in respect of Directors whom the Manager is seeking re-endorsement by Unitholders at the annual general meeting to be held in 2019 is set out below.

Name of Director	Dileep Nair	Low Huan Ping	Kenny Kwan
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust	No	No	No

Rule 720(6) of the Listing Manual of the SGX-ST

The information required under Rule 720(6) read with Appendix 7.4.1 of the Listing Manual in respect of Directors whom the Manager is seeking re-endorsement by Unitholders at the annual general meeting to be held in 2019 is set out below.

Name of Director	Dileep Nair	Low Huan Ping	Kenny Kwan
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :— (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
Any prior experience as a director of an issuer listed on the Exchange?	Yes	Yes	No
If yes, please provide details of prior experience.	Keppel DC REIT Management Pte. Ltd. (the manager of Keppel DC REIT); Thakral Corporation Ltd; Singapore Reinsurance Corporation Ltd	M1 Limited; iFast Corporation Ltd	-
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.	Mr Kwan will be attending the training prescribed by the Exchange.

Corporate Governance

Code of Corporate Governance 2012
Guidelines for Disclosure

Guideline	Questions	How has the Company complied?
General	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	Yes, save in respect of the guidelines on disclosure of remuneration where, in order not to hamper the Manager's efforts to retain and nurture its talent pool and given the highly competitive conditions in the REIT industry where poaching of senior management is commonplace, the Manager is disclosing the remuneration of the CEO in bands of $250,000, and is not disclosing the aggregate total remuneration paid to the top five key management personnel (who are not directors or the CEO).
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?	The information under the Annual Remuneration Report in pages 142 to 144 of this Annual Report enables investors to understand the link between remuneration paid to the CEO and the key management personnel, and performance.
Board Responsibility		
Guideline 1.5	What are the types of material transactions which require approval from the Board?	The Manager has adopted a set of internal guidelines which sets out the level of authorisation and the financial authority limits for investment/business acquisition and divestment, operating/capital expenditure, capital management, leasing, disposal and write-off of assets and corporate matters. Transactions and matters which require the approval of the Board are clearly set out in the internal guidelines.
Members of the Board		
Guideline 2.6	(a) What is the Board's policy with regard to diversity in identifying director nominees?	The Nominating and Remuneration Committee ("NRC") reviews annually the balance and diversity of skills, experience, gender, age and knowledge required by the Board and the size of the Board which would facilitate decision making. In light of such review and in consultation with management, the NRC assesses if there is any inadequate representation in respect of any of those attributes and if so, prepares a description of the role and the essential and desirable competencies for a particular appointment.
	(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.	The NRC is satisfied that the Board and the Board committees comprise directors who as a group provide an appropriate balance and diversity of skills, experience, gender, age and knowledge, as well as core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning and customer-based experience or knowledge, required for the Board and the Board committees to be effective. In this respect, the NRC recognises the merits of gender diversity in relation to the composition of the Board and, in identifying candidates for new appointment to the Board, would consider suitable female candidates. Having said that, gender is but one aspect of diversity and new Directors will continue to be selected based on objective criteria set out as part of the process for appointment of new Directors and Board succession planning. As of 31 December 2018, there was one female Director out of a total of six Directors on the Board.
	(c) What steps has the Board taken to achieve the balance and diversity necessary to maximize its effectiveness?	There is a process of refreshing the Board progressively. See Guideline 4.6 below on process for nomination of new directors and Board succession planning.

Code of Corporate Governance 2012
Guidelines for Disclosure

Guideline	Questions	How has the Company complied?
Guideline 4.6	Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.	**For new directors** (a) The NRC reviews the balance and diversity of skills, experience, gender and knowledge required by the Board and the size of the Board which would facilitate decision-making. (b) In light of such review and in consultation with management, the NRC assesses if there is any inadequate representation in respect of those attributes and if so, prepares a description of the role and the essential and desirable competencies for a particular appointment. (c) NRC meets with the short-listed candidate(s) to assess suitability and to ensure that the candidate(s) is/are aware of the expectations and the level of commitment required. (d) NRC makes recommendations to the Board for approval. **For incumbent directors** The appointment of each of the Directors is subject to endorsement and re-endorsement by Unitholders by way of an ordinary resolution at the Annual General Meetings of Unitholders. The details of the endorsement process is set out on page 140 of this Annual Report. The NRC recommends the endorsement and re-endorsement of Directors to the Board for approval, having regard to the Director's contribution and performance (such as attendance, preparedness, participation and candour), with reference to the results of the assessment of the performance of the individual Director.
Guideline 1.6	(a) Are new directors given formal training? If not, please explain why.	Yes, all new Directors undergo a comprehensive orientation programme.
	(b) What are the types of information and training provided to (i) new directors and (ii) existing directors to keep them up-to-date?	All Directors are provided with continuing education in areas such as directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, changes in the Companies Act and industry-related matters, so as to update and refresh them on matters that affect or may enhance their performance as Board or Board committee members.
Guideline 4.4	(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?	Directors should not have more than 6 listed company board representations and/or other principal commitments. This serves as a guide and the Board takes into account other factors in deciding on the capacity of director.
	(b) If a maximum number has not been determined, what are the reasons?	Not applicable.
	(c) What are the specific considerations in deciding on the capacity of directors?	The NRC takes into account the results of the annual assessment of the effectiveness of the individual director, and the respective directors' actual conduct on the Board, in determining whether a Director with other listed company board representations and/or other principal commitments is able to and has been adequately carrying out his duties as a Director of the Manager.

Corporate Governance

Code of Corporate Governance 2012
Guidelines for Disclosure

Guideline	Questions	How has the Company complied?
Board Evaluation		
Guideline 5.1	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	An independent third party (the "Independent Co-ordinator") was appointed to assist in collating and analysing the returns of the Board members for the annual assessment. Mr Terry Wee, partner at Ernst & Young LLP, was appointed for this role. Based on the returns from each of the Directors, the Independent Co-ordinator prepared a consolidated report and briefed the Board Chairman on the report. Thereafter, the Independent Co-ordinator presented the report to the Board for discussion on the changes which should be made to help the Board discharge its duties more effectively. The detailed process for the conduct of the assessment is set out on pages 141 and 150 to 151 of this Annual Report.
	(b) Has the Board met its performance objectives?	Yes
Independence of Directors		
Guideline 2.1	Does the Company comply with the guideline on the proportion of independent directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	Yes
Guideline 2.3	(a) Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship.	Mr Lee Chiang Huat is deemed independent by the Board notwithstanding that he is a director of Keppel REIT Management Limited (the manager of Keppel REIT) which is a related corporation of the substantial shareholder of the Manager and the substantial unitholder of Keppel DC REIT, namely Keppel Corporation Limited ("Keppel Corporation"). Mr Low Huan Ping is deemed independent by the Board notwithstanding that he is a director of M1 Limited which is a company that Keppel Corporation is a substantial shareholder of. An entity majority owned by Keppel Corporation is also making a voluntary general offer for the shares in M1 Limited. Mr Kenny Kwan is deemed independent by the Board notwithstanding that he was a director of Drew & Napier LLC, a Singapore law firm which has provided legal services to the Keppel Group.
	(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	Taking into consideration (I) Mr Lee Chiang Huat having declared that (a) he serves in his personal capacity as an independent non-executive director of Keppel DC REIT Management Pte Ltd (the manager of Keppel DC REIT), and (b) he is not in any employment relationship with the Keppel Group and is not under any obligation to act in accordance with the directions, instructions or wishes of the Keppel Group, and (II) the instances of constructive challenge and probing of management by Mr Lee at the Board and the Board committee meetings of the Manager, the Board is satisfied that Mr Lee is able to act in the best interests of all the unitholders of Keppel DC REIT as whole. Taking into consideration Mr Low having declared that (a) he serves on the board of M1 Limited as a nominee of Singapore Press Holdings Limited, and not as a nominee or representative of Keppel Group, and (b) he is neither in any employment relationship with, nor under any obligation to act in accordance with the directions, instructions or wishes of, the Keppel Group, the Board is satisfied that Mr Low is able to act in the best interests of all the unitholders of Keppel DC REIT as whole.

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Guidelines for Disclosure

Guideline	Questions	How has the Company complied?
		Taking into consideration Mr Kenny Kwan having declared that (a) he has not previously acted for Keppel DC REIT and he does not hold a substantial partnership interest in Drew & Napier LLC, (b) in 2018, the total legal fees he earned from the Keppel Group was less than US$30,000, and the legal fees which Drew & Napier LLC received from the Keppel Group are insubstantial in relation to Drew & Napier LLC's overall revenue, and, (c) he does not regard the business relationship which Drew & Napier LLC has with the Keppel Group as something which could interfere with or be reasonably regarded as interfering with his exercise of independent judgment and ability to act in the best interests of Keppel DC REIT as a whole, the Board is satisfied that Mr Kwan is able to act in the best interests of all the unitholders of Keppel DC REIT as whole.
Guideline 2.4	Has any independent director served on the Board for more than nine years from the date of his first appointment? If so, please identify the director and set out the Board's reasons for considering him independent.	Not applicable. None of the Independent Directors have served on the Board for more than nine years from the date of his first appointment.
Disclosure on Remuneration		
Guideline 9.2	Has the Company disclosed each director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Yes. Although the remuneration of the Directors and employees of the Manager is paid by the Manager and not by Keppel DC REIT, the Manager has disclosed the level and mix of the remuneration of its Directors, CEO and key management personnel on page 144 of the Corporate Governance Report. In order not to hamper the Manager's efforts to retain and nurture its talent pool and given the highly competitive conditions in the REIT industry where poaching of senior management is commonplace, the Manager is disclosing the remuneration of the CEO in bands of $250,000.
Guideline 9.3	(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Yes. The level and mix of the remuneration of the CEO and each of the key management personnel, in bands of S$250,000, are set out on page 144 of the Annual Report.
	(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).	The Manager has less than five key management personnel other than the CEO. In order not to hamper the Manager's efforts to retain and nurture its talent pool and given the highly competitive conditions in the REIT industry where poaching of senior management is commonplace, the Manager is not disclosing the aggregate total remuneration paid to the top five key management personnel (who are not directors or the CEO). The Manager is of the view that such disclosure or non-disclosure (as the case may be) will not be prejudicial to the interests of the Unitholders as sufficient information is provided on the Manager's remuneration framework to enable Unitholders to understand the link between the remuneration paid to the CEO and its key management personnel, and performance as set out on pages 142 to 144.
Guideline 9.4	Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds S$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.	No. There are no such employees.

Corporate Governance

Code of Corporate Governance 2012
Guidelines for Disclosure

Guideline	Questions	How has the Company complied?
Guideline 9.6	(a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria. (b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes? (c) Were all of these performance conditions met? If not, what were the reasons?	The compensation structure is directly linked to Keppel DC REIT and individual performance, both in terms of financial and non-financial performances, as well as the creation of wealth for Unitholders. This is achieved in the following ways: (1) By placing a significant portion of executive's remuneration at risk ("at-risk component") and in some cases, subject to a vesting schedule; (2) By incorporating appropriate key performance indicators ("KPIs") for awarding of annual cash incentives: a. There are four scorecard areas that the Manager has identified as key to measuring its performance – i. Financial; ii. Process; iii. Customers & stakeholders; and iv. People; Some of the key sub-targets within each of the scorecard areas include key financial indicators, safety goals, risk management, compliance and controls measures, corporate social responsibility activities, employee engagement, talent development and succession planning; b. The four scorecard areas have been chosen because they support how the Manager achieves its strategic objectives. The framework provides a link for staff in understanding how they contribute to each area of the scorecard, and therefore to the Manager's overall strategic goals. The NRC reviews and approves the scorecard annually; c. By selecting performance conditions such as Asset Under Management, Distribution Per Unit and Total Unitholder Return for equity awards that are aligned with Unitholders' interests; d. By requiring those KPIs or conditions to be met in order for the at-risk components of remuneration to be awarded or to vest; and e. Forfeiture of the at-risk components of remuneration when those KPIs or conditions are not met at a satisfactory level The NRC also recognises the need for a reasonable alignment between risk and remuneration to discourage excessive risk taking. Therefore, in reviewing the remuneration structure, the NRC had taken into account the risk policies and risk tolerance of Keppel DC REIT and the Manager as well as the time horizon of risks, and incorporated risks-adjustments into the remuneration structure through several initiatives, including but not limited to: (1) Prudent funding of annual performance bonus; (2) Granting a portion of the annual performance bonus in the form of deferred Units, to be awarded under the RUP; (3) Vesting of contingent Unit awards under the PUP being subjected to KPIs and/or performance conditions being met; and (4) Potential forfeiture of variable incentives in any year due to misconduct.

Guideline	Questions	How has the Company complied?
		The NRC is of the view that the overall level of remuneration is not considered to be at a level which is likely to promote behaviors contrary to the Manager's risk profile. In determining the actual quantum of the variable component of remuneration, the NRC had taken into account the extent to which the performance conditions, as set out above, have been met. The NRC is of the view that remuneration is aligned to performance during FY2018. In order to align the interests of the CEO and key management personnel with that of the Unitholders, the CEO and key management personnel are remunerated partially in the form of Units owned by the Manager and are encouraged to hold such Units while they remain in the employment of the Manager. Please refer to pages 142 to 144 of this Annual Report for details.

Risk Management and Internal Controls

Guideline 6.1	What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	Management provides the Board with relevant and accurate information in a timely manner relating to matters to be brought before the Board, prior to Board meetings and on an ongoing basis. As a general rule, Board papers are required to be sent to Directors at least seven days before each Board meeting. However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed prior to the meeting. Managers who can provide additional insight into the matters at hand would be present at the relevant time during the Board meeting. The Board has separate and independent access to the Manager's senior management for further clarification if required. The information provided to the Board includes financial results, market and business developments, and business and operational information. Such reports keep the Board informed, on a balanced and understandable basis, of Keppel DC REIT's performance, financial position and prospects. The financial results are also compared against the budgets, together with explanations given for significant variances for the reporting period. Management also surfaces key risk issues for discussion and confers with the ARC and the Board regularly.
Guideline 13.1	Does the Company have an internal audit function? If not, please explain why.	Yes. The Manager's internal audit functions are performed by Keppel Corporation's Group Internal Audit department.
Guideline 11.3	(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	The Board, supported by the ARC, oversees Keppel DC REIT's and the Manager's system of internal controls and risk management. The Board's view on the adequacy and effectiveness of Keppel DC REIT's and the Manager's internal controls and risk management system is based on the framework of management control, the internal control and risk management policies and procedures established and maintained by Keppel DC REIT and the Manager, and the regular audits, monitoring and reviews performed by the internal and external auditors. The ARC has concurred with this view.

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Guideline	Questions	How has the Company complied?
	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	Yes
Guideline 12.6	(a) Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year.	For FY 2018, an aggregate amount of $306,000, comprising non-audit service fees of $82,000 and audit service fees of $224,000, was paid/payable to Keppel DC REIT's external auditor.
	(b) If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditors.	Yes
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	Engagement with Unitholders and other key stakeholders take several forms including meetings, conference calls, email communications, publications and content on Keppel DC REIT's website. In addition to Unitholders' meetings, senior management also participate widely in roadshows and conferences organised by major brokerage firms to solicit and understand the views of the investment community.
Guideline 15.5	If the Company is not paying any dividends for the financial year, please explain why.	Not applicable.

Code of Corporate Governance 2012

Specific Principles and Guidelines for Disclosure

Relevant Principle of Guideline	Page Reference in Corporate Governance Report
Guideline 1.3 Delegation of authority, by the Board to any board committee, to make decisions on certain board matters	Page 138
Guideline 1.4 The number of meetings of the Board and board committees held in the year, as well as the attendance of every board member at these meetings	Page 138
Guideline 1.5 The type of material transactions that require board approval under guidelines	Page 138
Guideline 1.6 The induction, orientation and training provided to new and existing directors	Page 138
Guideline 2.3 The Board should identify in the company's Annual Report each director it considers to be independent. Where the Board considers a director to be independent in spite of the existence of a relationship as stated in the Code that would otherwise deem a director not to be independent, the nature of the director's relationship and the reasons for considering him as independent should be disclosed	Pages 140 and 141
Guideline 2.4 Where the Board considers an independent director, who has served on the Board for more than nine years from the date of his first appointment, to be independent, the reasons for considering him as independent should be disclosed.	Not applicable
Guideline 3.1 Relationship between the Chairman and the CEO where they are immediate family members	Not applicable
Guideline 4.1 Names of the members of the NC and the key terms of reference of the NC, explaining its role and the authority delegated to it by the Board	Pages 139 and 150
Guideline 4.4 The maximum number of listed company board representations which directors may hold should be disclosed	Page 141
Guideline 4.6 Process for the selection, appointment and re-appointment of new directors to the Board, including the search and nomination process	Pages 139 and 140
Guideline 4.7 Key information regarding directors, including which directors are executive, non-executive or considered by the NC to be independent	Pages 12 to 15
Guideline 5.1 The Board should state in the company's Annual Report how assessment of the Board, its board committees and each director has been conducted. If an external facilitator has been used, the Board should disclose in the company's Annual Report whether the external facilitator has any other connection with the company or any of its directors. This assessment process should be disclosed in the company's Annual Report	Pages 141 and 150 to 151
Guideline 7.1 Names of the members of the RC and the key terms of reference of the RC, explaining its role and the authority delegated to it by the Board	Pages 139 and 150
Guideline 7.3 Names and firms of the remuneration consultants (if any) should be disclosed in the annual remuneration report, including a statement on whether the remuneration consultants have any relationships with the company	Page 142
Principle 9 Clear disclosure of remuneration policies, level and mix of remuneration, and procedure for setting remuneration	Pages 142 to 144
Guideline 9.1 Remuneration of directors, the CEO and at least the top five key management personnel (who are not also directors or the CEO) of the company. The annual remuneration report should include the aggregate amount of any termination, retirement and post-employment benefits that may be granted to directors, the CEO and the top five key management personnel (who are not directors or the CEO)	Pages 142 to 144
Guideline 9.2 Fully disclose the remuneration of each individual director and the CEO on a named basis. There will be a breakdown (in percentage or dollar terms) of each director's and the CEO's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives	Pages 142 to 144

Code of Corporate Governance 2012
Specific Principles and Guidelines for Disclosure

Relevant Principle of Guideline	Page Reference in Corporate Governance Report
Guideline 9.3 Name and disclose the remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands of S$250,000. There will be a breakdown (in percentage or dollar terms) of each key management personnel's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives. In addition, the company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO). As best practice, companies are also encouraged to fully disclose the remuneration of the said top five key management personnel	Pages 142 and 144
Guideline 9.4 Details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S$50,000 during the year. This will be done on a named basis with clear indication of the employee's relationship with the relevant director or the CEO. Disclosure of remuneration should be in incremental bands of S$50,000	Page 144
Guideline 9.5 Details and important terms of employee share schemes	Pages 143 and 144
Guideline 9.6 For greater transparency, companies should disclose more information on the link between remuneration paid to the executive directors and key management personnel, and performance. The annual remuneration report should set out a description of performance conditions to which entitlement to short-term and long-term incentive schemes are subject, an explanation on why such performance conditions were chosen, and a statement of whether such performance conditions are met	Pages 142 to 144
Guideline 11.3 The Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems The commentary should include information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems The Board should also comment on whether it has received assurance from the CEO and the CFO: (a) that the financial records have been properly maintained and the financial statements give true and fair view of the company's operations and finances; and (b) regarding the effectiveness of the company's risk management and internal control systems.	Pages 145 to 147
Guideline 12.1 Names of the members of the AC and the key terms of reference of the AC, explaining its role and the authority delegated to it by the Board	Pages 145 and 149 to 150
Guideline 12.6 Aggregate amount of fees paid to the external auditors for that financial year, and breakdown of fees paid in total for audit and non-audit services respectively, or an appropriate negative statement	Page 145
Guideline 12.7 The existence of a whistle-blowing policy should be disclosed in the company's Annual Report	Pages 151 and 152
Guideline 12.8 Summary of the AC's activities and measures taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements	Pages 145 to 147
Guideline 15.4 The steps the Board has taken to solicit and understand the views of the shareholders e.g. through analyst briefings, investor roadshows or Investors' Day briefings	Page 147
Guideline 15.5 Where dividends are not paid, companies should disclose their reasons.	Not applicable

Statistics of Unitholdings

As at 26 February 2019

Issued and Fully Paid Units

1,351,941,999 Units (Voting rights : 1 vote per Unit)

There is only one class of Units in Keppel DC REIT.

Market capitalisation of $1,987,354,739 based on market closing price of $1.470 per Unit on 26 February 2019.

Distribution of Unitholdings

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 - 99	46	0.46	2,068	0.00
100 - 1,000	1,280	12.71	1,106,644	0.08
1,001 - 10,000	6,026	59.82	30,333,616	2.24
10,001 - 1,000,000	2,697	26.77	105,378,796	7.79
1,000,001 and above	25	0.24	1,215,120,875	89.89
Total	**10,074**	**100.00**	**1,351,941,999**	**100.00**

Twenty Largest Unitholders

No.	Name	No. of Units	%
1	Keppel DC Investment Holdings Pte Ltd	338,580,976	25.04
2	DBS Nominees (Private) Limited	238,587,508	17.65
3	Citibank Nominees Singapore Pte Ltd	227,263,039	16.81
4	Raffles Nominees (Pte.) Limited	100,241,006	7.41
5	DBSN Services Pte. Ltd.	97,808,741	7.23
6	HSBC (Singapore) Nominees Pte Ltd	96,699,755	7.15
7	BPSS Nominees Singapore (Pte.) Ltd.	31,501,138	2.33
8	DB Nominees (Singapore) Pte Ltd	21,261,770	1.57
9	United Overseas Bank Nominees (Private) Limited	8,316,471	0.62
10	BNP Paribas Nominees Singapore Pte. Ltd.	7,722,972	0.57
11	Phillip Securities Pte Ltd	6,350,675	0.47
12	UOB Kay Hian Private Limited	5,550,280	0.41
13	OCBC Securities Private Limited	4,399,451	0.33
14	Merrill Lynch (Singapore) Pte. Ltd.	4,016,749	0.30
15	NTUC Fairprice Co-Operative Ltd	3,822,000	0.28
16	CGS-CIMB Securities (Singapore) Pte. Ltd.	3,764,367	0.28
17	OCBC Nominees Singapore Private Limited	3,566,673	0.26
18	Keppel DC REIT Management Pte Ltd	2,468,047	0.18
19	ABN AMRO Clearing Bank N.V.	2,425,110	0.18
20	Maybank Kim Eng Securities Pte. Ltd.	2,248,633	0.17
	Total	**1,206,595,361**	**89.24**

Statistics of Unitholdings

The Manager's Directors' Unitholdings

Based on the Register of Directors' Unitholdings maintained by the Manager, as at 21 January 2019, the direct and deemed interests of each Director of Keppel DC REIT Management Pte. Ltd. in the Units [1] in Keppel DC REIT are as follows:

Name of Director	No. of Units
Christina Tan	50,000 (Direct)
Lee Chiang Huat	95,550 (Direct)
Leong Weng Chee	Nil
Dileep Nair	25,500 (Direct)
Dr Tan Tin Wee	95,600 (Direct)
Thomas Pang	63,700 (Direct)

1 As at 21 January 2019, there are no convertible securities in Keppel DC REIT.

Substantial Unitholders

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Manager, as at 26 February 2019, the Substantial Unitholders of Keppel DC REIT and their interests in the Units in Keppel DC REIT are as follows:

Name	No. of Units	%
Temasek Holdings (Private) Limited	348,863,333 (Deemed)[1]	25.80
Keppel Corporation Limited	341,049,023 (Deemed)[2]	25.23
Keppel Telecommunications & Transportation Ltd	341,049,023 (Deemed)[3]	25.23
Keppel DC Investment Holdings Pte. Ltd.	338,580,976 (Direct)	25.04

Notes:

(1) Temasek Holdings (Private) Limited's deemed interest arises from the deemed interest held by Keppel Corporation Limited and other associated companies of Temasek Holdings (Private) Limited.

(2) Keppel Corporation Limited's deemed interest arises from its shareholdings in (i) Keppel DC Investment Holdings Pte. Ltd., a wholly-owned subsidiary of Keppel Telecommunications & Transportation Ltd, which is in turn a subsidiary of Keppel Corporation Limited and (ii) Keppel DC REIT Management Pte. Ltd., a joint-venture of Keppel Telecommunications & Transportation Ltd and Keppel Capital Holdings Pte. Ltd., both of which are subsidiaries of Keppel Corporation Limited.

(3) Keppel Telecommunications & Transportation Ltd's deemed interest arises from its shareholdings in (i) Keppel DC Investment Holdings Pte. Ltd., a wholly-owned subsidiary of Keppel Telecommunications & Transportation Ltd and (ii) Keppel DC REIT Management Pte. Ltd., a joint-venture of Keppel Telecommunications & Transportation Ltd and Keppel Capital Holdings Pte. Ltd.

Public Unitholders

Based on the information available to the Manager as at 26 February 2019, approximately 74.13% of the issued Units in Keppel DC REIT is held by the public and therefore, pursuant to Rules 1207 and 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited, it is confirmed that at least 10% of the issued Units in Keppel DC REIT is at all times held by the public.

Treasury Units

As at 26 February 2019, there are no treasury units held by Keppel DC REIT or the Manager.

Financial Calendar

Financial Year Ended 31 December 2018	
First Quarter 2018 Results Announcement	16 April 2018
Second Quarter 2018 Results Announcement	17 July 2018
Distribution for 1 January 2018 to 15 May 2018	8 August 2018
Distribution for 16 May 2018 to 30 June 2018	29 August 2018
Third Quarter 2018 Results Announcement	16 October 2018
Full Year 2018 Results Announcement	22 January 2019
Distribution for 1 July 2018 to 31 December 2018	8 March 2019
Despatch of Annual Report to Unitholders	25 March 2019
Annual General Meeting	16 April 2019

Financial Year Ending 31 December 2019	
First Quarter 2019 Results Announcement	April 2019
Second Quarter 2019 Results Announcement	July 2019
Third Quarter 2019 Results Announcement	October 2019
Full Year 2019 Results Announcement	January 2020

Notice of Annual General Meeting

Keppel DC REIT

(Constituted in the Republic of Singapore pursuant
to a trust deed dated 17 March 2011 (as amended))

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the holders of units of Keppel DC REIT (the "**Unitholders**") will be held at Suntec Singapore Convention and Exhibition Centre, Summit 2, Level 3, 1 Raffles Boulevard Suntec City, Singapore 039593 on Tuesday, 16 April 2019 at 3.00 p.m. to transact the following business:

(A) As Ordinary Business

1. To receive and adopt the Report of Perpetual (Asia) Limited, as trustee of Keppel DC REIT (the "**Trustee**"), the Statement by Keppel DC REIT Management Pte. Ltd., as manager of Keppel DC REIT (the "**Manager**"), and the Audited Financial Statements of Keppel DC REIT for the financial year ended 31 December 2018 and the Auditors' Report thereon. (**Ordinary Resolution 1**)

2. To re-appoint Messrs PricewaterhouseCoopers LLP as the Auditor of Keppel DC REIT to hold office until the conclusion of the next AGM of Keppel DC REIT, and to authorise the Manager to fix their remuneration. (**Ordinary Resolution 2**)

3. To re-endorse the appointment of Mr Dileep Nair as director of the Manager ("**Director**") pursuant to the undertaking dated 1 July 2016 provided by Keppel Capital Holdings Pte. Ltd. ("**Keppel Capital**") and Keppel Telecommunications & Transportation Ltd ("**Keppel T&T**") to the Trustee. (**Ordinary Resolution 3**)

   (Please see Explanatory Notes)

4. To endorse the appointments of the following Directors pursuant to the undertaking dated 1 July 2016 provided by Keppel Capital and Keppel T&T to the Trustee:

   (a) Mr Low Huan Ping (**Ordinary Resolution 4**); and

   (b) Mr Kenny Kwan (**Ordinary Resolution 5**).

   (Please see Explanatory Notes)

(B) As Special Business

To consider and, if thought fit, to pass with or without any modifications, the following resolutions:

5. That authority be and is hereby given to the Manager to:

   (a) (i) issue units in Keppel DC REIT ("**Units**") whether by way of rights, bonus or otherwise, and including any capitalisation of any sum for the time being standing to the credit of any of Keppel DC REIT's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution; and/or

   (ii) make or grant offers, agreements or options that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units (collectively, "**Instruments**"),

   at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

   (b) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

   provided that:

   (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution and any adjustment effected under any relevant Instrument) shall not exceed fifty per cent (50%) of the total number of issued Units (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution and any adjustment effected under any relevant Instrument) shall not exceed twenty per cent (20%) of the total number of issued Units (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units shall be based on the total number of issued Units at the time this Resolution is passed, after adjusting for:

(a) any new Units arising from the conversion or exercise of any convertible securities or options which are outstanding or subsisting at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of Units;

(3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST (the "**Listing Manual**") for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed dated 17 March 2011 constituting Keppel DC REIT (as amended) (the "**Trust Deed**") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(4) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of Keppel DC REIT or (ii) the date by which the next AGM of Keppel DC REIT is required by applicable regulations to be held, whichever is earlier;

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

(6) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider necessary, expedient, incidental or in the interest of Keppel DC REIT to give effect to the authority conferred by this Resolution. (**Ordinary Resolution 6**)

(Please see Explanatory Notes)

6. Subject to and contingent upon the passing of Ordinary Resolution 8:

(a) that approval be and is hereby given to the Manager for the proposed renewal of the lease agreement and entry into the renewed lease agreement (the "**Renewed Keppel Lease Agreement**") between Keppel DC Singapore 5 LLP and Keppel DCS3 Services Pte. Ltd.; and

(b) the Manager, any Director, and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director, or as the case may be, the Trustee may consider expedient or necessary or in the interests of Keppel DC REIT to give effect to the entry into the Renewed Keppel Lease Agreement and all transactions in connection therewith. (**Ordinary Resolution 7**)

(Please see Explanatory Notes)

7. Subject to and contingent upon the passing of Ordinary Resolution 7:

(a) that approval be and is hereby given to the Manager for the proposed renewal of the facility management agreement and entry into the renewed facility management agreement (the "**Renewed Facility Management Agreement**") between Keppel DC Singapore 5 LLP and Keppel DCS3 Services Pte. Ltd.; and

(b) the Manager, any Director, and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director, or as the case may be, the Trustee may consider expedient or necessary or in the interests of Keppel DC REIT to give effect to the entry into the Renewed Facility Management Agreement and all transactions in connection therewith. (**Ordinary Resolution 8**)

(Please see Explanatory Notes)

Notice of Annual General Meeting

(C) As Other Business

8. To transact such other business as may be transacted at an AGM.

BY ORDER OF THE BOARD
Keppel DC REIT Management Pte. Ltd.
(Company Registration Number: 199508930C)
As Manager of Keppel DC REIT

Kelvin Chua | **Winnie Mak**
Joint Company Secretaries
Singapore
25 March 2019

Explanatory notes:

1. Ordinary Resolutions 3 to 5

Keppel Capital and Keppel T&T had on 1 July 2016 provided an undertaking (the "**Undertaking**") to the Trustee:

- to procure the Manager to seek Unitholders' re-endorsement for the appointment of each Director no later than every third AGM of Keppel DC REIT after the relevant general meeting at which such Director's appointment was last endorsed or re-endorsed, as the case may be;
- (where a person is appointed as Director, either to fill a vacancy or as an addition to the existing Directors, at any time) to procure the Manager to seek Unitholders' endorsement for his appointment as a Director at the next AGM of Keppel DC REIT immediately following his appointment; and
- to procure any person whose appointment as a Director has not been endorsed or re-endorsed (as the case may be) by the Unitholders at the relevant general meeting of Keppel DC REIT where the endorsement or re-endorsement (as the case may be) for his appointment was sought, to resign or otherwise be removed from the Board of Directors of the Manager either (i) within 21 days from the date of the relevant general meeting or (ii) in the event that the Board of Directors of the Manager determines that a replacement Director has to be appointed, no later than the date when such replacement Director is appointed, and the regulatory approval for such appointment (if any) has been obtained.

The endorsement or re-endorsement from Unitholders of any appointment of any person as a Director shall be by way of an ordinary resolution passed at the relevant general meeting. The Undertaking shall not restrict the Manager, Keppel Capital or Keppel T&T from appointing any Director from time to time in accordance with applicable laws and regulations (including any applicable rule of the SGX-ST) and the Constitution of the Manager.

The Undertaking shall remain in force for so long as

- Keppel Capital and Keppel T&T continue to hold shares in the Manager; and
- Keppel DC REIT Management Pte. Ltd. remains as the manager of Keppel DC REIT.

As the appointment of Mr Dileep Nair was last endorsed by Unitholders on 14 April 2016, the Manager is seeking the re-endorsement of the appointment of Mr Dileep Nair at the AGM to be held in 2019. In addition, as Mr Low Huan Ping and Mr Kenny Kwan were appointed as Directors on 28 February 2019, the Manager is also seeking the endorsement of their appointments at the AGM to be held in 2019.

Detailed information on Mr Dileep Nair, Mr Low Huan Ping and Mr Kenny Kwan can be found in the "Board of Directors" section in Keppel DC REIT's Report to Unitholders 2018.

Mr Dileep Nair will, upon re-endorsement, continue to serve as Independent Director and a member of the Audit and Risk Committee and the Nominating and Remuneration Committee.

Mr Low Huan Ping will, upon endorsement, continue to serve as an Independent Director and a member of the Audit and Risk Committee.

Mr Kenny Kwan will, upon endorsement, continue to serve as an Independent Director and a member of the Nominating and Remuneration Committee.

2. Ordinary Resolution 6

The Ordinary Resolution 6 above, if passed, will empower the Manager from the date of this AGM until (i) the conclusion of the next AGM of Keppel DC REIT; (ii) the date on which the next AGM of Keppel DC REIT is required by applicable regulations to be held, or (iii) the date on which such authority is revoked or varied by the Unitholders in a general meeting, whichever is the earliest (the "**Mandated Period**"), to issue Units, to make or grant Instruments and to issue Units pursuant to such Instruments, up to a number not exceeding 50% of the total number of issued Units of which up to 20% may be issued other than on a pro rata basis to Unitholders.

The Ordinary Resolution 6 above, if passed, will empower the Manager to issue Units, during the Mandated Period, as either full or partial payment of fees which the Manager is entitled to receive for its own account pursuant to the Trust Deed.

To determine the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the total number of issued Units at the time the Ordinary Resolution 6 above is passed, after adjusting for new Units arising from the conversion or exercise of any convertible securities or options which are outstanding or subsisting at the time the Ordinary Resolution 6 is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Fund raising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual, the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

3. Ordinary Resolutions 7 and 8

On 12 June 2018, Keppel DC REIT completed the acquisition of 29,700,000 ordinary shares (being 99.0% of the issued share capital) in Kingsland Data Center Pte. Ltd. ("**KDCPL**", and the completion of the acquisition, the "**Completion**"), which holds the property located at 13 Sunview Way, Singapore 627541 (the "**Property**").

Following the Completion, KDCPL (which has since been converted into a limited liability partnership, Keppel DC Singapore 5 LLP ("**KDCS5LLP**"))[1] entered 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; and

(ii) a facility management agreement (the "**Facility Management Agreement**") with the Facility Manager where the Facility Manager was appointed to provide certain facilities management and maintenance services in relation to the Property.

Each of the Keppel Lease Agreement and the Facility Management Agreement was for a term of one year with an option to renew for a term of nine years (exercisable at the option of Keppel DC REIT through KDCS5LLP[2]) on substantially the same terms and conditions.

The Manager proposes for Keppel DC REIT to exercise the option to renew the Keppel Lease Agreement (the "**Renewed Keppel Lease Agreement**") and the Facility Management Agreement (the "**Renewed Facility Management Agreement**").

The entry into the Renewed Keppel Lease Agreement and Renewed Facility Management Agreement would be an "interested person transaction" under Chapter 9 of the Listing Manual of the SGX-ST (the "**Listing Manual**"). As the aggregate value of the Renewed Keppel Lease Agreement and Renewed Facility Management Agreement exceeds 5.0% of Keppel DC REIT's latest audited net tangible assets, the Manager is seeking the approval of Unitholders for the entry into the Renewed Keppel Lease Agreement and the Renewed Facility Management Agreement, each by way of an Ordinary Resolution of the Unitholders.

Further details are set out in the Circular to Unitholders enclosed with the Notice of AGM.

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[1] KDCPL was renamed as Keppel DC Singapore 5 Pte. Ltd. ("KDCS5PL") and KDCS5PL has been converted to a limited liability partnership, Keppel DC Singapore 5 LLP, pursuant to Section 21 of the Limited Liability Partnerships Act, Chapter 163A of Singapore. Perpetual (Asia) Limited (in its capacity as trustee of Keppel DC REIT) holds 99.0% of the interest in KDCS5LLP and Kingsland Development Pte. Ltd. holds the remaining 1.0% of the interest in KDCS5LLP. For the avoidance of doubt, the Renewed Keppel Lease Agreement and the Renewed Facility Management Agreement will be entered into by KDCS5LLP.

[2] Under Clause 2.2 of the Facility Management Agreement, if the Keppel Lease Agreement is renewed for a term of nine years, the Facility Management Agreement would also be automatically renewed.

Notice of Annual General Meeting

Important Notice:

1. A Unitholder who is not a relevant intermediary entitled to attend and vote at the AGM is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder.

2. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.

3. A Unitholder who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than one proxy to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed in the Proxy Form (as defined below).

   "**relevant intermediary**" means:

   (i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds Units in that capacity; or

   (iii) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. The instrument appointing a proxy or proxies (the "**Proxy Form**") must be deposited at the Manager's registered office at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632 not later than 13 April 2019 at 3.00 p.m., being 72 hours before the time fixed for the AGM.

Personal Data Privacy:
By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of Keppel DC REIT and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the AGM of Keppel DC REIT (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM of Keppel DC REIT (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

Proxy Form

Keppel DC REIT

(Constituted in the Republic of Singapore pursuant to a trust deed dated 17 March 2011 (as amended))

IMPORTANT:

1. A relevant intermediary (as defined in the Notes Overleaf), may appoint more than one proxy to attend and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF monies to buy units in Keppel DC REIT ("Units"), this Annual Report is forwarded to them at the request of their CPF Agent Banks/SRS Operators and is sent solely FOR INFORMATION ONLY.
3. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. A CPF/SRS investor who wishes to attend the Annual General Meeting as proxy has to submit his/her request to his/her CPF Agent Bank/SRS Operator so that his/her CPF Agent Bank/SRS Operator may appoint him/her as its proxy within the specified timeframe. (CPF Agent Bank/SRS Operator: Please refer to Notes 3 and 5 on the reverse side of this form on the required details.)

PLEASE READ THE NOTES TO THE PROXY FORM.

Personal data privacy

By submitting an instrument appointing proxy or proxies and/or representative(s), a unitholder of Keppel DC REIT accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 25 March 2019.

Annual General Meeting

I/We ____
(Name(s) and NRIC Number(s)/Passport Number(s)/Company Registration Number)

of ____ (Address)
being a unitholder/unitholders of Keppel DC REIT, hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Unitholdings	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of Unitholdings	
			No. of Units	%

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and if necessary, to demand a poll, at the Annual General Meeting of Keppel DC REIT to be held at Suntec Singapore Convention and Exhibition Centre, Summit 2, Level 3, 1 Raffles Boulevard Suntec City, Singapore 039593 on 16 April 2019 at 3.00 p.m., and any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Annual General Meeting.

No.	Resolution	Number of Votes For*	Number of Votes Against*
Ordinary Business			
1.	To receive and adopt the Trustee's Report, the Manager's Statement, the Audited Financial Statements of Keppel DC REIT for the financial year ended 31 December 2018 and the Auditors' Report thereon		
2.	To re-appoint Messrs PricewaterhouseCoopers LLP as the Auditor of Keppel DC REIT and authorise the Manager to fix the Auditor's remuneration		
3.	To re-endorse the appointment of Mr Dileep Nair as Director		
4.	To endorse the appointment of Mr Low Huan Ping as Director		
5.	To endorse the appointment of Mr Kenny Kwan as Director		
Special Business			
6.	To authorise the Manager to issue Units and to make or grant convertible instruments		
7.	To authorise the Manager to enter into the Renewed Keppel Lease Agreement		
8.	To authorise the Manager to enter into the Renewed Facility Management Agreement		

* If you wish to exercise all your votes "For" or "Against" the relevant Resolution, please mark with an "X" within the relevant box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this __________ day of ____________________ 2019

Total Number of Units Held

____
Signature(s) of Unitholder(s) / Common Seal of Corporate Unitholder

IMPORTANT : Please read the notes overleaf before completing this Proxy Form

Fold and glue all sides firmly

Fold and glue all sides firmly

Fold and glue all sides firmly

Notes to the Proxy Form

1. A unitholder of Keppel DC REIT ("**Unitholder**") who is not a relevant intermediary entitled to attend and vote at the Annual General Meeting ("**AGM**") is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder.

2. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.

3. A Unitholder who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than one proxy to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, it should annex to the instrument appointing a proxy or proxies (the "**Proxy Form**") the proxy or the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of unitholding (number of Units and percentage) in relation to which the proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank/SRS Operator who intends to appoint CPF/SRS investors as its proxies shall comply with this Note.

   "**relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds Units in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Fold along this line (1)

Keppel DC REIT

Affix
Postage
Stamp

The Company Secretary
Keppel DC REIT Management Pte. Ltd.
(As manager of Keppel DC REIT)
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632

Fold along this line (2)

4. A Unitholder should insert the total number of Units held in the Proxy Form. If the Unitholder has Units entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he/she should insert that number of Units. If the Unitholder has Units registered in his/her name in the Register of Unitholders of Keppel DC REIT, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders, he/she should insert the aggregate number of Units. If no number is inserted, this Proxy Form will be deemed to relate to all the Units held by the Unitholder.

5. The Proxy Form must be deposited at the Manager's registered office at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632 not less than 72 hours before the time set for the AGM.

6. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a duly certified copy of such power of attorney must (failing previous registration with the Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

8. The Manager and the Trustee shall have the right to reject any Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager: (a) may reject any Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by CDP to the Manager; and (b) shall be entitled and bound to accept as accurate the number of Units entered against the name of that Unitholder as shown in the Depository Register as at a time not earlier than 72 hours prior to the time of the AGM, supplied by CDP to the Trustee and to accept as the maximum number of votes which in aggregate that Unitholder and his/her proxy/ies (if any) are able to cast on a poll a number which is the number of Units entered against the name of that Unitholder as shown in the Depository Register, whether that number is greater or smaller than that specified by the Unitholder or in the Proxy Form.

9. All Unitholders will be bound by the outcome of the AGM regardless of whether they have attended or voted at the AGM.

10. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he/she is the Unitholder. There shall be no division of votes between a Unitholder who is present in person and voting at the AGM and his/her proxy(ies). A person entitled to more than one vote need not use all his/her votes or cast them the same way.

Keppel DC REIT Management Pte. Ltd.
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