FORWARD TOGETHER

Report to Unitholders 2019

Keppel DC REIT

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.

02 OVERVIEW

24 OPERATIONS REVIEW

61 SUSTAINABILITY REPORT

80 CORPORATE INFORMATION

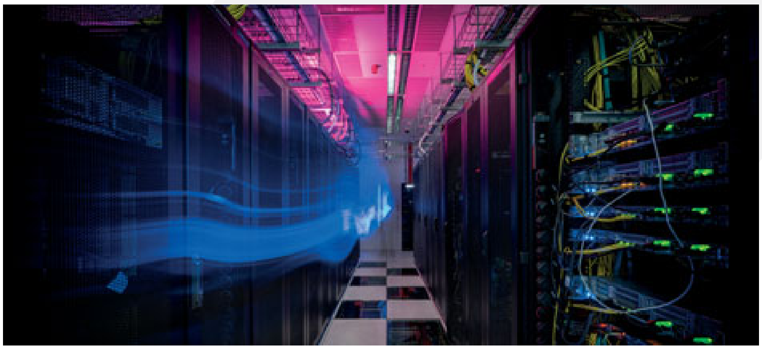
82 FINANCIAL STATEMENTS

143 GOVERNANCE

164 OTHER INFORMATION

OUR EXPANDING DATA CENTRE PORTFOLIO SUPPORTS THE GROWTH OF THE DIGITAL ECONOMY.

Forward together with our stakeholders, we are seizing opportunities in the global cloud infrastructure market, providing quality data centre assets across key hubs in Asia Pacific and Europe to create value and sustainable returns.



KEY FIGURES FOR 2019

Distribution per Unit (DPU) Growth

7.61cts

4.0% higher than 2018's DPU of 7.32 cents. This translated to a yield of 3.66%, based on 2019's closing price of $2.080. Excluding the impact of the pro-rata preferential offering, adjusted DPU was 7.71 cents per Unit, 5.3% higher than the 2018's DPU.

Higher Distributable Income[1]

$113.2m

17.8% higher than 2018's $96.1m due to new acquisitions and full year contributions from maincubes Data Centre and Keppel DC Singapore 5. These were partially offset by the higher Manager's fees.

Net Asset Value (NAV) per Unit

$1.14

6.5% above 31 December 2018's $1.07. Adjusted NAV per Unit was $1.12 (31 December 2018: $1.03), excluding DPU of 1.95 cents declared for the period from 25 September to 31 December 2019 (2018: 3.70 cents declared for second half of 2018).

Quality Portfolio

$2.6b

Comprising 17 data centres strategically located in key data centre hubs in Asia Pacific and Europe. Assets under management[2] increased by 30% from 31 December 2018's $2.0b mainly due to the additions of Keppel DC Singapore 4 and DC1 to the REIT's portfolio.

Low Aggregate Leverage[3]

30.7%

10 basis points lower than 31 December 2018's 30.8%, mainly due to the private placement and preferential offering to partially fund the Keppel DC Singapore 4 and DC1 acquisitions. This will provide the REIT with a comfortable debt headroom for growth.

Interest Coverage Ratio

13.3 times

Improved from 11.4 times as at 31 December 2018 due to higher net property income in 2019.

Healthy Portfolio Occupancy

94.9%

Of the 17 assets in Keppel DC REIT's portfolio, 12 assets were fully leased as at 31 December 2019. The REIT's long portfolio weighted average lease expiry of 8.6 years will provide income stability to Unitholders.

Inclusion in Key Indices

FTSE EPRA Nareit and GPR 250

A significant milestone that recognises Keppel DC REIT among real estate equities worldwide.

1 Distributable income includes capital expenditure set aside for certain properties.
2 Based on valuations by independent valuers, excluding lease liabilities pertaining to land rent commitments and options. The values for Keppel DC Singapore 4 and DC1 are based on purchase prices.
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, without considering lease liabilities pertaining to land rent commitments and options.

CORPORATE PROFILE AND STRATEGIC DIRECTION

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

As at 31 December 2019, the REIT had a portfolio valued at approximately $2.6 billion, comprising 17 data centres strategically located in key data centre hubs in Asia Pacific and Europe. With an aggregate lettable area of 1,411,411 sq ft, the portfolio spans 10 cities in eight countries across Asia Pacific and Europe.

This excludes Intellicentre 3 East Data Centre and Kelsterbach Data Centre. The development of the former is expected to be completed in 4Q 2020, while the legal completion of the acquisition of the latter is expected in 2020.

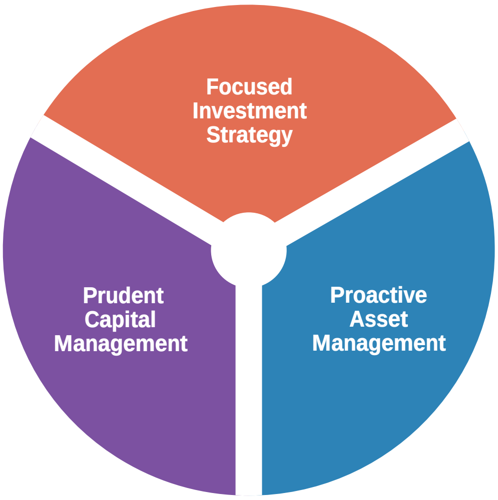
Keppel Telecommunications & Transportation Ltd (Keppel T&T), the Sponsor of the REIT, has granted Rights of First Refusal (ROFR) to the REIT for future acquisition opportunities of its data centre assets.

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 T&T. Keppel Capital is a premier asset manager in Asia with assets under management comprising real estate, infrastructure and data centre properties in key global markets.

The Manager's key objectives are to provide REIT's Unitholders with regular and stable distributions, as well as achieve long-term growth while maintaining an optimal capital structure.

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 growth.
- 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 proactively managing existing leases 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.

IN 2019, THE REIT GREW ITS FOOTPRINT IN SINGAPORE WITH TWO ACQUISITIONS, EXPANDING ITS AUM TO $2.6 BILLION, COMPRISING 17 DATA CENTRES IN ASIA PACIFIC AND EUROPE.

DEAR UNITHOLDERS,

The data centre industry continued its strong growth trajectory in 2019, powered by the flourishing global digital economy. Rapid cloud adoption, smart technologies, big-data analytics, as well as the anticipated 5G rollout will continue to increase data creation, storage and processing requirements.

Since Keppel DC REIT's listing five years ago in December 2014, we have achieved a steady growth momentum through a focused and disciplined investment strategy that seeks distribution per Unit (DPU) accretive acquisitions in key data centre hubs globally.

As a testament to this growth is the REIT's inclusion in the FTSE EPRA Nareit Global Developed and GPR 250 Indices in 2019, a significant milestone that has allowed the REIT to be recognised among real estate equities worldwide.

Expanding Footprint and Optimising Portfolio Returns

- Strengthened foothold in Singapore with acquisitions of Keppel DC Singapore 4 and DC1
- Announced acquisition of Kelsterbach Data Centre, which will be the REIT's second data centre in Germany when completed in 2020
- Fit out shell and core space at DC1, which will provide additional income to the REIT
- Increase power capacity at Keppel DC Singapore 5 by converting a large portion of the vacant non-DC space to DC space

Strengthened Singapore footprint with strategic acquisitions of Keppel DC Singapore 4 (in image) and DC1.

CHARTING GROWTH

In 2019, we further strengthened the REIT's Singapore footprint with the acquisitions of Keppel DC Singapore 4 (KDC SGP 4) and DC1. These acquisitions expanded our assets under management by approximately $600 million to $2.6 billion[1] as at 31 December 2019, comprising 17[1] data centres across eight countries in Asia Pacific and Europe.

In December 2019, we announced the acquisition of Kelsterbach Data Centre (Kelsterbach DC), a master leased asset that is fully leased on a triple-net basis until end-2025. With legal completion expected this year, Kelsterbach DC will be the REIT's second data centre in Germany and its eighth in Europe.

In addition to acquisitions, we also continued to optimise portfolio returns by proactively managing existing leases and delivering quality offerings that meet the evolving requirements of our global clientele.

In Singapore, Keppel DC REIT is fitting out the existing shell and core space at DC1, which will provide additional income to the REIT when completed. We have also commenced asset enhancement works at Keppel DC Singapore 5 (KDC SGP 5) to increase its power capacity, which involves converting a large portion of the vacant non-DC space in the facility to DC space.

In Australia, the construction of Intellicentre 3 East Data Centre has commenced, with completion expected in 4Q 2020. In Europe, the asset enhancement initiatives to improve energy efficiency at Keppel DC Dublin 1 remains on track for completion in 1H 2020.

Keppel DC REIT reported higher distributable income of $113.2 million in FY 2019, 17.8% above FY 2018's $96.1 million, due to the acquisitions of KDC SGP 4 and DC1, both of which were completed in 4Q 2019, as well as full year contributions from KDC SGP 5 and maincubes Data Centre in Offenbach am Main, Germany.

DPU was also higher at 7.61 cents for FY 2019, a 4.0% increase over FY 2018's DPU of 7.32 cents. This translated to a 3.7% yield based on the market closing price of $2.080 per Unit on 31 December 2019. Excluding the impact of the pro-rata preferential offering in October 2019, DPU for FY 2019 would have been higher at 7.71 cents, a 5.3% increase from FY 2018's DPU of 7.32 cents.

CHRISTINA TAN
Chairman

The REIT ended the year with a healthy portfolio occupancy of 94.9% and a long weighted average lease expiry of 8.6 years by leased area, which will continue to provide good income stability for Unitholders.

Going forward, the Manager will continue to maintain a proactive asset management strategy to improve the efficiency and returns of its portfolio.

FINANCIAL FLEXIBILITY

To enhance the stability of distributions, we have hedged approximately 82% of the REIT's borrowings through floating-to-fixed interest rate swaps. Forecasted foreign-sourced distributions have also been hedged with foreign currency forward contracts till 1H 2021 to safeguard distributions against exchange rate fluctuations.

To optimise Unitholders' returns and maintain financial flexibility, we continue to employ an optimal mix of debt and equity in financing acquisitions. In 2019, we raised approximately $478.2 million through a private placement cum preferential

Inclusion in Global Indices

- FTSE EPRA Nareit Global Developed Index
- GPR 250 Index

[1] This excludes Intellicentre 3 East Data Centre and Kelsterbach Data Centre. The development of the former is expected to be completed in 4Q 2020, while the legal completion of the acquisition of the latter is expected in 2020.

offering to partially fund the acquisitions of KDC SGP 4 and DC1. The successful equity fund raising improved the REIT's trading liquidity and increased its exposure to quality global institutional investors.

Keppel DC REIT, with its established track record and enlarged portfolio of assets, is well-positioned to capture value and strengthen its presence across key data centre hubs globally.

At the same time, we seek to maintain a well-spread debt maturity profile. During the year, we issued the seven-year €50 million floating-rate notes, took an additional six-year $155 million loan to partially finance the acquisitions, and extended the existing Singapore dollar-denominated loan due in end-2019 to 2025. These lengthened Keppel DC REIT's weighted average debt tenor from 3.0 years in the preceding year to 3.9 years as at end-2019.

Meanwhile, aggregate leverage remained low at 30.7%, providing Keppel DC REIT with a comfortable debt headroom to capture growth opportunities. The REIT's average cost of debt remained competitive at 1.7% per annum, while the interest coverage ratio remained high at 13.3 times.

DRIVING SUSTAINABILITY

In the pursuit of sustainable growth, we seek to adopt and maintain effective Environmental, Social and Governance (ESG) practices, guided by our three-pronged approach of environmental stewardship, running a responsible business, and nurturing our people and the communities where we operate.

As part of its strategic oversight, the Board has considered Keppel DC REIT's material ESG issues in the REIT's strategy formulation, taking into account inputs from the management team and key stakeholders. The Board will continue to review and monitor these ESG issues periodically. To communicate our ESG approach, Keppel DC REIT publishes an annual sustainability report in accordance with the internationally-recognised Global Reporting Initiative Standards.

During the year, we also implemented and adopted green initiatives to minimise our carbon footprint.

1 Kelsterbach Data Centre is located near the Frankfurt Airport and approximately 18km from Frankfurt's city centre.

2 Keppel DC REIT leverages the unique strengths of the Keppel Group to deliver value-added solutions.

Our efforts towards upholding high ESG standards have been recognised, with Keppel DC REIT garnering leading positions in the Governance Index for Trusts (GIFT) and the Singapore Governance and Transparency Index, as well as being conferred accolades at the Singapore Corporate Awards and the SIAS 20th Investors' Choice Awards.

FORWARD TOGETHER

Demand for data centres continues to be driven by strong take-up from hyperscale cloud players. The development and adoption of new technologies will continue to drive the digitalisation wave, and power demand for good quality and well-operated data centres globally.

While demand in the data centre industry remains strong, increased interests in the industry has attracted new players, competing for capital as well as quality assets, and 2020 could see the competitive landscape intensify further.

Drawing on our competencies in investment, asset and capital management, as well as our ability to leverage the unique strengths of the Keppel Group in project development and facilities management, Keppel DC REIT, with its established track record and enlarged portfolio of assets, is well-positioned to capture value and strengthen its presence across key data centre hubs globally.

ACKNOWLEDGEMENTS

On behalf of my fellow Board members, I would like to take this opportunity to express my sincere appreciation to our Unitholders, business partners and valued clients for your support and confidence in Keppel DC REIT. I would also like to thank the management team and staff for their dedication and valuable contributions throughout the year.

As we move forward together, we will continue to position Keppel DC REIT to deliver greater value to Unitholders.

Yours sincerely,

CHRISTINA TAN
Chairman
18 February 2020

GROUP FINANCIAL HIGHLIGHTS

RESULTS HIGHLIGHTS AND RATIOS

for the financial year ended 31 December

	2019 $'000	2018 $'000	Change %
Gross revenue	**194,826**	175,535	11.0
Net property income	**177,283**	157,673	12.4
Distributable income[1]	**113,245**	96,096	17.8
Distribution per Unit (DPU)[2] (cents)	**7.61**	7.32	4.0
Distribution yield[2,3] (%)	**3.66**	3.52	14 bps
Adjusted DPU[2] (cents)	**7.71**	7.32	5.3
Weighted average all-in interest rate (% per annum)	**1.7**	1.9	(20 bps)
Interest coverage ratio (times)	**13.3**	11.4	Nm

BALANCE SHEET HIGHLIGHTS AND RATIOS

as at 31 December

	2019 $'000	2018 $'000	Change %
Investment properties[4]	**2,637,026**	2,028,672	30.0
Total assets[4,5]	**2,927,994**	2,259,144	29.6
Gross borrowings[5,6]	**(870,388)**	(673,952)	29.1
Deferred payments[5]	**–**	–	Nm
Lease liabilities[4,5]	**(51,848)**	(33,466)	54.9
Total liabilities	**(1,025,446)**	(783,150)	30.9
Unitholders' funds	**1,868,018**	1,444,839	29.3
Units in issue ('000)	**1,632,395**	1,351,578	20.8
Net asset value (NAV) per unit ($)	**1.14**	1.07	6.5
Adjusted NAV per unit, excluding distribution ($)	**1.12**	1.03	8.7
Aggregate leverage[5] (%)	**30.7**	30.8	(10 bps)

1 Distributable income includes capital expenditure set aside for certain properties.
2 Excluding the impact of the 141,989,617 new Units listed on 15 October 2019 pursuant to the pro-rata preferential offering, the adjusted DPU would have been 7.71 cents.
3 Based on the closing price of $2.080 on the last trading day of 2019.
4 Investment properties and total assets include the carrying value of the lease liabilities pertaining to the land rent commitments and options.
5 Aggregate leverage is computed based on gross borrowings and deferred payments over total deposited properties (the Group's total assets less non-controlling interests) as stipulated in the Property Funds Appendix in the Code on Collective Investment Schemes issued by MAS, without considering lease liabilities pertaining to land rent commitments and options.
If these lease liabilities pertaining to land rent commitments and options were included, the aggregate leverage would be 31.9% (31 December 2018: 31.9%).
6 Gross borrowings relates to external borrowings drawn down from term loan facilities, revolving credit facilities and Multicurrency Medium Term Note Programme.

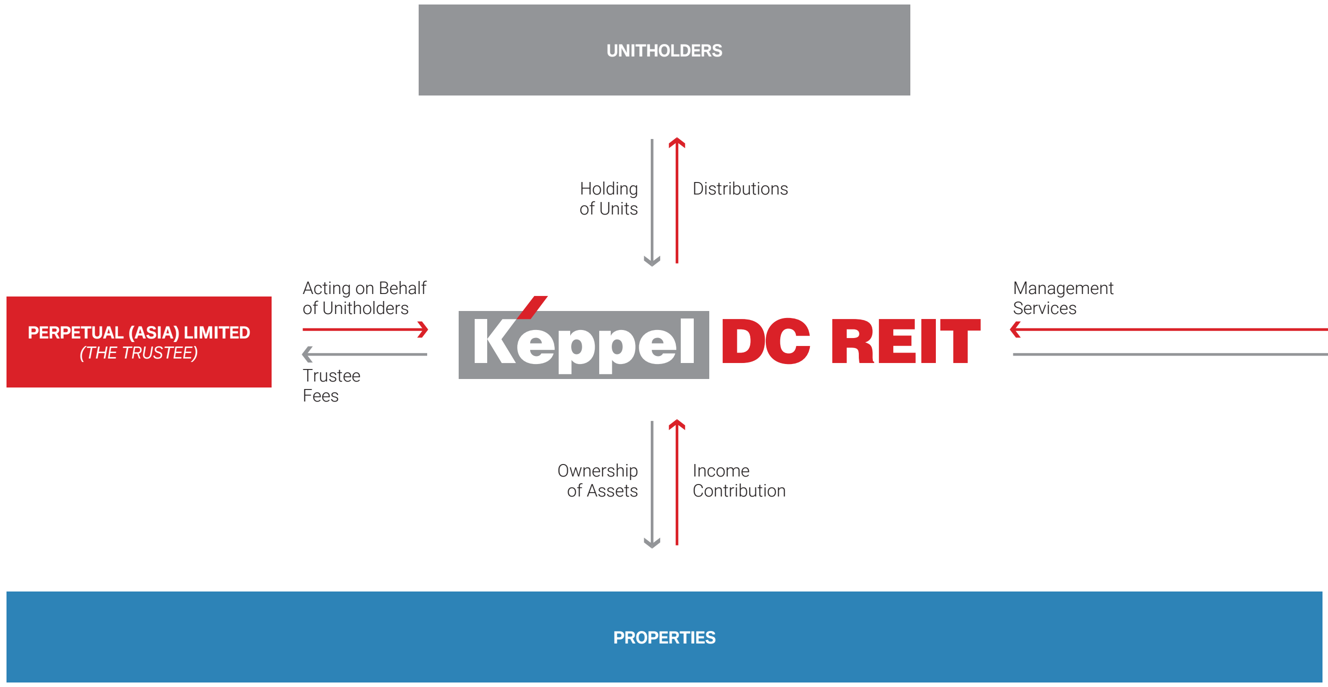
bps = basis points
Nm = Not meaningful

GROUP QUARTERLY RESULTS

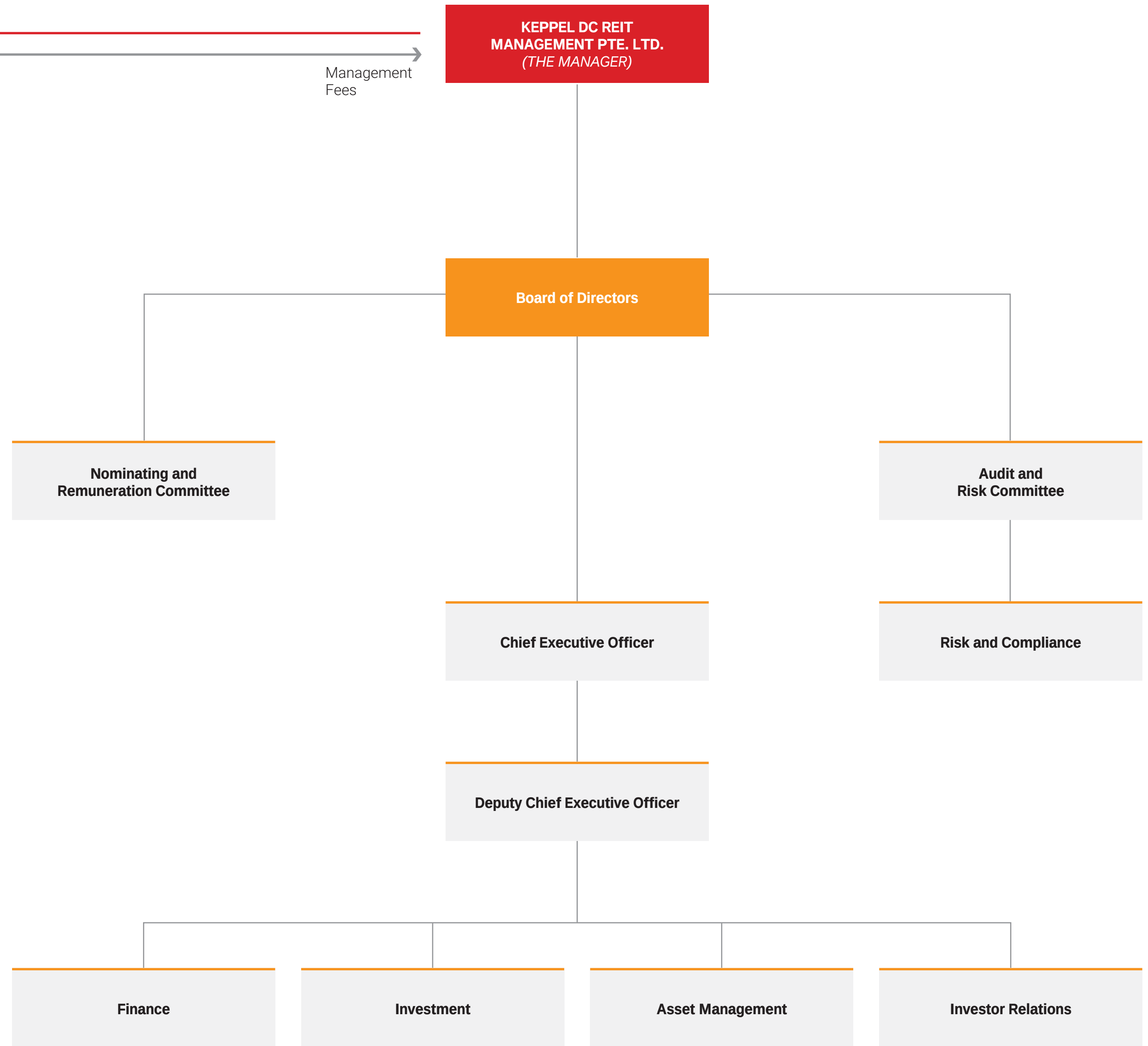
	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Full Year
	$'000	%	$'000	%	$'000	%	$'000	%	$'000
Gross Revenue									
2019	**48,033**	**25%**	**47,460**	**24%**	**46,352**	**24%**	**52,981**	**27%**	**194,826**
2018	38,008	22%	41,927	24%	47,557	27%	48,043	27%	175,535
Net Property Income									
2019	**43,230**	**24%**	**43,260**	**24%**	**42,267**	**24%**	**48,526**	**28%**	**177,283**
2018	34,088	22%	38,075	24%	43,043	27%	42,467	27%	157,673
Distributable Income[1]									
2019	**27,109**	**24%**	**27,246**	**24%**	**27,426**	**24%**	**31,464**	**28%**	**113,245**
2018	20,867	22%	23,079	24%	26,024	27%	26,126	27%	96,096
DPU (cents)									
2019	**1.92**	**25%**	**1.93**	**25%**	**1.93**	**25%**	**1.83**[2]	**25%**	**7.61**[2]
2018	1.80	25%	1.82	25%	1.85	25%	1.85	25%	7.32

1 Distributable income includes capital expenditure set aside for certain properties.
2 Excluding the impact of the 141,989,617 new Units listed on 15 October 2019 pursuant to the pro-rata preferential offering, the adjusted DPU for 4Q 2019 and FY 2019 would have been 1.93 cents and 7.71 cents respectively.

TRUST AND ORGANISATION STRUCTURE



Asia Pacific			Europe				
Singapore	**Malaysia**	**Australia**	**United Kingdom**	**Ireland**	**The Netherlands**	**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**	**Keppel DC Dublin 1**	**Almere Data Centre**	**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**			**Kelsterbach Data Centre** *(Legal completion expected in 2020)*
Keppel DC Singapore 3 FM[1]: Keppel DCS3 Services Pte. Ltd.		**Intellicentre 3 East Data Centre** *(Under development)*					
Keppel DC Singapore 4 FM[1]: Keppel DC Singapore 2 Pte. Ltd.		**iseek Data Centre**					
Keppel DC Singapore 5 FM[1]: Keppel DCS3 Services Pte. Ltd.							
DC1							



[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 54
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 2019):
3 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 2020):
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;
Keppel Capital Alternative Asset Pte. Ltd.

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

Past Directorships held over the preceding 5 years (from 1 January 2015 to 31 December 2019):
Various subsidiaries and associated companies of Alpha Investment Partners Limited and funds managed by Alpha Investment Partners Limited

Others:
Nil

LEE CHIANG HUAT, AGE 70
Independent Director

A

Date of first appointment as a director:
18 November 2014

Length of service as a director (as at 31 December 2019):
5 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), University of Singapore

Present Directorships (as at 1 January 2020):
Listed companies
Keppel REIT Management Limited (the manager of Keppel REIT)

Other principal directorships
Jurong Port Pte Ltd;
Jurong Port Tank Terminals Pte Ltd

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2015 to 31 December 2019):
Channoil Asia Pte Ltd; Icurrencies Pte Ltd

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

DR TAN TIN WEE, AGE 58
Independent Director

N

Date of first appointment as a director:
18 November 2014

Length of service as a director (as at 31 December 2019):
5 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 2020):
Listed companies
Nil

Other principal directorships
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 2015 to 31 December 2019):
Keppel Telecommunications & Transportation Ltd; Asia Pacific Bioinformatics Network Ltd; iGates Bioinnovation Pte 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.

DILEEP NAIR, AGE 69
Independent Director

A N

Date of first appointment as a director:
18 November 2014

Length of service as a director (as at 31 December 2019):
5 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 2020):
Listed companies
Thakral Corporation Ltd; Singapore Reinsurance Corporation Ltd

Other principal directorships
Health Sciences Authority of Singapore

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2015 to 31 December 2019):
Agri-Food Veterinary Authority of Singapore

Others:
Former High Commissioner to the Republic of Ghana; 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

BOARD OF DIRECTORS

THOMAS PANG THIENG HWI, AGE 55
Non-Executive Director

Date of first appointment as a director:
18 November 2014

Length of service as a director (as at 31 December 2019):
5 years 2 months

Board Committee(s) served on:
Nil

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

Present Directorships (as at 1 January 2020):
Listed companies
SVOA Public Company Ltd

Other principal directorships
Keppel Telecommunications & Transportation Ltd; ADCF C Private Limited; Keppel Data Centres Pte Ltd; Keppel Logistics Pte Ltd; Keppel Capital Holdings Pte. Ltd.; M1 Limited; 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; Radiance Communications Pte Ltd; Keppel Networks Infrastructure Pte Ltd, 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 2015 to 31 December 2019):
Various subsidiaries and associated companies of Keppel Telecommunications & Transportation Ltd and Keppel DC REIT

Others:
Nil

LOW HUAN PING, AGE 63
Independent Director

A

Date of first appointment as a director:
28 February 2019

Length of service as a director (as at 31 December 2019):
10 months

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 2020):
Listed companies
Nil

Other principal directorships
Nil

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2015 to 31 December 2019):
iFast Corporation Ltd; Magzter Inc; Shareinvestor.com Holdings Pte Ltd; MediaCorp Press Ltd; M1 Limited

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

KENNY KWAN, AGE 50
Independent Director

N

Date of first appointment as a director:
28 February 2019

Length of service as a director (as at 31 December 2019):
10 months

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 2020):
Listed companies
Micro-Mechanics (Holdings) Ltd.

Other principal directorships
Nil

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

Past Directorships held over the preceding 5 years (from 1 January 2015 to 31 December 2019):
Nil

Others:
Nil

SENIOR MANAGEMENT

CHUA HSIEN YANG, AGE 42
Chief Executive Officer

Mr Chua has extensive experience in real estate funds management and the hospitality industries, with more than 18 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 2020):
Various subsidiaries and associated companies of Keppel DC REIT;
KBS US Prime Property Management Pte. Ltd.

Past Directorships held over the preceding 5 years (from 1 January 2015 to 31 December 2019):
Mirvac 8 Chifley Pty Limited;
Mirvac (Old Treasury) Pty Limited

ANTHEA LEE, AGE 46
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 2020):
Various subsidiaries and associated companies of Keppel DC REIT

Past Directorships held over the preceding 5 years (from 1 January 2015 to 31 December 2019):
Nil

ADAM LEE, AGE 35
Chief Financial Officer

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 2020):
Various subsidiaries and associated companies of Keppel DC REIT;
Lakson Technology Pte Ltd

Past Directorships held over the preceding 5 years (from 1 January 2015 to 31 December 2019):
Nil

SIGNIFICANT EVENTS

Q1 2019

- Obtained tax transparency status for Keppel DC Singapore 5
- Issued €50 million in floating rate notes due 2026 pursuant to the $500 million Multicurrency Medium Term Note Programme
- Mr Low Huan Ping and Mr Kenny Kwan appointed as Independent Directors

Q2 2019

- Mr Leong Weng Chee stepped down as Independent Director

Q3 2019

- Included as a constituent of the FTSE EPRA Nareit Global Developed Index
- Raised $478.2 million through a private placement cum preferential offering
- Received the Silver Award for Best Investor Relations (REITs and Business Trusts category) at the Singapore Corporate Awards 2019
- Ranked 3rd in the Governance Index for Trusts (GIFT) and 9th in the Singapore Governance and Transparency Index
- Named the Best Singaporean Investor to Italy by the Italian Chamber of Commerce in Singapore
- Runner-up for the Most Transparent Company Award (REITs and Business Trusts category) at the SIAS 20th Investors' Choice Awards

Q4 2019

- Deepened presence in Singapore with the acquisitions of Keppel DC Singapore 4 and DC1
- Announced acquisition of Kelsterbach Data Centre in Germany with legal completion expected in 2020
- Included as a constituent of the GPR 250 Index Series
- Commenced construction of Intellicentre 3 East Data Centre in Sydney, Australia

Deepened presence in Singapore with the acquisitions of Keppel DC Singapore 4 and DC1 (in image).

INVESTOR RELATIONS

THE MANAGER ACTIVELY AND REGULARLY ENGAGES THE INVESTMENT COMMUNITY ON THE REIT'S STRATEGY AND BUSINESS OPERATIONS, AS WELL AS INDUSTRY OUTLOOK.

The AGM provides a two-way platform for investor engagement and is held after the announcement of the REIT's first quarter results.

The Manager maintains open channels of communication with the investment community, guided by a defined set of principles and practices set out in its investor relations (IR) policy which is available on the REIT's website. The IR policy is reviewed regularly to ensure its relevance and effectiveness.

While data centres are gaining acceptance as mainstream real estate asset class, Asian investors remain less familiar with the industry compared to their US and European counterparts. Therefore, it is vital that the Manager has a clear and effective IR outreach programme to explain the REIT's strategy and business operations, as well as the factors driving the global data centre industry.

PROACTIVE OUTREACH

On a quarterly basis, the Manager conducts post-results teleconferences with analysts, and works with research houses to organise post-results engagements with investors, to address queries and concerns.

In 2019, the Manager engaged 570 investors and analysts in Singapore, Bangkok, Hong Kong, Seoul, Tokyo and London, through investor conferences, roadshows, meetings and teleconferences. To enhance investors' knowledge and understanding of the data centre industry, the Manager works with brokers and research houses to organise site visits to the REIT's assets.

Keppel DC REIT's 4th Annual General Meeting (AGM) took place on 16 April 2019. Attended by 159 Unitholders, the AGM provided a two-way platform for investor engagement and was held after the announcement of the REIT's first quarter results.

In September 2019, Keppel DC REIT launched a private placement cum preferential offering to raise total gross proceeds of $478.2 million to partially fund the accretive acquisitions of Keppel DC Singapore 4 and DC1. As part of its outreach efforts, the Manager conducted teleconferences with analysts and investors, as well as roadshows in Singapore, Bangkok and Hong Kong. The placement was over nine times covered and priced at the top end of the range, while the preferential offering was 1.75 times subscribed. Both acquisitions were completed in the fourth quarter of 2019, following strong support from Unitholders at an Extraordinary General Meeting (EGM) in October 2019.

UNITHOLDING BY TYPE (%)
as at 7 February 2020

Sponsor and related parties	23.5
Institutional	47.5
Retail	29.0
Total	100.0

UNITHOLDING BY GEOGRAPHY[1] (%)
as at 7 February 2020

Asia (excluding Singapore)	27.1
North America	17.4
Singapore	14.6
Europe (excluding UK)	4.8
UK	4.2
Others[2]	31.9
Total	100.0

1 Excluding Sponsor and related parties.
2 Others comprise the rest of the world, as well as unidentified holdings and holdings below the analysis threshold.

All Board members and senior management were present at both the REIT's AGM and EGM in 2019, and all resolutions were polled electronically with an independent scrutineer appointed to validate voting procedures and oversee the process. Results of the general meetings are published on SGX and the REIT's website, while minutes are available on the website.

As part of ongoing efforts to enhance retail investors' knowledge and understanding of REITs, Keppel DC REIT took part in the annual REITs Symposium, jointly organised by ShareInvestor and the REIT Association of Singapore (REITAS), and supported by SGX and The Business Times.

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

Keppel DC REIT's website provides up-to-date information on the 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 available on the REIT's corporate website and in all announcements, facilitating communication between the REIT and the investment community.

AWARDS AND RECOGNITION

In 2019, Keppel DC REIT was recognised for strong practices in investor relations and corporate governance. The REIT received the Silver Award for Best Investor Relations under the REITs and Business Trusts category at the Singapore Corporate Awards 2019.

Keppel DC REIT ranked third in the Governance Index for Trusts and ninth in the Singapore Governance and Transparency Index. In addition, the REIT was named runner-up for the Most Transparent Company Award under the REITs and Business Trusts category at the SIAS 20th Investors' Choice Awards.

Keppel DC REIT was included in the FTSE EPRA Nareit Global Developed Index and the GPR 250 Index Series in September and December 2019 respectively, and remains a constituent in various key indices.

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

- CGS-CIMB
- Citi
- CLSA
- Credit Suisse
- DBS
- Goldman Sachs
- HSBC
- JP Morgan
- KGI Securities
- 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

The Manager maintains open channels of communication with the investment community.

INVESTOR RELATIONS CALENDAR

Financial Year ended 31 December 2019

Q1	Q2	Q3	Q4
4Q & FY 2018 results announcement and analysts' teleconference	1Q 2019 results announcement and analysts' teleconference	2Q & 1H 2019 results announcement and analysts' teleconference	3Q & 9M 2019 results announcement and analysts' teleconference
Post-results investors' luncheon hosted by Citi	Post-results investors' session hosted by Credit Suisse	Post-results investors' luncheon hosted by CLSA	Post-results investors' luncheon hosted by JP Morgan
SGX-DBSV-NH Singapore Corporate Day in Seoul	Keppel DC REIT's fourth AGM	Citi-REITAS-SGX C-Suite Singapore REITs and Sponsors Forum	Roadshows in Singapore, Bangkok and Hong Kong
Distribution payout to Unitholders for 2H 2018	Citi APAC Property Conference in Hong Kong	SGX-DBSV-REITAS Singapore Corporate Day in Bangkok	EGM for the acquisitions of Keppel DC Singapore 4 and DC1
CLSA ASEAN Forum in Bangkok		Announced acquisitions of Keppel DC Singapore 4 and DC1 and launched equity fund raising exercise, followed by analysts' and investors' teleconferences	SGX-JP Morgan Corporate Day in Tokyo
SGX-Julius Baer luncheon in Singapore		Distribution payout to Unitholders for 1H 2019	Advanced distribution payout for the period 1 July to 24 September 2019
			Citi ASEAN Access Day 2019 in Singapore
			UBS Global Real Estate Conference in London

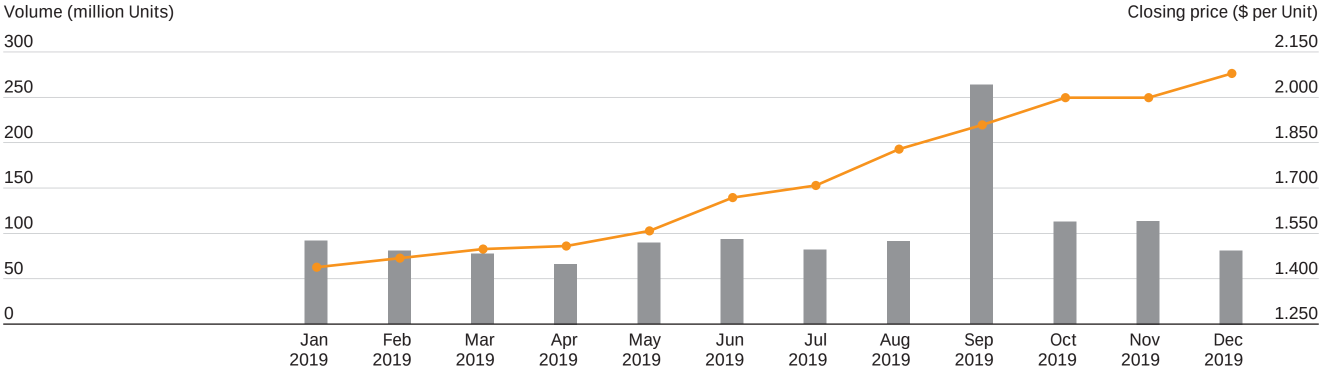
UNIT PRICE PERFORMANCE

Approximately 1.2 billion Keppel DC REIT Units were traded in the financial year ended 31 December 2019 (FY 2019), translating to an average daily trading volume of 5.0 million Units.

The REIT's Unit price registered a gain of 54.1% and total Unitholder return of 66.0%[1] in FY 2019.

The REIT declared a total DPU of 7.61 cents in FY 2019, 4.0% higher than FY 2018's DPU of 7.32 cents, translating to a distribution yield of 3.7% based on 31 December 2019's market closing price of $2.080.

MONTHLY TRADING PERFORMANCE



	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019
Closing Unit price month-end ($ per Unit)	1.440	1.470	1.500	1.510	1.560	1.670	1.710	1.830	1.910	2.000	2.000	2.080
Monthly trading volume (million Units)	92.3	81.3	78.1	66.7	90.1	93.9	82.5	91.9	264.2	113.2	114.2	81.5

UNIT PRICE PERFORMANCE ($ per Unit)

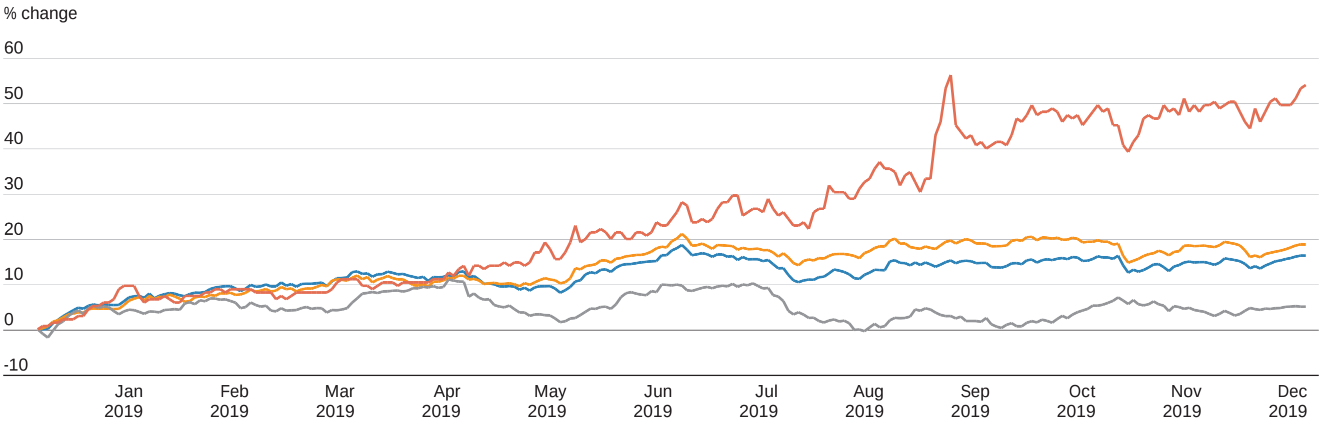
	2019	2018
Highest closing price	**2.110**	1.480
Lowest closing price	**1.360**	1.300
Average closing price	**1.693**	1.384
Closing price on last trading day of the year	**2.080**	1.350
Trading volume (million Units)	**1,250**	722.2

1 Source: Bloomberg
2 Sources: Bloomberg, Monetary Authority of Singapore, Central Provident Fund, and Singapore Government Securities.
3 Based on Keppel DC REIT's total DPU of 7.61 cents for FY 2019 and the market closing price of $2.080 as at 31 December 2019.

COMPARATIVE YIELDS (%)
as at 31 December 2019

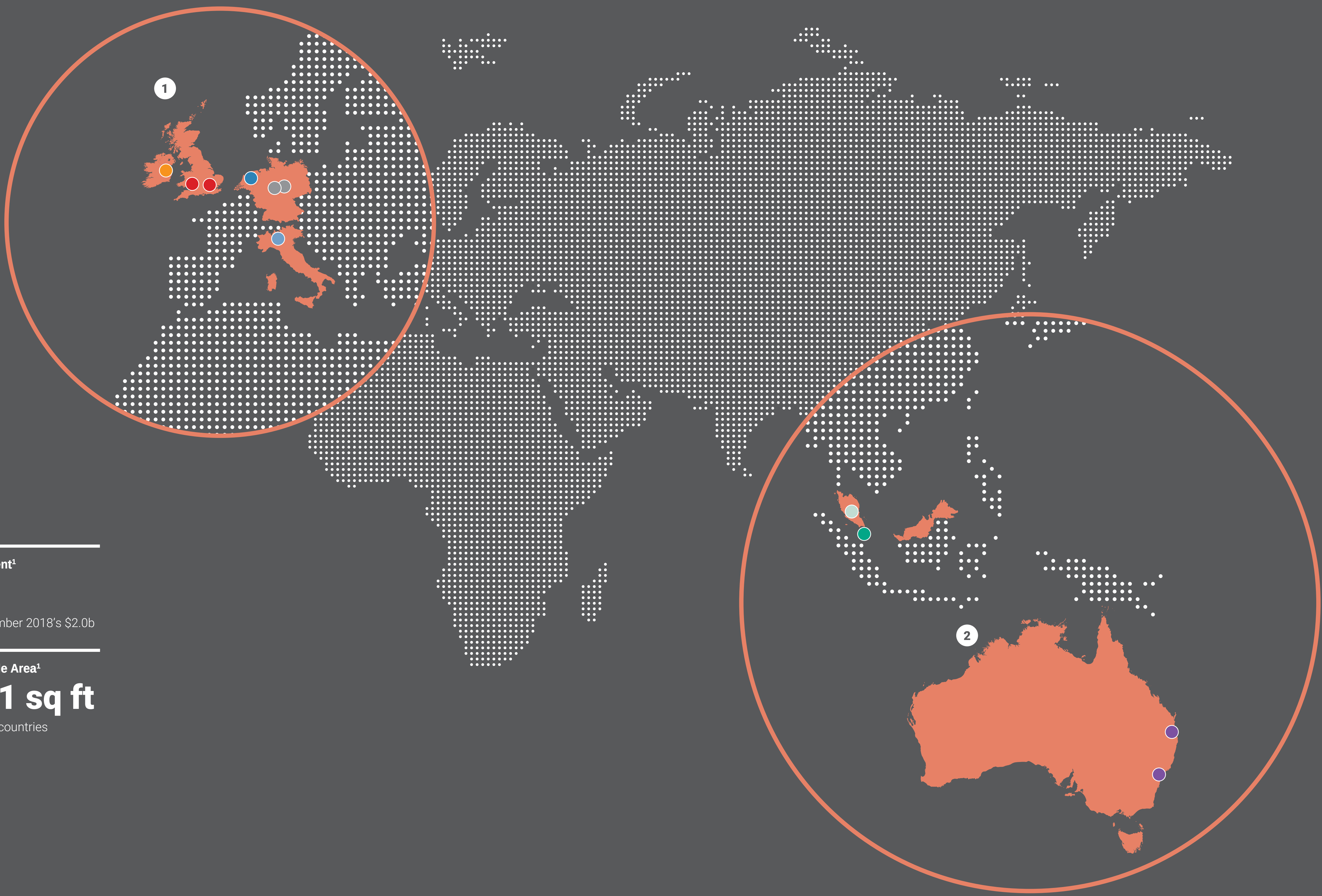
	Distribution Yield[2]
Keppel DC REIT[3]	3.7
STI	4.0
FTSE ST REIT Index	4.4
FTSE ST RE Index	4.0
CPF Ordinary Account	2.5
10-year SG Govt Bond	1.7
5-year SG Govt Bond	1.6
Bank Savings Deposit Rate	0.2

UNIT PRICE PERFORMANCE AGAINST INDICES (%)
for the period from 1 January 2019 to 31 December 2019



Keppel DC REIT	54.1
STI	5.0
FTSE ST REIT Index	18.8
FTSE ST RE Index	16.3

KEPPEL DC REIT AROUND THE WORLD



1

EUROPE

United Kingdom
- Cardiff Data Centre, Cardiff
- GV7 Data Centre, London

Ireland
- Keppel DC Dublin 1, Dublin
- Keppel DC Dublin 2, Dublin

The Netherlands
- Almere Data Centre, Almere

Italy
- Milan Data Centre, Milan

Germany
- maincubes Data Centre, Offenbach am Main
- Kelsterbach Data Centre, Kelsterbach *(Acquisition expected to be completed in 2020)*

2

ASIA PACIFIC

Singapore
- Keppel DC Singapore 1
- Keppel DC Singapore 2
- Keppel DC Singapore 3
- Keppel DC Singapore 4
- Keppel DC Singapore 5
- DC1

Malaysia
- Basis Bay Data Centre, Cyberjaya

Australia
- Gore Hill Data Centre, Sydney
- Intellicentre 2 Data Centre, Sydney
- Intellicentre 3 East Data Centre, Sydney *(Under development)*
- iseek Data Centre, Brisbane

Assets Under Management[1]

$2.6b

30% higher than 31 December 2018's $2.0b

Total Attributable Lettable Area[1]

1,411,411 sq ft

17 data centres across 8 countries

Note:
[1] Excludes Kelsterbach Data Centre and Intellicentre 3 East Data Centre.

MARKET REVIEW

THE DATA CENTRE MARKET IS EXPECTED TO REMAIN ROBUST IN THE COMING YEARS, UNDERPINNED BY ADVANCEMENTS IN CLOUD ADOPTION, SMART TECHNOLOGIES, BIG DATA ANALYTICS AND 5G.

Enterprise Cloud Infrastructure Market Growth in 2019

40%

Expected to continue expanding at CAGR of more than 20% over the next five years.

The report is prepared at end-2019 by BroadGroup Consulting, an independent research and consulting firm specialising in the data centre sector. Within the report, the term 'colocation' refers to a centrally managed data centre where data centre services are provided to single or multiple clients, through large long-term wholesale colocation leases or small retail colocation offerings.

INDUSTRY OVERVIEW

The global data centre market performed strongly in 2019, supported by robust cloud adoption, smart technologies and big-data analytics.

Enterprise spending on cloud infrastructure is estimated to have grown by nearly 40% in 2019 and is expected to continue expanding at a compound annual growth rate (CAGR) of more than 20% over the next five years, on the back of digital transformation trends.

One key development that could revolutionise how mobile phones are used is 5G, the next generation of mobile networks which promises faster speed, wider coverage, and reduced latency. Ericsson Mobility expects 2.6 billion of 5G users globally by 2025. The real-time capability of 5G could support advancements in the use of autonomous vehicles, cloud gaming, as well as the Internet of Things (IoT), which would in turn create more data that needs to be stored and processed in a data centre.

Colocation data centres allow cloud players to expand quickly and offer greater leasing flexibility and quick access into new growth markets without having to wait for a new-build facility, nor deal with potential issues such as planning and market entry licences. The global colocation market is expected to grow by 14% in 2020.

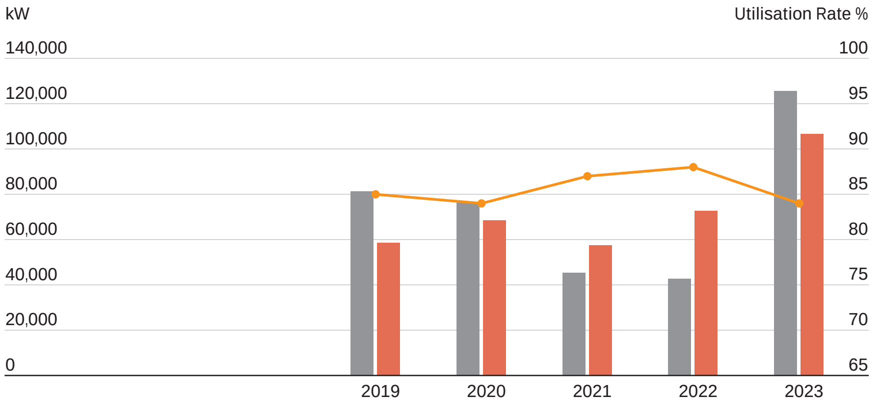
The data centre industry has been growing steadily in Asia Pacific, led by the rapid adoption of mobile technologies, as well as the continuing expansion of social networking, video streaming, cloud adoption and e-commerce. Data centre spending in Asia Pacific is set to surpass $25 billion by 2023 to account for over 30% of the global data centre market.

Europe remains a strong market, supported by cloud adoption which is catching up with the United States, where over 40% of the global hyperscale data centre capacity are located. The European data centre market is expected to grow by over 40% to more than $20 billion by 2023, despite limited new supply given planning and power challenges.

Looking ahead, demand for data centres is expected to remain robust in the coming years. The data centre market, being a resilient sector that supports mission critical operations, is likely to continue to hold up over the business cycle. In fact, colocation facilities could be more appealing in a downturn as enterprises look to reduce capital expenditures and increase outsourcing.

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

DATA CENTRE SUPPLY/DEMAND/UTILISATION IN SINGAPORE



	2019	2020	2021	2022	2023
Supply Added (kW)	81,211	76,450	45,200	42,500	125,500
New Demand (kW)	58,500	68,300	57,400	72,500	106,400
Utilisation Rate (%)	85	84	87	88	84

SINGAPORE

Singapore ranks among the top data centre hubs in the world. It is a choice location for multinational organisations that are setting up presence in Asia due to its robust fibre network, cloud availability, and pro-business climate.

Demand has been led by hyperscale cloud providers who are looking to support growing cloud deployments in Asia. All major hyperscalers have established data centre presence in Singapore, and many are leveraging the country's central location to support regional requirements. The market also serves multiple industries which include IT services, financial services, media, as well as the telecommunications sector. Telecommunications will remain a key advantage for Singapore, with the international Internet Exchange, DE-CIX, expanding to Singapore in 2H 2020.

Supply in the coming years could be tightened given the government's moratorium on new data centre developments to meet its climate change targets. With demand for data centres expected to remain strong, this could increase utilisation and pricing at existing facilities over the next two years.

New demand in Singapore is estimated to grow at a CAGR of 16.1% between 2019 and 2023. The average utilisation rate was 85% as at end-2019.

Demand in Singapore has been led by hyperscale cloud providers who are looking to support growing cloud deployments in Asia.

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 remains challenging amid political uncertainty. Malaysia also faces competition from neighbouring Singapore as well as other Southeast Asian markets such as Indonesia, Vietnam and Thailand, which are seeking to develop a strong data centre market.

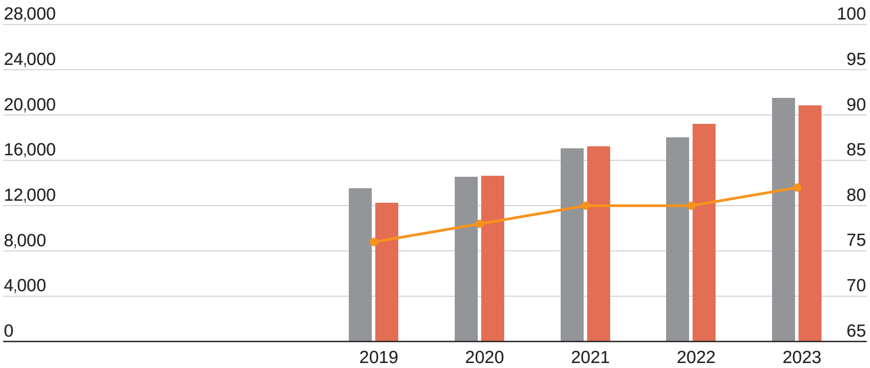
Demand in 2019 came largely from hyperscale cloud players including Google and Microsoft, as well as financial services, telecoms and systems integrators. Malaysia is also increasingly attracting demand from other cloud players as well as Chinese companies looking to enter the Malaysian market. The Malaysian data centre market also stands to benefit from offering lower cost alternative disaster recovery and backup sites to users in Singapore and China.

New demand in Cyberjaya is estimated to grow at a CAGR of 14.3% between 2019 and 2023. The average utilisation rate was 76% as at end-2019.

SYDNEY, AUSTRALIA

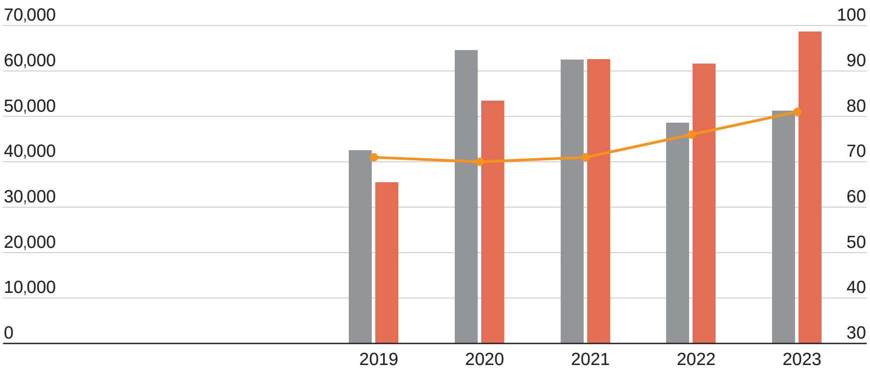
Sydney is the main data centre hub of Australia, and it is ranked among the top five colocation markets in Asia Pacific alongside Singapore, Hong Kong, Tokyo and Shanghai. Sydney offers an attractive and robust data centre ecosystem, supported by its business-friendly environment, strategic location and strong broadband infrastructure.

DATA CENTRE SUPPLY/DEMAND/UTILISATION IN CYBERJAYA



	2019	2020	2021	2022	2023
Supply Added (kW)	13,500	14,500	17,000	18,000	21,450
New Demand (kW)	12,200	14,600	17,200	19,200	20,830
Utilisation Rate (%)	76	78	80	80	82

DATA CENTRE SUPPLY/DEMAND/UTILISATION IN SYDNEY



	2019	2020	2021	2022	2023
Supply Added (kW)	42,450	64,500	62,400	48,500	51,200
New Demand (kW)	35,400	53,400	62,500	61,500	68,600
Utilisation Rate (%)	71	70	71	76	81

1 Intellicentre 2 Data Centre is a two-storey facility in Sydney.

2 The development of Intellicentre 3 East Data Centre is expected to be completed in 4Q 2020.


1

Colocation data centres are also well-established in the market, supported by the government's outsourcing requirements and adoption of cloud solutions, as well as strong demand from Australian firms on the back of data sovereignty regulations in the country. Telecommunications has also improved with the addition of subsea cable connections, such as the Southern Cross NEXT connecting Australia to the United States.

The attractiveness of the Sydney market has also posed challenges in terms of land cost and availability. The recent bushfires have also made it more challenging to find suitable sites. To meet growing demand from hyperscale cloud providers, Sydney has seen more build-out commitment from domestic providers such as NextDC and AirTrunk, and colocation providers have also looked out for new locations, such as North Sydney as well as other Australian cities such as Melbourne and Brisbane.

New demand in Sydney is estimated to grow at a CAGR of 18.0% between 2019 and 2023. The average utilisation rate was 71% as at end-2019.

BRISBANE, AUSTRALIA

The Brisbane data centre market is the third largest in Australia, behind Sydney and Melbourne.

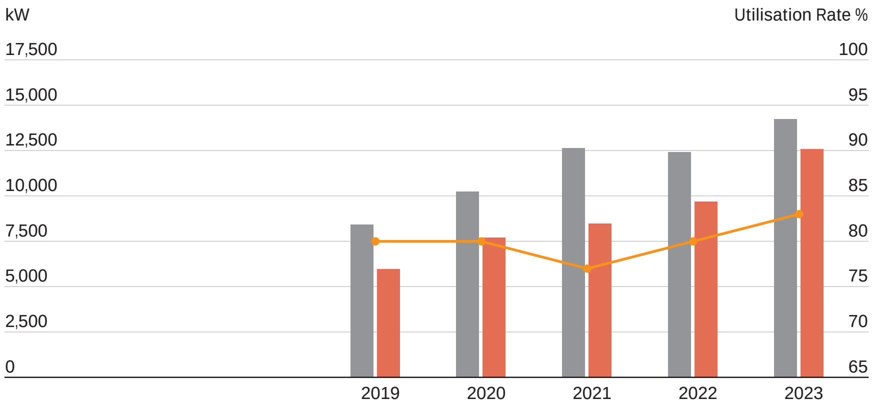
Demand is supported by local companies and government agencies looking for more competitive pricing and greater site availability, compared to Sydney.

Cloud providers have also been strong drivers of data centre demand in Brisbane due to the high cloud adoption rates in Australia. 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.

The completion of the Japan-Guam-Australia subsea cable spanning over 9,500km in 2020 will improve network redundancy and enhance connectivity into Brisbane.

New demand in Brisbane is estimated to grow at a CAGR of 20.5% between 2019 and 2023. The average utilisation rate was 80% as at end-2019.

DATA CENTRE SUPPLY/DEMAND/UTILISATION IN BRISBANE



	2019	2020	2021	2022	2023
Supply Added (kW)	8,400	10,200	12,600	12,400	14,200
New Demand (kW)	5,955	7,675	8,455	9,652	12,556
Utilisation Rate (%)	80	80	77	80	83

MARKET REVIEW

LONDON, UNITED KINGDOM

Despite uncertainties post-Brexit, London remains a key financial hub and one of the largest European data centre markets. It is one of the four main European markets alongside Frankfurt, Amsterdam and Paris.

The United Kingdom (UK) has the highest cloud adoption rate across European countries. Brexit has led to an increased demand from hyperscale cloud players in 2019, as they sought to ensure additional capacity for clients that are moving their data back into the UK due to data sovereignty regulations. A lack of suitable sites and power availability is leading to new entrants building in locations of at least 50km from central London, such as Dagenham and Didcot.

Demand in 2020 will come from a wide variety of sectors as London maintains its position as a key technology hub with strong colocation requirements to support enterprise digital transformation.

New demand in London is estimated to grow at a CAGR of 10.7% between 2019 and 2023. The average utilisation rate was 81% as at end-2019.

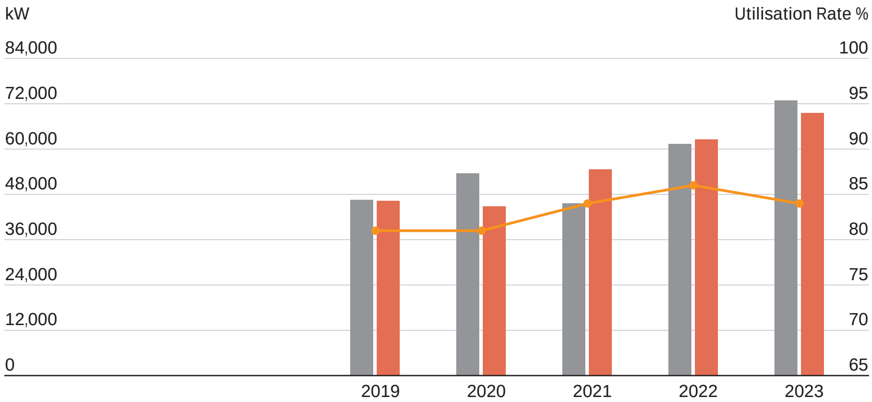
CARDIFF, UNITED KINGDOM

Cardiff, the capital of Wales, is the closest capital city to London at 244km 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 offers lower costs and greater access to power availability, which are suitable for high performance computing and big data analytics. It has been the ideal location for disaster recovery data centre operations for London users, and is increasingly attracting hyperscale cloud players and system integrators as a lower cost alternative to London.

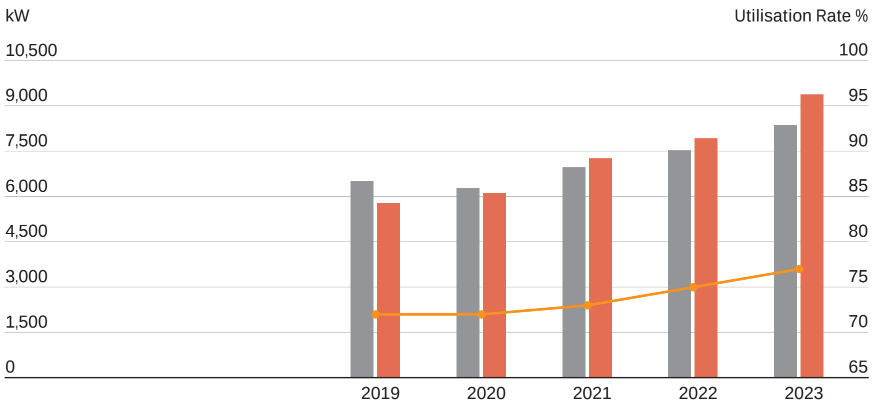
Cities in South Wales are also keen to promote the region as a growing digital hub. Cardiff has its own Internet Exchange, Cardiff-IX, operated by the London Internet Exchange and currently serves mostly local traffic. Digital traffic in Cardiff is growing, with a number of large companies leveraging the region for new call and

DATA CENTRE SUPPLY/DEMAND/UTILISATION IN LONDON



	2019	2020	2021	2022	2023
Supply Added (kW)	46,500	53,508	45,579	61,211	72,700
New Demand (kW)	46,222	44,700	54,489	62,421	69,500
Utilisation Rate (%)	81	81	84	86	84

DATA CENTRE SUPPLY/DEMAND/UTILISATION IN CARDIFF



	2019	2020	2021	2022	2023
Supply Added (kW)	6,485	6,250	6,950	7,510	8,350
New Demand (kW)	5,779	6,100	7,250	7,900	9,350
Utilisation Rate (%)	72	72	73	75	77

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 12.8% between 2019 and 2023. The average utilisation rate was 72% as at end-2019.

AMSTERDAM, THE NETHERLANDS

Amsterdam is one of four main data centre hubs in Europe, and has attracted many multinational companies 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 has been referred to as the digital media hub of Europe. The city is home to more than 600 telecommunication companies, and is often the choice location for technology companies setting up their European headquarters due to its superior connectivity.

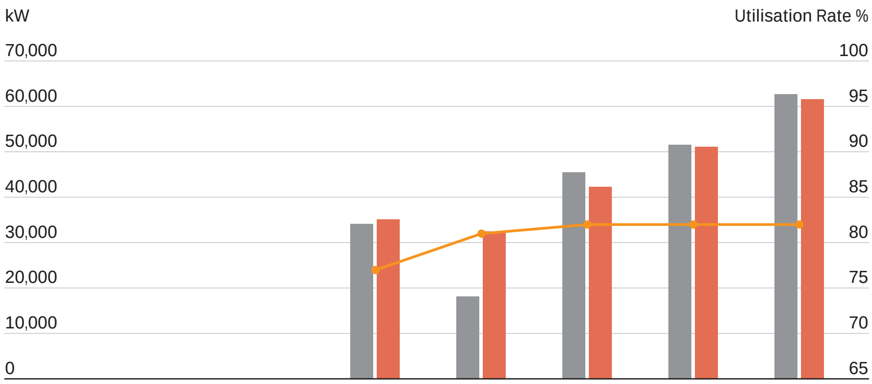
Demand in 2019 was particularly strong from hyperscale cloud providers, led by Microsoft and Google. Other large deployments include systems integrators, online travel companies and network providers.

In July 2019, the local government set out a moratorium on permits for new data centres due to concerns around power availability as Amsterdam had suffered from a number of power outages in recent years. While new builds could be permitted by end-2020, there is likely to be more legislations to ensure that new facilities are as energy efficient as possible. This moratorium will allow pricing to recover, after falling slightly in 2019 due to increased competition.

New demand in Amsterdam is estimated to grow at a CAGR of 15.1% between 2019 and 2023. The average utilisation rate was 77% as at end 2019.

The four main European data centre hubs are London, Amsterdam, Frankfurt and Paris.

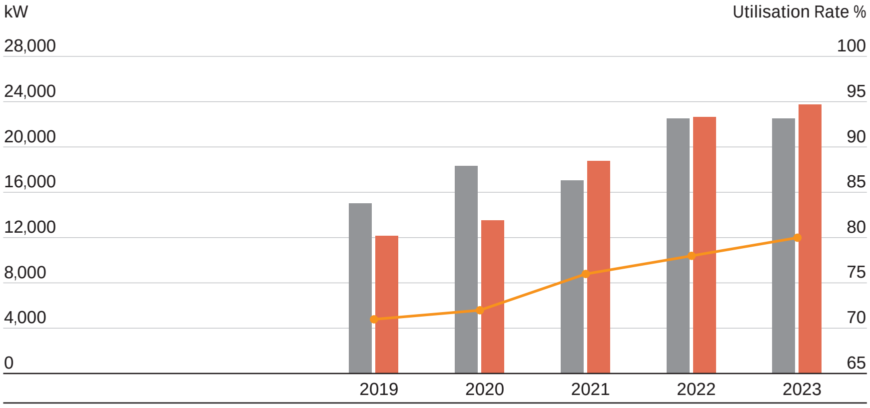
DATA CENTRE SUPPLY/DEMAND/UTILISATION IN AMSTERDAM



	2019	2020	2021	2022	2023
Supply Added (kW)	34,014	18,023	45,384	51,399	62,500
New Demand (kW)	35,003	32,413	42,216	51,021	61,500
Utilisation Rate (%)	77	81	82	82	82

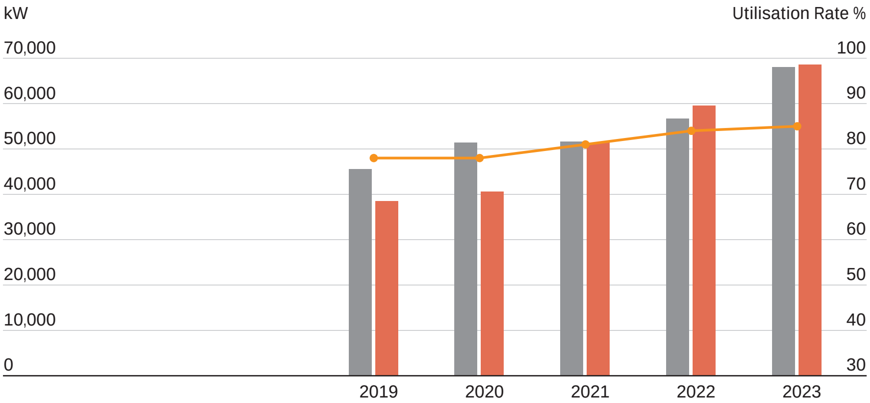
MARKET REVIEW

DATA CENTRE SUPPLY/DEMAND/UTILISATION IN DUBLIN



	2019	2020	2021	2022	2023
Supply Added (kW)	15,007	18,318	17,006	22,491	22,500
New Demand (kW)	12,122	13,500	18,750	22,600	23,724
Utilisation Rate (%)	71	72	76	78	80

DATA CENTRE SUPPLY/DEMAND/UTILISATION IN FRANKFURT



	2019	2020	2021	2022	2023
Supply Added (kW)	45,483	51,234	51,490	56,510	67,850
New Demand (kW)	38,416	40,512	51,223	59,424	68,450
Utilisation Rate (%)	78	78	81	84	85

DUBLIN, IRELAND

Dublin has surpassed London as Europe's largest data centre market. It has been particularly successful in attracting investments from the hyperscale cloud providers due to its supportive tax regime and strong trading links to the US.

Such investment continued in 2019 with Google investing a further US$3 billion in the year alone. Ireland has also benefitted from the uncertainties of Brexit, attracting over 200 financial services firms to relocate from the UK in 2019.

Power availability remains a concern in Dublin with data centre usage estimated at over 15% of power in Ireland in 2019. Allaying this are major planned investments in power infrastructure upgrades, as well as an increasing focus on developing renewable energy as an alternative power source. Hyperscale cloud players are also increasingly securing power from Irish wind farms for their data centres.

Demand in 2020 and beyond will continue to be led by international customers. Despite competition from the Nordic markets, Dublin will continue to be attractive to the hyperscale cloud providers. It will also continue to benefit from its growing importance as a financial hub.

New demand in Dublin is estimated to grow at a CAGR of 18.3% between 2019 and 2023. The average utilisation rate was 71% as at end-2019.

FRANKFURT, GERMANY

Frankfurt is one of the most established European data centre markets with significant investments from hyperscale cloud and international players. Home to DE-CIX, the world's largest internet exchange, Frankfurt's data centre demand is supported by its strong connectivity, favourable business climate, as well as its position as a major financial hub in Germany.

Germany, as the largest economy in Europe, attracts many non-European corporations including Chinese cloud providers that have chosen Frankfurt to set up their first European data centre. Demand in Frankfurt is also supported by data sovereignty regulations that require data to be stored within the country.

Germany has a strong automotive industry that has attracted global investments for connected cars. Based on conservative estimates by IHS Automotive, an average car could produce up to 30 terabytes of data each day, and this could further support the Frankfurt data centre market.

Frankfurt has faced challenges around power availability, pricing and land issues. This has led to new facilities being built in areas up to 100km from the centre of the city, including Offenbach, Wiesbaden, and Kelsterbach.

New demand in Frankfurt is estimated to grow at a CAGR of 15.5% between 2019 and 2023. The average utilisation rate was 78% as at end-2019.

MILAN, ITALY

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

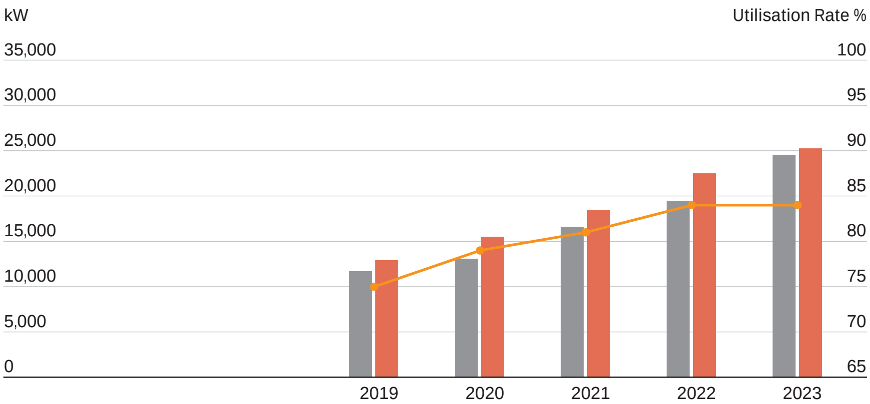
As the third largest economy in the Eurozone and a gateway to southern Europe and potentially North Africa, Italy is one of the few remaining large European countries in which global cloud service providers have yet to establish a sizeable footprint.

The Milan market has not developed as quickly as other European data centre hubs due to Italy's weaker telecommunications infrastructure, but this is changing with large new colocation sites being developed. With Amazon Web Services launching its cloud region in 2020, 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 18.4% between 2019 and 2023. The average utilisation rate was 75% as at end-2019.

maincubes Data Centre is 10km from Frankfurt, one of the leading European data centre markets.

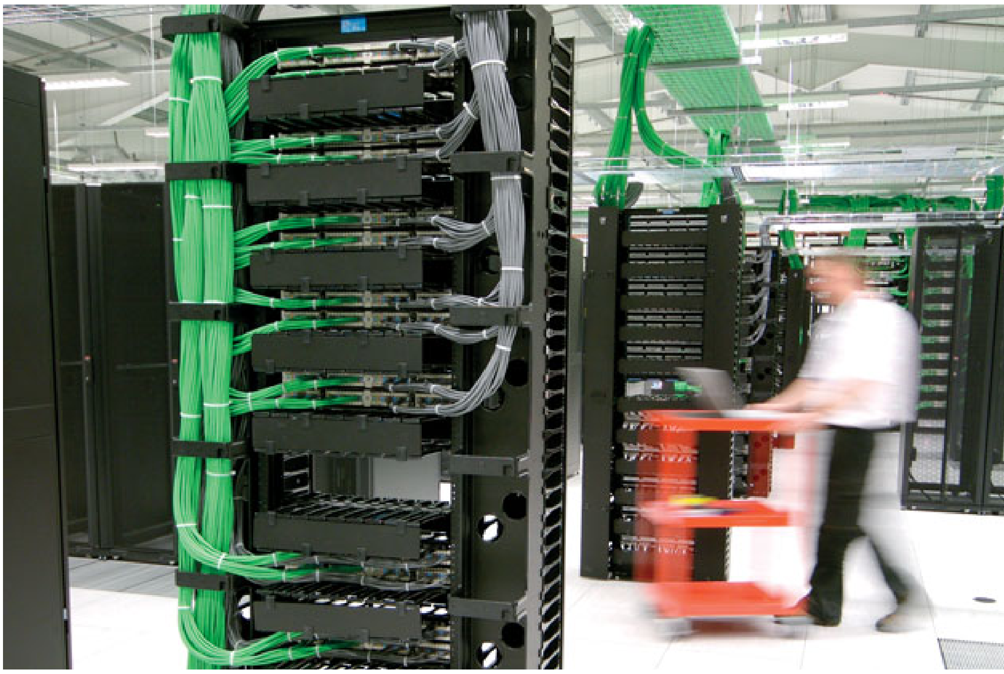
DATA CENTRE SUPPLY/DEMAND/UTILISATION IN MILAN



	2019	2020	2021	2022	2023
Supply Added (kW)	11,625	13,011	16,550	19,350	24,500
New Demand (kW)	12,850	15,450	18,350	22,450	25,210
Utilisation Rate (%)	75	79	81	84	84

PORTFOLIO REVIEW

APART FROM SEEKING GROWTH THROUGH ACQUISITIONS, THE MANAGER OPTIMISES THE REIT'S PORTFOLIO RETURNS BY PROACTIVELY MANAGING LEASES AND DELIVERING QUALITY SOLUTIONS.



Portfolio Occupancy

94.9%

Of the REIT's 17 assets, 12 were fully occupied

Weighted Average Lease Expiry (WALE)

8.6 years

Long portfolio WALE provides income stability for the REIT

CONTINUING GROWTH

The Manager continued to strengthen Keppel DC REIT's portfolio in 2019 with accretive acquisitions and value-adding asset enhancement works. The strategic additions of KDC SGP 4 and DC1 increased the REIT's assets under management (AUM) from $2.0 billion as at end-2018 to approximately $2.6 billion as at end-2019.

KDC SGP 4 is a five-storey carrier-neutral and purpose-built colocation facility located close to KDC SGP 2 and KDC SGP 3 within the Tampines Industrial Park, while DC1 is a five-storey purpose-built facility on a triple-net master lease located just outside the Woodlands Regional Centre, a planned commercial hub that will serve as the Northern Agri-Tech and Food Corridor.

The REIT acquired a 99% interest in KDC SGP 4 from Thorium DC Pte. Ltd., a 70:30 joint venture between Alpha Data Centre Fund and Keppel Data Centres Holding. The agreed value of $384.9 million is below Cushman & Wakefield and Savills' valuations, both of which were approximately $385.1 million.

DC1 was previously 51% held by CityDC Pte. Ltd., a subsidiary of Keppel Infrastructure Trust, and 49% held by WDC Development Pte. Ltd., a subsidiary of Shimizu Corporation. The agreed value of $200.2 million for DC1 is below Knight Frank's valuation of $200.5 million and Edmund Tie's $201.5 million. The independent valuations for KDC SGP 4 and DC1 were derived from the discounted cash flow and the income capitalisation methods.

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 4	KDC SGP 4
Keppel DC Singapore 5	KDC SGP 5
DC1	DC 1
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
Keppel DC Dublin 1	KDC DUB 1
Keppel DC Dublin 2	KDC DUB 2
Almere Data Centre	Almere DC
Milan Data Centre	Milan DC
maincubes Data Centre	maincubes DC
Kelsterbach Data Centre	Kelsterbach DC

These acquisitions strengthened the REIT's foothold in the tightly-held Singapore market and doubled its footprint in Singapore, where data centres are rarely traded, to approximately 593,000 sq ft by aggregate attributable lettable area. On the operational front, a larger asset base allows the REIT to reap further leasing synergies and operational efficiencies.

In December 2019, the Manager announced the acquisition of Kelsterbach DC from Maena KG at an agreed value of €81.8 million. Based on the valuation by Jones Lang

Lasalle SE, an independent valuation firm appointed by the Trustee, the market value of the 100% freehold interest in the Property was €86.0 million, using both the discounted cash flow and income capitalisation methods. Located near Frankfurt Airport and about 18km from Frankfurt's city centre, Kelsterbach DC is fully leased on a triple-net basis until end-2025. When the acquisition is completed in 2020, Kelsterbach DC will be Keppel DC REIT's second facility in Germany.

OPTIMISING PORTFOLIO RETURNS

The Manager seeks to improve portfolio returns by managing existing leases proactively and engaging prospective clients.

In December 2019, the Manager entered into a supplementary deed with 1-Net Singapore Pte. Ltd. to fit out the existing shell and core space at DC1. The fit-out works, expected to be completed in 3Q 2020, will cost up to $56.6 million.

Asset enhancement works have also commenced at KDC SGP 5 in January 2020, to increase the power capacity of the data centre. This involves converting vacant non-data centre space into data centre space, with costs estimated at $29.9 million. This is expected to be completed by 2H 2020.

In Australia, the construction of IC3 East DC, which is being built on the vacant land within the IC2 DC's site in Sydney, has commenced, with completion expected in 4Q 2020. Its completion will mark the commencement of a 20-year triple-net master lease with Macquarie Telecom for both IC3 East DC and IC2 DC, enhancing the REIT's income visibility.

The asset enhancement works to improve energy efficiency at KDC DUB 1 remains on track for completion in 1H 2020.

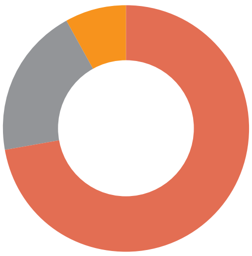
BALANCED AND DIVERSIFIED PORTFOLIO[1,2]

As at 31 December 2019, the REIT's portfolio comprises 17 data centres with a total attributable lettable area of 1,411,411 sq ft spanning 10 cities in eight countries across Asia Pacific and Europe.

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

1 Total attributable lettable area is aggregated based on respective ownership interests of assets.
2 All figures are as at 31 December 2019 and exclude IC3 East DC and Kelsterbach DC.

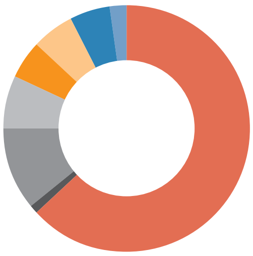
RENTAL INCOME[1] BREAKDOWN BY LEASE TYPE (%)
for December 2019



Colocation	72.4
Fully-fitted	19.7
Shell and core	7.9
Total	100.0

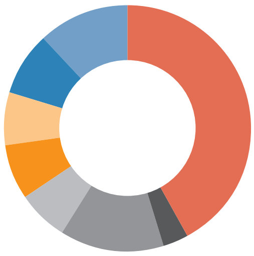
1 Rental income for December 2019.
2 All figures are as at 31 December 2019. Exclude IC3 East DC and Kelsterbach DC.
3 Based on exchange rates of $1.00 = A$1.080, $1.00 = £0.567, $1.00 = RM3.058, $1.00 = €0.665 as at 31 December 2019.

PORTFOLIO AUM[2,3] BY GEOGRAPHY (%)
as at December 2019



Singapore	63.2
Malaysia	1.0
Australia	10.9
Ireland	7.0
United Kingdom (UK)	5.0
Germany	5.4
The Netherlands	5.3
Italy	2.2
Total	100.0

TOTAL ATTRIBUTABLE LETTABLE AREA[2] BY GEOGRAPHY (%)
as at December 2019



Singapore	42.0
Malaysia	3.4
Australia	13.6
Ireland	6.6
United Kingdom (UK)	7.4
Germany	6.9
The Netherlands	8.4
Italy	11.7
Total	100.0

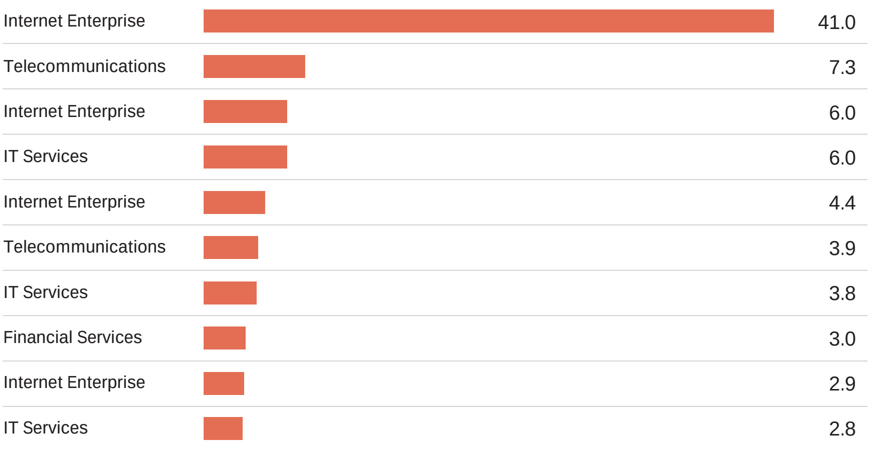
PORTFOLIO STATISTICS

	As at 31 December 2019	As at 31 December 2018
Total Attributable Lettable Area[1]	**1,411,411 sq ft**	1,111,991 sq ft
Valuation[1]	**$2.56 billion**	$1.97 billion
Number of Clients	**61**	47
Occupancy	**94.9%**	93.1%
WALE	**8.6 years**	8.3 years

1 Based on respective ownership interests of assets.

PORTFOLIO REVIEW

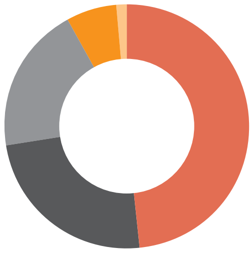
TOP 10 CLIENTS[1,2] BY RENTAL INCOME (%)
for December 2019



[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 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 data centre.

[2] Clients 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, KDC SGP 4 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 2019



Internet Enterprise	48.5
Telecommunications	24.2
IT Services	19.5
Financial Services	6.5
Corporate	1.3
Total	100.0

Colocation assets contributed approximately 72.4% of Keppel DC REIT's rental income.

In December 2019, colocation assets contributed approximately 72.4% of Keppel DC REIT's rental income, while its fully-fitted and shell and core assets accounted for the remaining 27.6%.

As at 31 December 2019, 75.1% of Keppel DC REIT's AUM is located in Asia Pacific while 24.9% is located in Europe.

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 and corporate sectors.

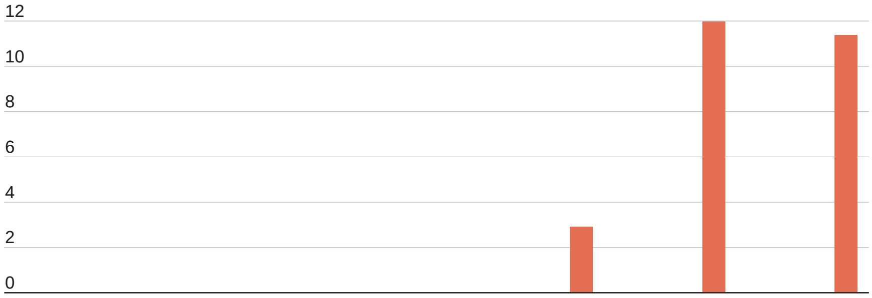
HEALTHY PORTFOLIO OCCUPANCY

As at 31 December 2019, Keppel DC REIT's portfolio occupancy rate remained healthy at 94.9%. Out of the 17 assets in Keppel DC REIT's portfolio, 12 assets were fully leased.

Portfolio WALE remained long at 8.6 years, providing strong income stability for the REIT. In 2019, the WALE of new leases, including those from KDC SGP 4 and DC1 which were acquired during the year, was 12.5 years. These leases contributed 19.2% of Keppel DC REIT's rental income in December 2019.

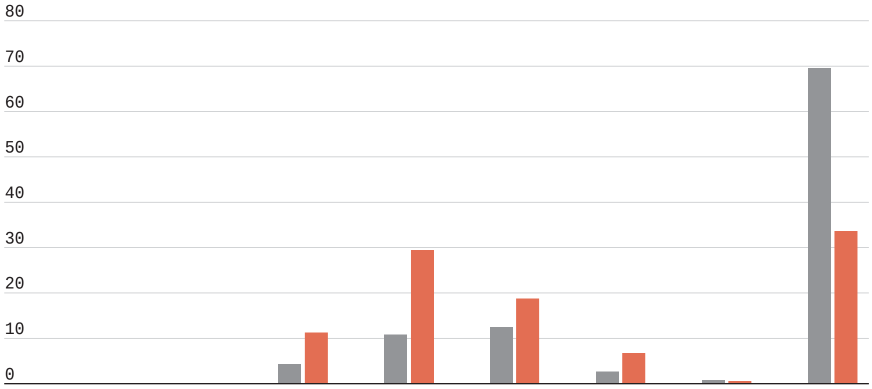
Keppel DC REIT's lease expiry profile was also well-staggered. As at 31 December 2019, approximately 69.4% of the REIT's lettable area had more than five years to its expiry.

WEIGHTED AVERAGE LEASE EXPIRY BY LEASE TYPE (years)
as at 31 December 2019



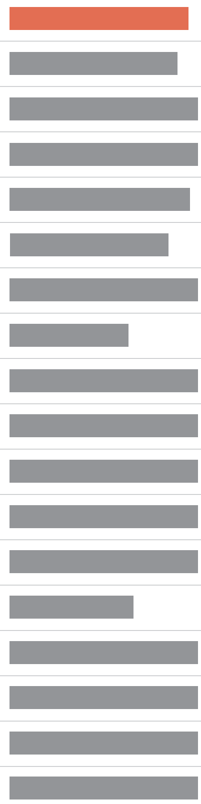
	Colocation	Fully-fitted	Shell and core
Weighted Average Lease Expiry	2.9	12.0	11.4

PORTFOLIO LEASE EXPIRY PROFILE (%)
as at 31 December 2019



	2020	2021	2022	2023	2024	≥2025
Portfolio Lease Expiry by Attributable Lettable Area	4.2	10.7	12.4	2.6	0.7	69.4
Portfolio Lease Expiry by Rental Income	11.2	29.4	18.7	6.7	0.5	33.5

OCCUPANCY RATES (%)
as at 31 December 2019

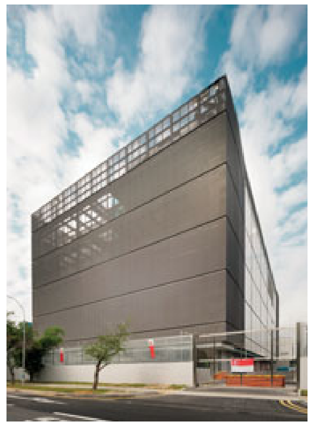


Portfolio	94.9
KDC SGP 1	89.2
KDC SGP 2	100.0
KDC SGP 3	100.0
KDC SGP 4	95.7
KDC SGP 5	84.2
DC1	100.0
Basis Bay DC	63.1
Gore Hill DC	100.0
IC2 DC	100.0
iseek DC	100.0
Cardiff DC	100.0
GV7 DC	100.0
KDC DUB 1	65.7
KDC DUB 2	100.0
Almere DC	100.0
Milan DC	100.0
maincubes DC	100.0

PORTFOLIO REVIEW
AT A GLANCE

ASIA PACIFIC




	Keppel DC Singapore 1	Keppel DC Singapore 2	Keppel DC Singapore 3	Keppel DC Singapore 4	Keppel DC Singapore 5	DC1	Basis Bay Data Centre
Location	25 Serangoon North Avenue 5, Singapore 554914	25 Tampines Street 92, Singapore 528877	27 Tampines Street 92, Singapore 528878	20 Tampines Street 92, Singapore 528875	13 Sunview Way, Singapore 627541	18 Riverside Road, Singapore 739088	No. 4710, Jalan Cyber Point 5, Zone Flagship Cyberjaya 63000 Cyberjaya, Selangor Darul Ehsan, Malaysia
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 30 June 2020, with option to extend by 30 years)	Leasehold (Expiring 31 August 2041)	Leasehold (Expiring 31 July 2044)	Freehold
Ownership Interest	100%	100%	90%	99%	99%	100%	99%
Land Area (sq ft)	78,928	53,821	53,815	73,248	83,331	91,902	64,809
Gross Floor Area (sq ft)	225,945	106,726	133,878	181,734	208,096	–	88,600
Attributable Lettable Area (sq ft)	109,721	38,480	49,433[5]	83,698[5]	97,781	213,815	48,193[5]
Number of Clients[1]	19	4	2	6	3	1	1
Lease Type	Keppel lease/Colocation	Keppel lease/Colocation	Keppel lease/Colocation	Keppel lease/Colocation	Keppel lease/Colocation	Triple-net lease (Fully-fitted, Shell and core)	Colocation
Facility Manager	Keppel DC Singapore 1 Ltd.[2]	Keppel DC Singapore 2 Pte. Ltd.[4]	Keppel DCS3 Services Pte. Ltd.[6]	Keppel DC Singapore 2 Pte. Ltd.[4]	Keppel DCS3 Services Pte. Ltd.[6]	–	Basis Bay Services MSC Sdn Bhd
Occupancy Rate	89.2%	100%	100%	95.7%	84.2%	100.0%	63.1%
Valuation[3] ($ million)	296.0	174.0	238.5	384.9 (Purchase price)	327.7	200.2 (Purchase price)	25.6

[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 KDC SGP 1, KDC SGP 2, KDC SGP 3, KDC SGP 4 and 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 (Keppel Data Centres), a joint venture company held indirectly by Keppel Telecommunications and Transportation Ltd (Keppel T&T) and Keppel Land Limited in the proportion of 70% and 30% respectively.

[3] Based on respective ownership interest and independent valuations as at 31 December 2019, unless otherwise stated. Based on exchange rates of $1.00 = A$1.080, $1.00 = £0.568, $1.00 = RM3.058, $1.00 = €0.665 as at 31 December 2019.

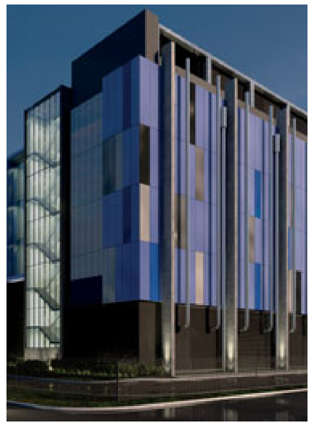
[4] Keppel DC REIT outsources facilities management of KDC SGP 2 and KDC SGP 4 to Keppel DC Singapore 2 Pte. Ltd.. Keppel DC Singapore 2 Pte. Ltd. is a wholly-owned subsidiary of Keppel Data Centres.

[5] Attributable lettable area of KDC SGP 3 is 90% while Basis Bay Data Centre, KDC SGP 4 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.

PORTFOLIO REVIEW
AT A GLANCE

ASIA PACIFIC

			
Gore Hill Data Centre	**Intellicentre 2 Data Centre**	**Intellicentre 3 East Data Centre** *(Under development)*	**iseek Data Centre**

	Gore Hill Data Centre	Intellicentre 2 Data Centre	Intellicentre 3 East Data Centre (Under development)	iseek Data Centre
Location	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	Freehold	Freehold	Freehold	Leasehold (Expiring 29 June 2040, with an option to extend by 7 years)
Ownership Interest	100%	100%	100%	100%
Land Area (sq ft)	72,032	215,612	–	41,559
Gross Floor Area (sq ft)	127,283	–	–	28,955
Attributable Lettable Area (sq ft)	90,955	87,930	Min. 86,000	12,389
Number of Clients	3	1	1	1
Lease Type	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	iseek-KDC Services Pty Limited[2]	–	–	–
Occupancy Rate	100%	100%	100%	100%
Valuation[1] ($ million)	192.1	53.4	24.1-33.3[1] (Development costs)	32.4

EUROPE

			
Cardiff Data Centre	**GV7 Data Centre**	**Keppel DC Dublin 1**	**Keppel DC Dublin 2**

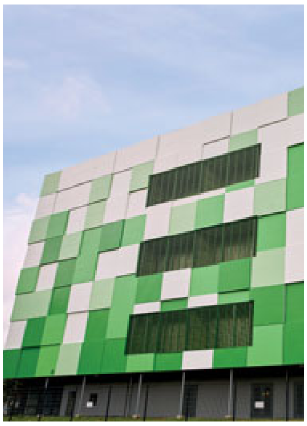
	Cardiff Data Centre	GV7 Data Centre	Keppel DC Dublin 1	Keppel DC Dublin 2
Location	Ty Cynnal, Dunleavy Drive, Celtic Gateway, Cardiff CF110SW, United Kingdom	7 Greenwich View Place, Millharbour Road, London, E14 9NN, United Kingdom	Unit 4033-4035 Citywest Business Campus, Naas Road, Dublin 24, Ireland	Unit B10, Ballycoolin Business and Technology Park, Blanchardstown, Dublin 15, Ireland
Title	Freehold	Leasehold (Expiring 28 September 2183)	Leasehold (Expiring 11 April 2041)[4]	Leasehold (Expiring 31 December 2997)
Ownership Interest	100%	100%	100%	100%
Land Area (sq ft)	279,864	N.A.[3]	218,236	149,620
Gross Floor Area (sq ft)	–	34,848	125,044	76,747
Attributable Lettable Area (sq ft)	79,439	24,972	68,118	25,652
Number of Clients	1	1	22	4
Lease Type	Triple-net lease (Shell and core)	Triple-net lease (Fully-fitted)	Colocation	Colocation
Facility Manager	–	–	–	–
Occupancy Rate	100%	100%	65.7%	100%
Valuation[1] ($ million)	63.2	64.0	75.0	103.3

1 Based on respective ownership interest and independent valuations as at 31 December 2019, unless otherwise stated. Based on exchange rates of $1.00 = A$1.080, $1.00 = £0.568, $1.00 = RM3.058, $1.00 = €0.665 as at 31 December 2019.
2 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.
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
AT A GLANCE

EUROPE






	Almere Data Centre	Milan Data Centre	maincubes Data Centre	Kelsterbach Data Centre
Location	Rondebeltweg 62 'Sallandsekant' Business Park, Almere, the Netherlands	Via Bisceglie 71, 73 and 75, Milan, Italy	Goethering 29, Offenbach am Main, Germany	Am Weiher 24, 65451 Kelsterbach, Germany
Title	Freehold	Freehold	Freehold	Freehold
Ownership Interest	100%	100%	100%	100%
Land Area (sq ft)	85,358	128,791	60,235	499,116
Gross Floor Area (sq ft)	–	–	–	–
Attributable Lettable Area (sq ft)	118,403	165,389	97,043	540,869
Number of Clients	1	1	1	1
Lease Type	Double-net lease (Fully-fitted)	Double-net lease (Shell and core)	Triple-net lease (Fully-fitted)	Triple-net lease (Shell and core)
Facility Manager	–	–	–	–
Occupancy Rate	100%	100%	100%	100%
Valuation[1] ($ million)	135.2	57.4	137.1	123.0[1, 2] (Purchase price)

[1] Based on respective ownership interest and independent valuations as at 31 December 2019, unless otherwise stated. Based on exchange rates of $1.00 = A$1.080, $1.00 = £0.568, $1.00 = RM3.058, $1.00 = €0.665 as at 31 December 2019.
[2] Acquisition is expected to be completed in 2020.

PORTFOLIO REVIEW
ASIA PACIFIC

KEY STATISTICS
as at 31 December 2019

Location 25 Serangoon North Avenue 5, Singapore 554914	**Number of Clients** 19[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** 89.2%
Attributable Lettable Area (sq ft) 109,721	**Valuation ($ million)** 296.0

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 45001:2018 (Occupational Health and Safety Management System)
- ISO 46001:2019 (Water Efficiency Management System)
- ISO 50001:2011 (Energy Management System)
- PUB Water Efficient Building
- Singapore Standard (SS) 564 Part-1:2013 (Energy and 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 Star

[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 KDC SGP 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.

PORTFOLIO REVIEW
ASIA PACIFIC

KEY STATISTICS
as at 31 December 2019

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) 38,480	**Valuation ($ million)** 174.0

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-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 45001:2018 (Occupational Health and Safety Management System)
- ISO 46001:2019 (Water Efficiency 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)
- Workplace Safety and Health (WSH) Council – bizSAFE Level Star

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 KDC SGP 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.

KEPPEL DC SINGAPORE 3

Keppel DC Singapore 3 (KDC SGP 3) is adjacent to KDC SGP 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 45001:2018 (Occupational Health and Safety Management System)
- ISO 46001:2019 (Water Efficiency 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 Star

KEY STATISTICS
as at 31 December 2019

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 ($ million)** 238.5

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 KDC SGP 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.

PORTFOLIO REVIEW
ASIA PACIFIC

KEY STATISTICS
as at 31 December 2019

Location 20 Tampines Street 92, Singapore 528875	**Number of Clients** 6[2]
Land Title Leasehold (Expiring 30 June 2020, with option to extend by 30 years)	**Lease Type** Keppel lease[3]/Colocation
Ownership Interest 99%	**Occupancy Rate** 95.7%
Attributable Lettable Area (sq ft) 83,698[1]	**Purchase Price ($ million)** 384.9[4]

KEPPEL DC SINGAPORE 4

Keppel DC Singapore 4 (KDC SGP 4) is situated within the Tampines Industrial Park A, approximately 12km from the city centre.

Completed in 2017, KDC SGP 4 is a modern five-storey carrier-neutral and purpose-built data centre providing data centre solutions, dedicated colocation suites, as well as 24/7 technical support.

KDC SGP 4 was designed and constructed incorporating environmentally-friendly features. In recognition of its green efforts, the facility received the BCA-IMDA Green Mark Award Platinum for New Data Centres, BCA Green Mark Award Platinum for New Building for Non-Residential Buildings and Leadership in Energy & Environmental Design (LEED) Gold Award. In addition, KDC SGP 4 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 45001:2018 (Occupational Health and Safety Management System)
- ISO 46001:2019 (Water Efficiency Management System)
- ISO 50001:2011 (Energy Management System)
- SS 564 Part-1:2013 (Energy & Environment Management System)
- SS 507:2015 (Standard for Business Continuity and Disaster Recovery (BC/DR) Service Provider)
- Uptime Tier III Design Certification
- Workplace Safety and Health (WSH) Council – bizSAFE Level Star

1 Attributable lettable area of KDC SGP 4 is 99% of total building net lettable area.
2 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 Singapore 4 Pte. Ltd. has in place the Keppel lease with Keppel DC Singapore 2 Pte. Ltd. pursuant to which Keppel DC Singapore 4 Pte. Ltd. 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 Singapore 4 Pte. Ltd. and Keppel DC Singapore 2 Pte. Ltd.
3 Refers to the Keppel lease which has been entered into by Keppel DC Singapore 4 Pte. Ltd. with Keppel DC Singapore 2 Pte. Ltd. in relation to KDC SGP 4. However, due to the pass-through nature of the Keppel lease, Keppel DC Singapore 2 Pte. Ltd. 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.
4 Valuations were as at 10 September 2019. The consideration for the acquisition of the 99% interest was at an agreed value of $384.9 million, arrived on a willing-buyer willing-seller basis with the vendor Alpha DC Fund Private Limited and supported by independent valuations. The independent valuations by Cushman & Wakefield (10 September 2019) and Savills (10 September 2019) were both $385.1 million. The valuations were derived using discounted cash flow, income capitalisation and comparable sales methods.

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:

- 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 45001:2018 (Occupational Health and Safety Management System)
- ISO 46001:2019 (Water Efficiency Management System)
- ISO 50001:2011 (Energy Management System)
- SS 564 Part-1:2013 (Energy & Environment Management System)
- SS 507:2015 (Standard for Business Continuity and Disaster Recovery (BC/DR) Service Provider)
- Workplace Safety and Health (WSH) Council – bizSAFE Level Star

KEY STATISTICS

as at 31 December 2019

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 ($ million)** 327.7

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 nine 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 KDC SGP 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.

PORTFOLIO REVIEW
ASIA PACIFIC

DC1

DC1 is located at the junction of Riverside Road and Marsiling Road, approximately 23km from the city centre. It is also situated just outside the Woodlands Regional Centre, a planned commercial hub that will serve the Northern Agri-Tech and Food Corridor.

It is well connected to major roads and expressways such as the Bukit Timah Expressway and Seletar Expressway which provide efficient linkages to the city centre, airport and other parts of the island.

Completed in 2016, DC1 is a purpose-built five-storey data centre facility.

KEY STATISTICS
as at 31 December 2019

Location 18 Riverside Road, Singapore 739088	**Number of Clients** 1
Land Title Leasehold (Expiring 31 July 2044)	**Lease Type** Triple-net lease (Fully-fitted, Shell and core)
Ownership Interest 100%	**Occupancy Rate** 100.0%
Attributable Lettable Area (sq ft) 213,815	**Purchase Price ($ million)** 200.2[1]

1 Valuations were as at 15 August 2019 and 31 August 2019 respectively by Knight Frank and Edmund Tie & Company. The consideration for the acquisition of the 100% interest was at an agreed property value of $200.2 million, arrived on a willing-buyer and willing-seller basis with the vendors CityDC Pte. Ltd. and WDC Development Pte. Ltd., supported by independent valuations. The independent valuations by Knight Frank (15 August 2019) and Edmund Tie & Company (31 August 2019) were at $200.5 million and $201.5 million respectively. The valuations were derived using discounted cash flow, income capitalisation and comparable sales methods.

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 750km² 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 2019

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 ($ million)** 25.6[2,3]

1 Attributable lettable area of Basis Bay DC is 99% of total building net lettable area.
2 Excludes the 1.0% interest in Basis Bay DC which is held by E-Basis Bay Sdn Bhd.
3 Based on an exchange rate of $1.00 = RM3.058 as at 31 December 2019.

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 2019

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 ($ million)** 192.1[1]

[1] Based on an exchange rate of $1.00 = A$1.080 as at 31 December 2019.

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 2019

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 ($ million)** 32.4[1]

[1] Based on an exchange rate of $1.00 = A$1.080 as at 31 December 2019.

PORTFOLIO REVIEW
ASIA PACIFIC

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 2019

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 ($ million)** 53.4[1]

1 Based on an exchange rate of $1.00 = A$1.080 as at 31 December 2019.

INTELLICENTRE 3 EAST DATA CENTRE
(Under development)

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 4Q 2020.

KEY STATISTICS
as at 31 December 2019

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 ($ million)** 24.1-33.3[1,2]

1 IC3 East DC is under development and is excluded from the portfolio's assets under management as at 31 December 2019.
2 Based on an exchange rate of $1.00 = A$1.080 as at 31 December 2019.

PORTFOLIO REVIEW
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 2019

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 ($ million)** 63.2[1]

[1] Based on an exchange rate of $1.00 = £0.568 as at 31 December 2019.

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 2019

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 ($ million)** 64.0[1]

[1] Based on an exchange rate of $1.00 = £0.568 as at 31 December 2019.

PORTFOLIO REVIEW
EUROPE

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 9001:2015 (Quality Management System), ISO 27001:2013 (Information Security Management System), and ISO 37001:2016 (Anti-Bribery Management System).

KEY STATISTICS
as at 31 December 2019

Location Unit 4033-4035 Citywest Business Campus, Naas Road, Dublin 24, Ireland	**Number of Clients** 22
Land Title Leasehold (Expiring 11 April 2041)[1]	**Lease Type** Colocation
Ownership Interest 100%	**Occupancy Rate** 65.7%
Attributable Lettable Area (sq ft) 68,118	**Valuation ($ million)** 75.0[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 KDC DUB 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 = €0.665 as at 31 December 2019.

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) and ISO 37001:2016 (Anti-Bribery Management System).

KEY STATISTICS
as at 31 December 2019

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** 100%
Attributable Lettable Area (sq ft) 25,652	**Valuation ($ million)** 103.3[1]

1 Based on an exchange rate of $1.00 = €0.665 as at 31 December 2019.

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 serving the business estate.

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

KEY STATISTICS
as at 31 December 2019

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 ($ million)** 135.2[1]

[1] Based on an exchange rate of $1.00 = €0.665 as at 31 December 2019.

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 2019

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 ($ million)** 57.4[1]

[1] Based on an exchange rate of $1.00 = €0.665 as at 31 December 2019.

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 800m 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 2019

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 ($ million)** 137.1[1]

[1] Based on an exchange rate of $1.00 = €0.665 as at 31 December 2019.

KELSTERBACH DATA CENTRE

Kelsterbach Data Centre is located in Kelsterbach, Germany. It is near the Frankfurt Airport and approximately 18km from the Frankfurt city centre.

It is a campus comprising a 5-storey data centre connected to a 6-storey office block. The acquisition is expected to be completed in 2020.

KEY STATISTICS
as at 31 December 2019

Location Am Weiher 24, 65451 Kelsterbach, Germany	**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) 540,869	**Purchase Price ($ million)** 123.0[1]

[1] Based on an exchange rate of $1.00 = €0.665 as at 31 December 2019.

FINANCIAL REVIEW

THE MANAGER ADOPTS A PRUDENT CAPITAL MANAGEMENT APPROACH.

Distributable Income

$113.2m

17.8% higher than $96.1 million in FY 2018

Distribution per Unit (DPU)

7.61cts

4.0% higher than 7.32 cents in FY 2018

GROUP OVERVIEW

Keppel DC REIT is a Singapore-domiciled real estate investment trust (REIT), which 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 2019 (FY 2019).

Keppel DC REIT completed the acquisitions of a 100% interest in DC1 on 31 October 2019 and a 99% interest in Keppel DC Singapore 4 (KDC SGP 4) on 21 November 2019.

The REIT also entered into a sale and purchase agreement on 12 December 2019 for the acquisition of a 100% freehold interest in a shell and core purpose-built data centre facility in Kelsterbach, Germany, for €81.8 million (approximately $123.0 million).

Distributable income for FY 2019 was $113.2 million, 17.8% higher than the distributable income of $96.1 million for FY 2018. This was mainly contributed by the REIT's new acquisitions, as well as full year contributions from Keppel DC Singapore 5 (KDC SGP 5) and maincubes Data Centre (maincubes DC), partially offset by higher Manager's fees.

Distribution per Unit (DPU) for FY 2019 was 7.61 cents, 4.0% higher than FY 2018's 7.32 cents. After adjusting for the impact of pro-rata preferential offering in October 2019, the adjusted DPU for FY 2019 would be 7.71 cents, representing a 5.3% growth from FY 2018's DPU of 7.32 cents.

Based on the market closing price of $2.080 per Unit as at 31 December 2019, Keppel DC REIT's distribution yield for FY 2019 was 3.66%.

REVENUE AND EXPENSES

Keppel DC REIT recorded gross revenue of $194.8 million in FY 2019, which was $19.3 million or 11.0% higher than that of FY 2018.

Gross rental income for FY 2019 was $189.3 million, an increase of $22.1 million or 13.3% from $167.2 million in FY 2018. This was mainly contributed by the REIT's acquisitions in 2018 and 2019. The increase was partially offset by lower overseas contributions due to the depreciation of the Australian Dollar (AUD) and Euro (EUR) against the Singapore Dollar (SGD).

Other income decreased by $2.9 million from $8.4 million in FY 2018 to $5.5 million in FY 2019, mainly due to the absence of rental top up provided by the relevant vendors. Rental top up income for FY 2019 translated to an effect on the distribution per Unit by approximately 0.28 cents.

FINANCIAL REVIEW

GROUP FINANCIAL OVERVIEW

	2019 $'000	2018 $'000	Change %
Gross rental income	189,315	167,158	13.3
Other income[1]	5,511	8,377	(34.2)
Gross revenue	**194,826**	175,535	11.0
Property operating expenses	(17,543)	(17,862)	(1.8)
Net property income	**177,283**	157,673	12.4
Finance income	1,182	834	41.7
Finance costs	(16,560)	(16,663)	(0.6)
Trustees' fees	(386)	(299)	29.1
Manager's base fee	(10,218)	(8,922)	14.5
Manager's performance fee	(5,794)	(5,062)	14.5
Audit fees	(256)	(299)	(14.4)
Valuation fees	(387)	(238)	62.6
Net realised gains on derivatives	2,642	555	>100
Other trust expenses	(7,858)	(9,192)	(14.5)
Net income before tax and fair value change in investment properties	**139,648**	118,387	18.0
Net change in fair value of investment properties	(15,948)	32,634	Nm
Profit before tax	**123,700**	151,021	(18.1)
Tax expenses	(12,592)	(5,012)	>100
Profit after tax	**111,108**	146,009	(23.9)
Profit after tax attributable to:			
Unitholders	106,502	141,881	(24.9)
Non-controlling interests	4,606	4,128	11.6
Profit after tax	**111,108**	146,009	(23.9)
Profit after tax attributable to Unitholders	**106,502**	141,881	(24.9)
Net tax and other adjustments to profit after tax attributable to Unitholders	6,743	(45,785)	Nm
Distributable income[2]	**113,245**	96,096	17.8

1 Other income includes rental top up income provided by the relevant vendors of assets acquired.
2 Distributable income includes capital expenditure set aside for certain properties (Capex Reserves).

The REIT completed acquisition of 99% interest in Keppel DC Singapore 4 (image of interior) on 21 November 2019.

Property operating expenses for FY 2019, which included facility management costs of $8.8 million, was $17.5 million, a decrease of $0.4 million or 1.8% from $17.9 million for FY 2018. The decrease was largely due to the lower repairs and maintenance expenses, as well as lower overseas expenses arising from the depreciation of AUD and EUR against SGD. These were partially offset by the full year expenses from KDC SGP 5.

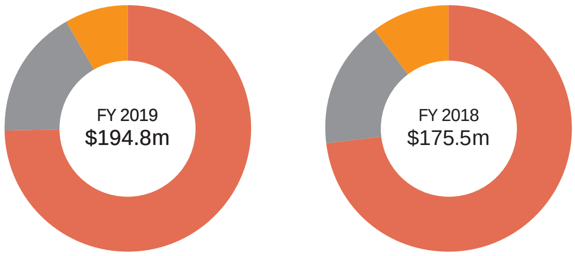
With that, net property income of $177.3 million for FY 2019 was $19.6 million or 12.4% higher than that of FY 2018.

PROFIT ATTRIBUTABLE TO UNITHOLDERS

Profit after tax and profit attributable to Unitholders for FY 2019 were $111.1 million and $106.5 million respectively, after taking into account the net fair value loss of $15.9 million (2018: net fair value gain of $32.6 million) and deferred tax expense of $2.2 million (2018: deferred tax credit of $0.7 million) provided on the fair value movement for the portfolio.

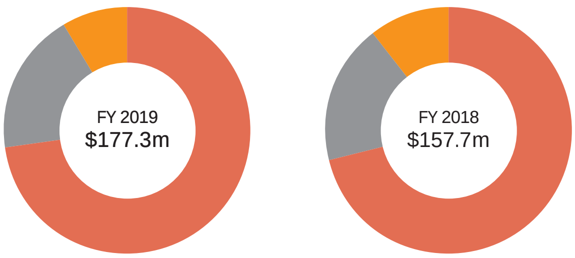
Excluding these fair value changes and related deferred tax impact, the profit after tax and profit attributable to Unitholders for FY 2019 would be $129.2 million and $124.6 million respectively, a 14.6% and 14.7% increase compared to $112.7 million and $108.6 million in FY 2018. The increase were mainly due to higher net property income, higher realised gains on derivatives and lower amortisation expenses, partially offset by higher Manager's fees and higher tax expenses in FY 2019 as compared to FY 2018.

GROSS REVENUE ($m)



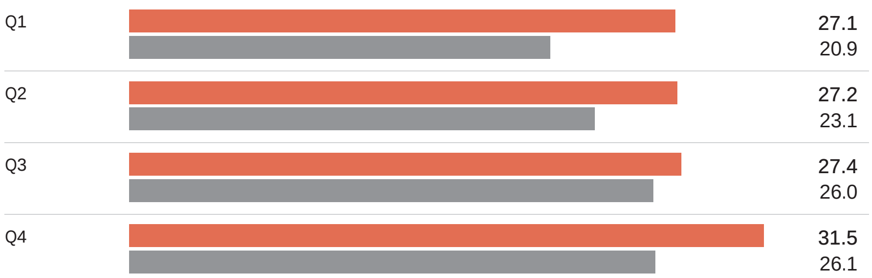
	2019	2018
Colocation	145.7	128.6
Fully-fitted	33.4	29.3
Shell and core	15.7	17.6
Total	194.8	175.5

NET PROPERTY INCOME ($m)



	2019	2018
Colocation	129.4	112.5
Fully-fitted	33.1	28.9
Shell and core	14.8	16.3
Total	177.3	157.7

DISTRIBUTABLE INCOME[1] ($m)

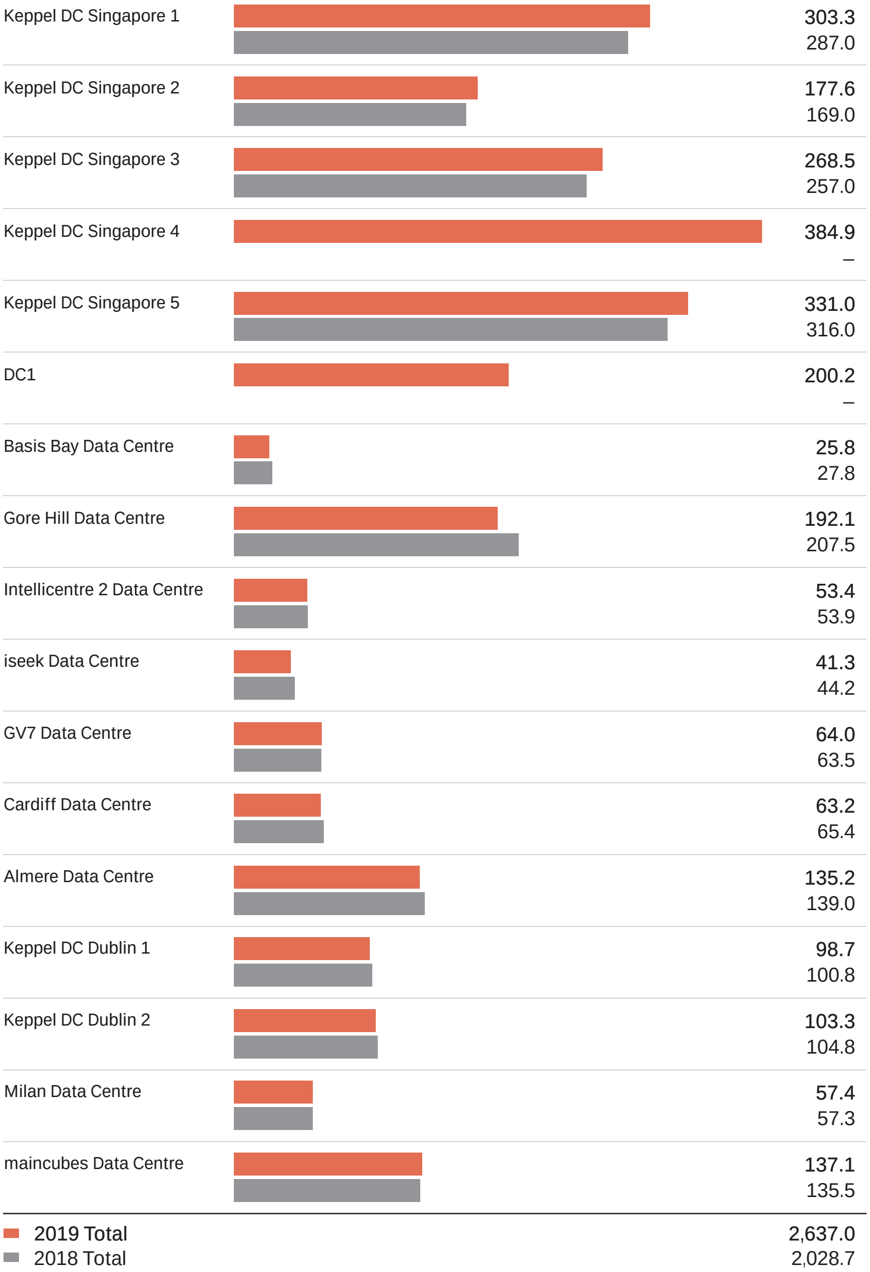


2019 Total	113.2
2018 Total	96.1

[1] Distributable income includes Capex Reserves.

FINANCIAL REVIEW

INVESTMENT PROPERTIES[1] ($m)
as at 31 December



[1] Investment properties include the carrying value of the lease liabilities pertaining to the land rent commitments and options.

INVESTMENT PROPERTIES

The carrying value of investment properties as at 31 December 2019 amounted to $2,637.0 million as compared to $2,028.7 million as at 31 December 2018. This included lease liabilities capitalised pertaining to land rent commitments and options of $51.8 million along with the adoption of SFRS(I) 16 *Leases* (31 December 2018: $33.5 million). The increase of $608.3 million or 30.0% in carrying value was mainly due to the additions of KDC SGP 4 and DC1 to the portfolio, as well as capital expenditures and additional lease liabilities capitalised. These were partially offset by foreign exchange translation losses as well as net fair value losses from the revaluation of the Group's investment properties.

NET ASSET VALUE (NAV) PER UNIT

NAV per Unit as at 31 December 2019 was $1.14 (31 December 2018: $1.07). Excluding the distributable income for the financial period from 25 September to 31 December 2019 (2018: 1 July to 31 December 2018), the adjusted NAV per Unit was $1.12 (31 December 2018: $1.03).

FUNDING AND BORROWINGS

The Group's total borrowings as at 31 December 2019 was $870.4 million (31 December 2018: $674.0 million). The increase was mainly due to borrowings drawn to fund the acquisition of KDC SGP 4 in November 2019. As at 31 December 2019, there were $190.6 million unutilised facilities (31 December 2018: $140.0 million) for the Group to meet its future obligations. The Group has a weighted average debt tenor of 3.9 years as at 31 December 2019 and the all-in weighted average cost of debt was 1.7%, with an interest coverage ratio of 13.3 times.

During the year, the Manager also issued €50 million in aggregate principal amount of floating rate notes due 2026 (Series 002 Notes) pursuant to the $500 million Multicurrency Medium Term Note Programme established on 23 June 2017.

In arriving at the aggregate leverage of 30.7% as at 31 December 2019 under the Property Funds Appendix in the Code on Collective Investment Schemes (CIS Code) issued by the Monetary Authority of Singapore (MAS), $51.8 million of lease liabilities pertaining to land rent commitments and options were excluded.

CASH FLOWS AND LIQUIDITY

As at 31 December 2019, Keppel DC REIT's cash and cash equivalents were $155.9 million (31 December 2018: $128.4 million).

Net cash generated from operating activities for FY 2019 amounted to $155.3 million, $43.4 million higher than $111.9 million for FY 2018. This was mainly due to higher operational cash inflow and lower working capital requirements, partially offset by higher net tax paid during the period.

Net cash used in investing activities for FY 2019 was $669.2 million, comprising acquisitions of KDC SGP 4 and DC1, a deposit paid to the vendor for the acquisition of the 100% freehold interest in a data centre in Germany, and capital expenditures. Net cash used in investing activities in FY 2018 was $447.9 million, comprising acquisitions of KDC SGP 5 and maincubes DC, capital expenditures and a deposit paid for the acquisition of the remaining 999-year leasehold land interest in Keppel DC Dublin 1.

The Group recorded net cash generated from financing activities of $543.2 million in FY 2019, $196.0 million higher as compared to $347.2 million in the preceding year. Net cash generated in FY 2019 was mainly from the issuance of equity, bank borrowings and medium term notes. These were partially offset by distributions paid to Unitholders, repayment of borrowings and finance costs. Net cash generated from financing activities for FY 2018 comprised mainly the private placement proceeds to finance the acquisition of KDC SGP 5, net borrowing proceeds drawn down to finance the acquisition of maincubes DC, partially offset by distributions paid to Unitholders and finance costs.

USE OF PROCEEDS OF THE PRIVATE PLACEMENT AND THE PRO-RATA PREFERENTIAL OFFERINGS

Keppel DC REIT raised approximately $469.6 million of proceeds net of transaction costs from the private placement of 135,000,000 new Units at an issue price of $1.744 per Unit in September 2019, and the preferential offering of 141,989,617 new Units at an issue price of $1.71 per Unit in October 2019.

Of the net proceeds raised, $440.4 million have been utilised for the acquisitions of 99% interest in KDC SGP 4 and 100% interest in DC1 as of 31 December 2019. There was approximately $29.2 million of unutilised proceeds as at 31 December 2019.

With respect to the pro-rata preferential offering in November 2016, net proceeds of approximately $275.7 million have been fully utilised as of 31 December 2019 as follows:

1. $206.9 million for the acquisition of Keppel DC Singapore 3;
2. $33.4 million for the repayment of a loan taken up to finance the acquisition of Intellicentre 2 Data Centre;
3. $26.8 million for acquisitions and capital expenditures purposes;
4. $5.9 million for the settlement of purchase price adjustments for Keppel DC Singapore 1 and Keppel DC Singapore 2; and
5. $2.7 million for the one-off capital distribution paid in August 2017.

The carrying value of Keppel DC REIT's investment properties (Gore Hill Data Centre in image) as at 31 December 2019 is $2.6 billion.

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 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 has complied with this requirement for the financial year ended 31 December 2019.

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 foreign currency and interest rate exposure for the Group. Natural hedging is in place with borrowings in currencies that match the corresponding investments. The Manager manages its foreign currency exposure through foreign currency forward contracts. As at 31 December 2019, the Manager has hedged the REIT's forecasted foreign-sourced distributions till the first half of 2021. Interest rate swaps have been entered into to hedge interest rate exposure of the long-term loans. The percentage of derivative financial instruments to the Group's NAV is -0.24% as at 31 December 2019.

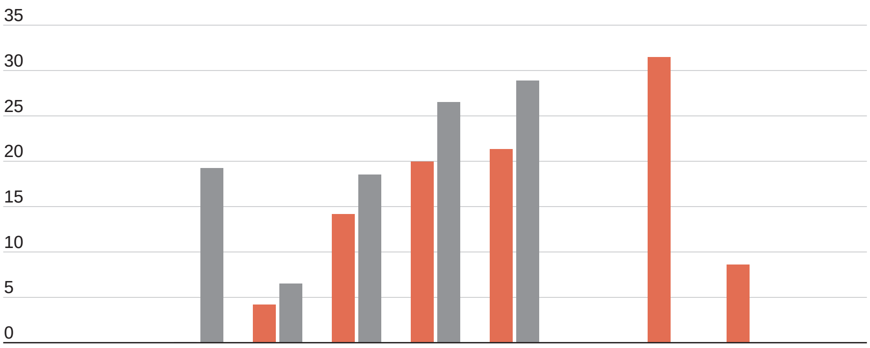
ACCOUNTING POLICIES

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 MAS 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 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	2024	2025	2026	Total
2019	0.0	4.2	14.2	20.0	21.4	0.0	31.6	8.6	100.0
2018	19.3	6.5	18.6	26.6	29.0	0.0	0.0	0.0	100.0

KEY STATISTICS
as at 31 December

	2019	**2018**
Aggregate leverage[1] (%)	**30.7**	30.8
Weighted average debt tenor (years)	**3.9**	3.0
Percentage of assets unencumbered (%)	**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 less non-controlling interests) as stipulated in the Property Funds Appendix in the Code on Collective Investment Schemes issued by MAS, without considering lease liabilities pertaining to land rent commitments and options. If these lease liabilities pertaining to land rent commitments and options were included, the aggregate leverage would be 31.9% (31 December 2018: 31.9%).

RISK MANAGEMENT

THE MANAGER ADOPTS A ROBUST APPROACH IN THE IDENTIFICATION AND MANAGEMENT OF RISKS ASSOCIATED WITH THE EXECUTION OF BUSINESS STRATEGIES.

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 157 and 158 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 operational, 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 Keppel DC REIT and the Manager. 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 2019, 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 forecasted 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.

7. Emerging Risks

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

WE PLACE SUSTAINABILITY AT THE HEART OF OUR STRATEGY, DELIVERING SOLUTIONS FOR SUSTAINABLE URBANISATION WHILE CREATING ENDURING VALUE FOR OUR STAKEHOLDERS – THROUGH ENVIRONMENTAL STEWARDSHIP, RESPONSIBLE BUSINESS PRACTICES, AND NURTURING OUR PEOPLE AND THE COMMUNITIES, WHEREVER WE OPERATE.

ENVIRONMENTAL STEWARDSHIP

We will do our part to combat climate change, and are committed to improving resource efficiency and reducing our environmental impact.

For more information, go to: pages 67 to 69

RESPONSIBLE BUSINESS

The long-term sustainability of our business is driven at the highest level of the organisation through strong corporate governance and prudent risk management.

For more information, go to: pages 70 to 72

PEOPLE AND COMMUNITY

We are committed to providing a safe and healthy workplace, investing in developing and training our people, and uplifting communities wherever we operate.

For more information, go to: pages 73 to 76

LETTER TO STAKEHOLDERS

GRI 102-14

We strive to build a responsible business through embracing green initiatives, upholding strong governance and nurturing our people and the communities where we operate.

DEAR STAKEHOLDERS,

Keppel DC REIT continued to deliver growth and maintained strong operational performance in 2019. We acquired two assets in Singapore and announced the acquisition of Kelsterbach Data Centre in Germany. These acquisitions, together with the REIT's healthy portfolio statistics, will continue to provide income stability and sustainable returns to Unitholders.

As we pursue growth, we also strive to build a responsible business by embracing green initiatives, upholding strong governance and nurturing our people and the communities where we operate.

EMBRACING GREEN INITIATIVES

Data centres are mission critical facilities that operate round-the-clock to provide uninterruptible power services through redundancy, ensuring that businesses operate with zero downtime. The need for resiliency and high performance typically sees these facilities being energy-intensive. Power is required to sustain IT equipment, while water is needed for the cooling infrastructure that maintains the optimal environmental conditions for the IT equipment.

In 2019, we stepped up efforts to improve sustainable practices at some of our colocation facilities in Singapore and Dublin. These included works to improve energy performance and extend equipment lifespan. In addition, Keppel DC REIT also uses renewable energy in its Dublin assets. In 2019, 18.1% of Keppel DC REIT's total electricity consumed was powered by wind, thus reducing about 29,003 tCO_2e of GHG emissions that would have resulted from non-renewable sources.

Various measures were also undertaken to minimise water consumption. For instance, the majority of Keppel DC REIT's colocation assets are equipped with water recirculation technology. Overall water consumption increased by 6% in 2019 due largely to the full year data contribution from Keppel DC Singapore 5 where clients ramped up their activities.

UPHOLDING STRONG GOVERNANCE

Keppel DC REIT was recognised for efforts in governance, ranking third in the Governance Index for Trusts (GIFT) and ninth in the Singapore Governance and Transparency Index in 2019. The REIT was also Runner Up in the Most Transparent Company Award under the REITs and Business Trusts category at the SIAS 20th Investors' Choice Awards.

NURTURING OUR PEOPLE AND THE COMMUNITY

These achievements would not have been possible without the collective efforts of all our employees. We invest in the professional development of our employees and foster a positive work culture that supports open communication and the sharing of best practices.

In addition, safety is one of our core values. We are committed to instil a strong safety culture and maintain a safe work environment so that everyone who comes to work returns home safe. In 2019, there were no fatalities and reportable incidents at Keppel DC REIT's facilities.

We believe in doing well by doing good. In 2019, together with volunteers from Keppel Capital, we contributed about 1,380 community hours and engaged and supported various community groups such as persons with disabilities and the underprivileged.

Sustainability is an ongoing journey. As we strive to make a difference, we welcome any constructive feedback that will help us further improve our sustainability efforts.

Yours sincerely,

Chua Hsien Yang

CHUA HSIEN YANG
Chief Executive Officer
18 February 2020

ABOUT THIS REPORT

GLOBAL REPORTING INITIATIVE STANDARDS

GRI 102-50 | 102-52 | 102-54

This is Keppel DC REIT's fourth sustainability report, and is prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. It outlines the REIT's Environmental, Social and Governance (ESG) management approach, initiatives and performance metrics for the period from 1 January 2019 to 31 December 2019.

REPORTING PERIOD AND SCOPE

GRI 102-46 | 102-53 | 102-56

As part of its strategic oversight, the Board has considered Keppel DC REIT's material ESG issues in the REIT's strategy formulation, taking into account inputs from the management team and key stakeholders. The Board reviews and monitors these ESG issues periodically. To communicate its ESG approach, Keppel DC REIT publishes an annual sustainability report in accordance with the internationally recognised GRI Standards.

The content and topic boundaries in this report reflect the Manager's overall sustainability strategy and is aligned with the GRI's principles for defining report content: Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness. This report focuses on the key ESG factors that are material to the REIT's business. The GRI Content Index on pages 77 to 79 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, excluding Keppel DC Singapore 4 (KDC SGP 4), a colocation facility which was acquired in November 2019. Assets covered include:

Singapore
1. Keppel DC Singapore 1 (KDC SGP 1)
2. Keppel DC Singapore 2 (KDC SGP 2)
3. Keppel DC Singapore 3 (KDC SGP 3)
4. Keppel DC Singapore 5 (KDC SGP 5)

Malaysia
5. Basis Bay Data Centre (Basis Bay DC)

Australia
6. Gore Hill Data Centre (Gore Hill DC)

Ireland
7. Keppel DC Dublin 1 (KDC DUB 1)
8. Keppel DC Dublin 2 (KDC DUB 2)

This report includes the full year data from KDC SGP 5, which was acquired in June 2018.

The Manager seeks to enhance operational efficiency of the data centre assets to optimise electricity and water consumption.

PERFORMANCE DATA

	2019	2018	Page
Total Energy Consumption (GJ)	**1,233,647**	1,176,143	68
Total Water Consumption (m^3)	**361,256**	341,126	68
Training Hours per Employee	**27.4**	32.4	75
Accident Frequency Rate (reportable accidents per million man-hours)	**0**	0	75
Accident Severity Rate (man-days lost per million man-hours)	**0**	0	75

Master leased facilities are not included in the reporting scope as the Manager does not have operational control over these assets. The following master leased assets are excluded in this report: DC1 in Singapore, 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 used in this report, and conversion factors, where applicable, are explained in the respective sections. All dollar values expressed herein are in Singapore Dollar.

This report has been reviewed by an external reporting consultancy and has gone through a detailed internal review process. This report has not been externally verified. The Manager will review the need for external assurance as it continues to develop its sustainability framework.

The Manager welcomes feedback that will enhance its sustainability efforts, and considers stakeholders' recommendations in its management approach and communication efforts. Please share your feedback with us at investor.relations@keppeldcreit.com.

MANAGING SUSTAINABILITY

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

Sustainability management is central to the Manager's strategy in positioning Keppel DC REIT as the preferred data centre provider. The Manager recognises that ESG impact is a crucial aspect of effective risk management in today's changing environment.

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

GOVERNANCE STRUCTURE

GRI 102-16 | 102-18

The Manager adheres to Singapore's Code of Corporate Governance 2018 (Code), issued by the Monetary Authority of Singapore. The Code provides a 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 also considered in the evaluation of any investment opportunity.

To ensure that sustainability and best practices are integrated in the organisation, the Manager established a Sustainability Committee spanning all relevant functions, including Asset Management, Facility Management, Investment, Human Resources, Finance, Risk and Compliance and Investor Relations. The committee monitors the REIT's ESG performance in relation to the material issues identified by the Manager and reviews these topics periodically. The feedback from the committee helps guide the Manager's sustainability strategy and ensure the organisation stays on track to achieve its sustainability goals.

The Manager's scorecard incorporates sustainability aspects in support of the Keppel Group's commitment to sustainability. The Manager is committed to uphold sound corporate governance and sustainability for the long-term success of the REIT.

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

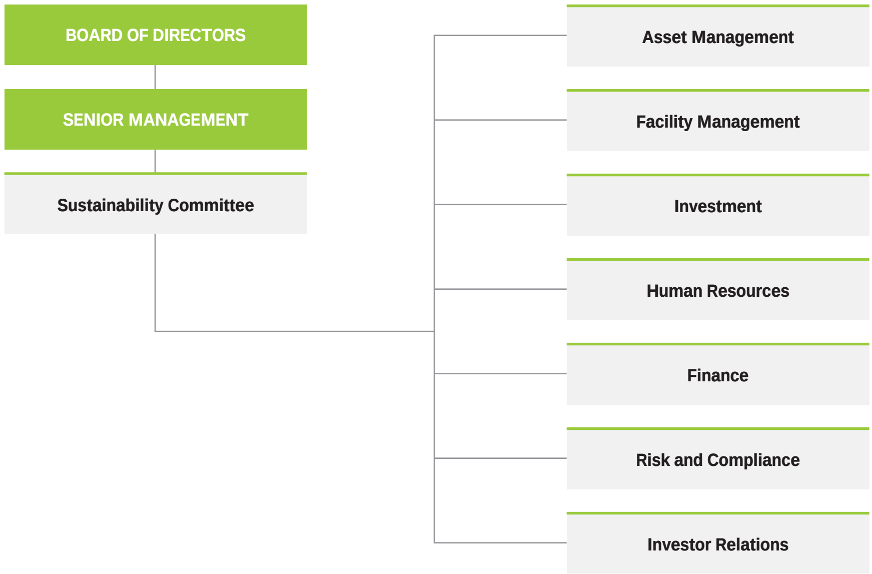
More details on Keppel DC REIT's corporate governance guidelines and practices can be found on pages 143 to 163.

EXTERNAL STANDARDS AND STRATEGIC MEMBERSHIPS

GRI 102-12 | 102-13

Together with the Keppel Group, the Manager supports initiatives that promote good corporate governance and best practices.

SUSTAINABILITY MANAGEMENT STRUCTURE



Keppel Capital is a signatory of the United Nations Global Compact and is committed to the Compact's 10 universal principles, which include human rights, labour, environment and anti-corruption.

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

Through Keppel Capital, the Manager also supports the Investor Relations Professionals Association of Singapore (IRPAS), which promotes best practices in investor relations through enhancing professional competencies. The Keppel Group supports the Securities Investors Association (Singapore) (SIAS), an organisation promoting good corporate governance and the empowerment of the investment community through investor education.

In Dublin, Keppel DC Ireland is a member of the Large Industry Energy Network (LIEN). Supported by the Sustainable Energy Authority of Ireland, LIEN is a collaborative group of companies that work together to improve energy management and implement sustainable energy solutions. LIEN members are required, among others, to develop an energy management programme, set and review energy targets, as well as report their energy performance annually.

COMMITMENT TO STAKEHOLDERS

GRI 102-42 | 102-43

Key stakeholders, determined by their ability to affect or be affected by the REIT's business practices and sustainability performance, were identified as part of the initial materiality assessment to map out Keppel DC REIT's sustainability reporting framework. This ensures that all relevant perspectives are considered as part of the assessment.

The Manager maintains a dialogue with stakeholders to gather valuable feedback and address their queries and concerns. The Manager is also committed to ensuring that information is provided to the REIT's stakeholders in a transparent and timely manner.

This ongoing engagement process allows the Manager to adapt emerging ESG risks and capitalise on opportunities in the prevailing business environment, as well as refine its efforts to create greater sustainability impact.

MATERIALITY ASSESSMENT

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

Materiality is a core aspect of effective sustainability reporting. The Manager aligns its materiality framework with the principles of the SGX Sustainability Reporting Guide and the GRI Reporting Principles for defining report content. This report addresses the economic, as well as the ESG issues that are relevant and significant to Keppel DC REIT and its key stakeholders.

The materiality assessment identifies and prioritises 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 are obtained from feedback and responses to information requests received from stakeholders including investors, clients and business partners.

The results of the materiality assessment showed that the interests of Keppel DC REIT and its stakeholders are closely aligned, though issues relating to labour practices, safety and health were considered more significant to internal stakeholders than external stakeholders.

The Manager's stakeholder engagement approach is summarised in the table below.

After being deemed material, each issue is categorised into Highly Critical, Critical and Important issues. 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. 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, safety and health and transparency are significant throughout the business, while aspects such as building and service quality, energy efficiency, water management and sustainable procurement are more relevant to the investment and asset management parts of the business. These issues and targets help guide the REIT's sustainability strategy.

Keppel DC REIT's performance against its materiality issues are periodically monitored by the Manager. Should an emerging issue become relevant or an existing issue become less material, the management and reporting scope will be adjusted accordingly. This process is guided by feedback, stakeholder engagements, industry trends and developments.

ENGAGEMENTS WITH KEY STAKEHOLDER GROUPS

GRI 102-40 | 102-44

EMPLOYEES

Objectives
Build talent pool through continual investments in training and development, as well as employee welfare.

Key Topics
Employees' personal and professional growth; sharing of ideas; culture of recognition and appreciation; self-directed learning.

Mode of Engagement
Involvement in different employee interest groups; dialogue sessions with senior leaders; employee engagement survey; appreciation day, health and wellness month; quarterly town halls; career day; leadership programmes; team building activities.

More details on pages 73 to 76.

CLIENTS

Objectives
Build deeper relationships with existing and prospective clients.

Key Topics
Building and service quality; health, safety, and environmental matters.

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

More details on pages 70 to 72.

INVESTORS

Objectives
Ensure timely and accurate disclosure of information.

Key Topics
Business strategy and corporate developments; financial performance.

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

More details on pages 18 to 20.

BUSINESS PARTNERS

Objectives
Align suppliers to our values to enhance operational resilience.

Key Topics
Compliance; collaboration; health, safety, and environmental matters.

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

More details on pages 67 to 72.

GOVERNMENTS

Objectives
Collaborate 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.

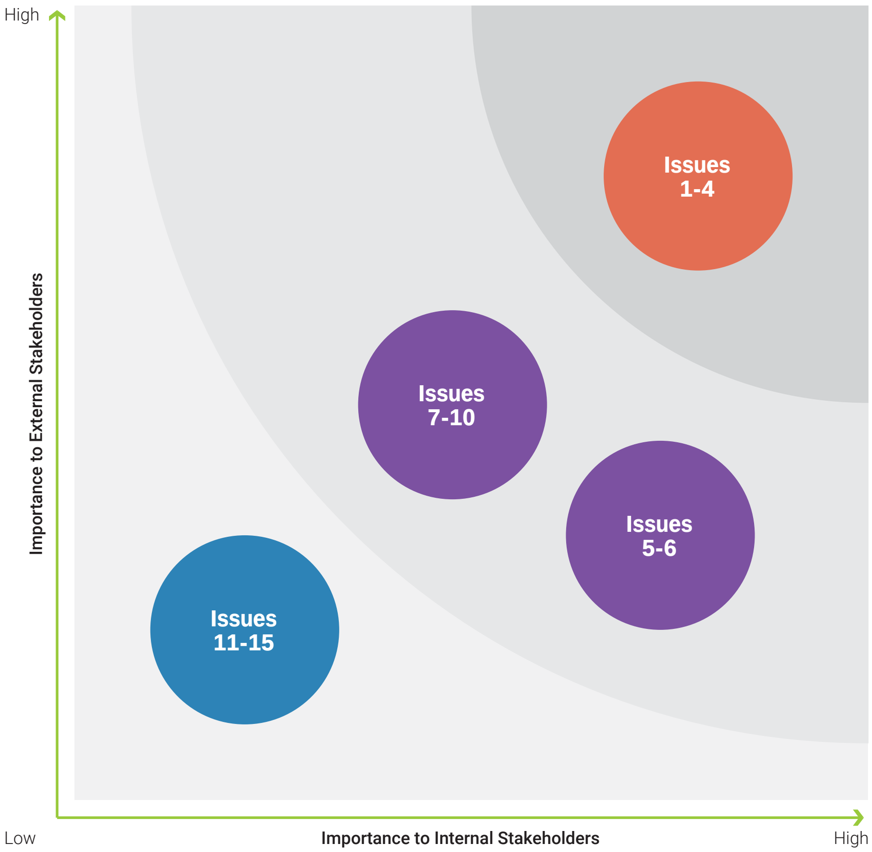
More details on pages 64 and 56.

MANAGING SUSTAINABILITY

KEY MATERIAL ISSUES

Disclosure Number	Page Reference	Targets
Economic Performance	53 to 58	Maximise returns while maintaining financial flexibility and long-term sustainability
Building and Service Quality (including Client Privacy and Physical Security)	72	Obtain satisfactory score and above from key accounts during annual feedback
Compliance	71	Zero violation of laws and regulations of the countries where we operate
Energy Efficiency	67 to 69	Enhance operational efficiency to optimise water and energy consumption; as well as embed green initiatives to enhance energy and water efficiency
Water Management	68 to 69	
Labour Practices and Employment	73 to 75	Raise level of employee engagement and increase average training hours
Safety and Health	75 to 76	Zero-incident workplace
Business Ethics	70 to 72	Zero corruption
Transparency	64 to 65	Utilise multiple platforms to enhance stakeholder outreach and communication
Sustainable Procurement	72	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.

EMBRACING GREEN PRACTICES AND TECHNOLOGIES, THE MANAGER ENSURES ENERGY AND WATER EFFICIENCY AND REDUCED GREENHOUSE GAS EMISSIONS.

CLIMATE ACTION

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

Data centres require high power to operate the IT equipment and to ensure that reliable cooling infrastructure are maintained under optimal environmental conditions in accordance with the clients' service level requirements.

The Manager is committed to address climate change as part of its Corporate Social Responsibility efforts, through clean technology, energy management optimisation and efforts to safeguard continuity against extreme weather.

Emissions[a]

GRI 305-1 | 305-2

Greenhouse Gas (GHG) emissions from the REIT consist primarily of Scope 1 direct emissions from fuel consumption and Scope 2 indirect emissions from grid electricity consumption. The majority of Keppel DC REIT's electricity is supplied from the grid, and fuel consumption is mostly diesel from backup generators.

Emissions are calculated based on methodologies from the internationally accepted GHG Protocol standards. Gases included in the calculation are carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O), with totals expressed in units of tonnes of carbon dioxide equivalent (tCO_2e). In 2019, Scope 1 GHG carbon emissions from the use of diesel totaled 1,033 tCO_2e, while Scope 2 GHG emissions from electricity consumption was about 132,431 tCO_2e[b]. Together, GHG emissions totaled 133,464 tCO_2e in 2019, higher than 2018's total GHG emission of 111,428 tCO_2e due primarily to the full year data contribution from KDC SGP 5 where clients ramped up their activities.

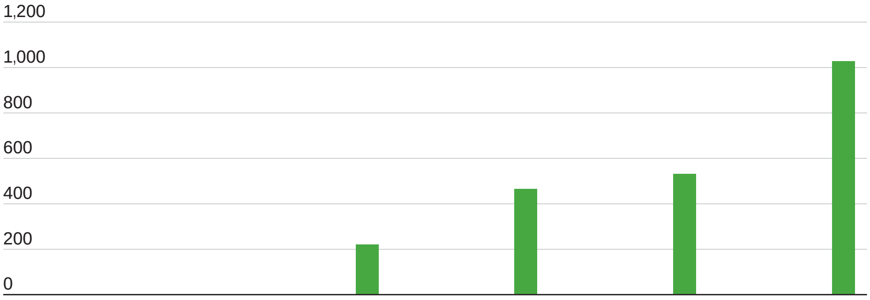
a The GHG emission Scopes 1 and 2 are defined by the GHG Protocol. Scope 1 refers to emission from company owned and operated facilities, machines, vehicles, etc. Scope 2 refers to emission from sources external to the company, but which provide the company with a service such as power plants and other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

b The emissions factors and Global Warming Potential rates used were as defined by the UK Department for Environment, Food & Rural Affairs and the National Environment Agency of Singapore.

Electricity purchased for Keppel DC Dublin 1 and Keppel DC Dublin 2 (in image) are 100% renewable.

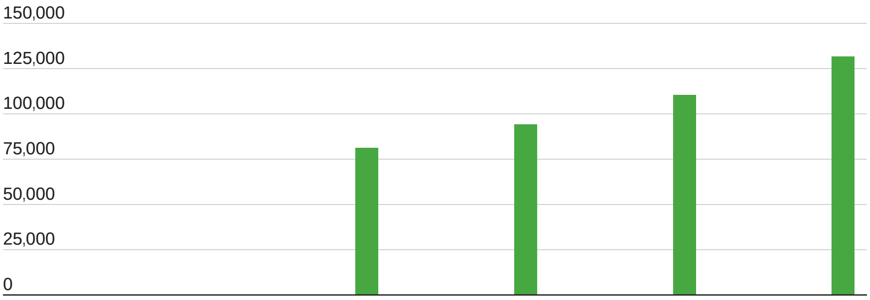
ENVIRONMENTAL STEWARDSHIP

CARBON EMISSIONS PER ANNUM (Scope 1) (tCO_2e)



	2016	2017	2018	**2019**
Scope 1	222	468	533	1,033

CARBON EMISSIONS PER ANNUM (Scope 2) (tCO_2e)



	2016	2017	2018	**2019**
Scope 2	81,701	94,661[a]	110,895[a]	132,431

[a] Scope 2 numbers have been restated for previous years to exclude KDC DUB 1 and KDC DUB 2 as they source 100% of electricity from renewable source. See GRI Content Index on pages 77 to 79 for the updated figures that show emissions only from non-renewable sources for 2018.

Electricity and water data are analysed on a regular basis to inform investment and business decisions.

To reduce GHG emissions, the Manager implements advanced energy management and uses clean energy sources. The electricity purchased for KDC DUB 1 and KDC DUB 2 are 100% renewable, generated by wind energy.

ENVIRONMENTAL MANAGEMENT

Sustainable management of data centres is a crucial aspect of the Manager's strategy to grow business value into the future. Electricity and water data are compiled from utility bills while fuel data is compiled from onsite meter readings. These data are analysed on a regular basis to help inform investment and business decisions.

Energy Consumption

GRI 103-1 | 103-2 | 103-3 | 302-1

In 2019, Keppel DC REIT's colocation facilities consumed a total of 1,233,647 GJ of energy, comprising consumption of electricity 1,219,070 GJ and diesel fuel 14,577 GJ. Out of the total electricity consumed, about 223,099 GJ or 18.1% of electricity was sourced from renewable sources.

The Manager is committed to improving energy efficiency in the long term. While overall electricity usage is expected to increase as the REIT's asset base grows, the Manager will continue to assess and implement new measures to optimise energy efficiency and usage intensity.

Water Consumption

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

Data centres require water to support the chilled water-cooling systems, which are necessary to maintain ideal environmental conditions for mission-critical IT equipment.

The REIT consumed a total of 361,256 m^3 of water, which was measured through direct metering. About 99% of consumption was from municipal sources. This represents a 6% increase from 2018's total consumption of 341,126 m^3, due primarily to the full year data contribution from KDC SGP 5 where clients ramped up their activities.

Water resources are carefully managed through constant monitoring of consumption rates, implementing strategies to improve water usage intensity and evaluating subsequent performance. For instance, the majority of the REIT's colocation assets are equipped with water recirculation technology to minimise water consumption.

Conservation Efforts

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

Some of these energy and water conservation measures include:

- Technology-refresh on key equipment including chillers, cooling towers, and Diesel Rotary Uninterruptible Power Supply devices, to improve energy performance and lengthen the life span of the equipment.
- Ongoing asset enhancement works at KDC DUB 1 aims to improve the energy and water efficiency system. These include the replacement of computer room air conditioning (CRAC) with newer and better performance units, which will reduce both electricity and water usage.

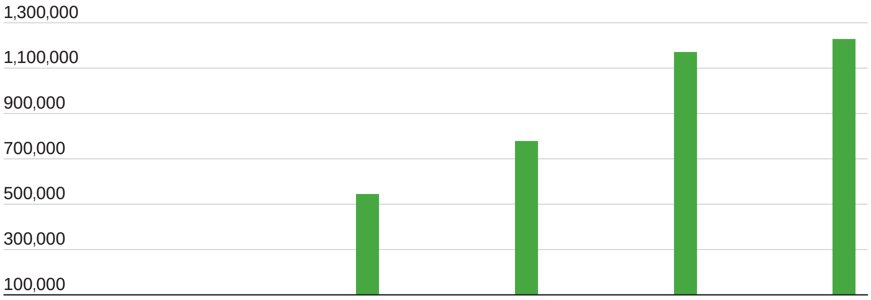
Environmental Compliance

GRI 103-1 | 103-2 | 103-3 | 307-1

The Manager exercises responsibility in reducing the REIT's environmental impact and conserving resources, and ensures adherence and compliance with all applicable national and international environmental regulations and guidelines across its operations.

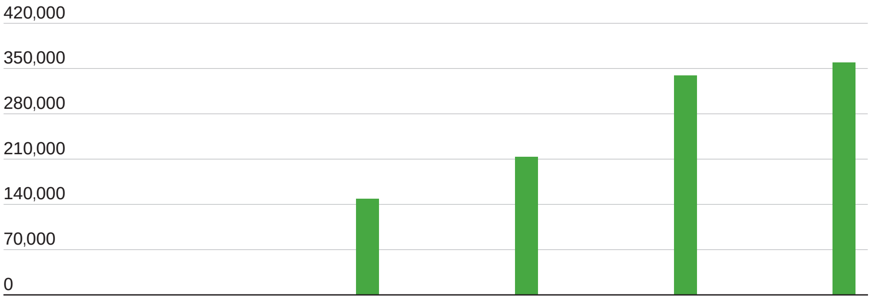
In 2019, there were zero cases of non-compliance with environmental laws and regulations.

ENERGY CONSUMPTION PER ANNUM (GJ)



	2016	2017	2018	**2019**
Total	545,833	781,299	1,176,143	1,233,647

WATER CONSUMPTION PER ANNUM (m^3)



	2016	2017	2018	**2019**
Total	149,478	214,367	341,126	361,256

RESPONSIBLE BUSINESS

THE MANAGER IS COMMITTED TO UPHOLD STRONG CORPORATE GOVERNANCE, MINIMISE RISKS, ENSURE RESPONSIBLE SUPPLY CHAIN PRACTICES AND DELIVER QUALITY SOLUTIONS.

ECONOMIC SUSTAINABILITY

GRI 102-7 | 103-1 | 103-2 | 103-3 | 201-1

The Manager's primary responsibility is to provide Keppel DC REIT's Unitholders with regular and stable distributions, as well as achieve long-term growth while maintaining an optimal capital structure.

In implementing this strategy, material ESG issues are managed as financially material risks and opportunities. The Manager understands that ESG issues such as energy efficiency can reduce costs while employee engagement can improve staff retention.

Keppel DC REIT continued to deliver distribution per Unit (DPU) growth to its Unitholders in 2019. Results of financial performance are communicated through quarterly and annual reports, as well as various stakeholder engagement platforms. The financial performance highlights can be found on pages 8 to 9. More information on Keppel DC REIT's economic strategies and asset enhancement initiatives can be found on pages 3 and 58, as well as pages 32 to 35 respectively.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

GRI 102-16 | 102-11 | 418-1

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 oversight role of the Keppel DC REIT Board, with a majority of independent directors, brings objectivity to the Board in its decision making and safeguards the rights and interests of Unitholders.

At Singapore Corporate Awards 2019, Keppel DC REIT was conferred the Silver Award for Best Investor Relations in the REITs and Business Trusts category.

The Manager is committed 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 143 to 163.

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.

The Manager adopts a comprehensive risk management framework that assesses both traditional corporate risks as well as emerging ESG and meta risks. Considerations of long-term sustainability are factored into the evaluation of potential investments and business opportunities. External risks, such as interest rate fluctuation and foreign currency exposure are also closely monitored and mitigated where appropriate.

Keppel DC REIT's Risk Management Framework is designed to safeguard long-term value. The framework ensures that the Manager and the facility managers are adequately prepared to handle and adapt to potential threats and disruptions to business continuity.

Sustainability and business continuity are intricately linked and therefore integral to the Keppel DC REIT Enterprise Risk Management Framework. The framework ensures that the Manager and the facility managers address and manage potential threats and disruptions to business.

The Manager is committed to reduce the environmental impact of its operations and has included environmental and social aspects in its robust risk management processes. For more details on Keppel DC REIT's risk management strategy, please refer to pages 59 to 60.

COMPLIANCE, ANTI-BRIBERY AND ANTI-CORRUPTION MEASURES

GRI 103-1 | 103-2 | 103-3 | 205-2 | 205-3 | 206-1 | 307-1 | 419-1

The Manager is committed to upholding strong ethical business practices. 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 regularly communicates key policy requirements to all employees and directors.

As part of the onboarding process, all new employees are required to declare conflicts of interest and are briefed on the Keppel Group Code of Conduct, Anti-bribery Policy and Whistle-blowing procedures.

These policies are communicated and reinforced to all employees on an annual basis through exercises such as online training courses and declarations of adherence to Keppel Group policies. Employees are required to declare any conflicts of interest at least annually and as necessary throughout the year.

In addition, these policies are readily available to employees through an online portal. Internal and external audits are conducted to ensure compliance with all relevant regulations pertaining to ethical business practices. Controls are put in place to ensure that all financial, operational, compliance and information technology processes are conducted ethically. Additional details of such policies are available on pages 59 to 60.

It is a requirement for all Keppel employees and Board members to receive communication and training on anti-corruption policies and procedures annually. Employees are also reminded to avoid business dealings with partners who may be viewed as unethical, illegal or otherwise inconsistent with applicable 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.

The Manager's efforts and initiatives were recognised at the 2019 Securities Investors Association Singapore (SIAS) where Keppel DC REIT was conferred the Most Transparent Company Award under the REITs and Business Trusts category.

RESPONSIBLE BUSINESS

SUPPLY CHAIN AND RESPONSIBLE PROCUREMENT

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

Keppel DC REIT's supply chain comprises primarily mechanical and electrical equipment suppliers and facility management service providers for physical security, technical maintenance and cleaning services. Keppel DC REIT contributes to the local economy by procuring locally-sourced products and working with local suppliers and partners, which also facilitates logistical efficiency.

A reliable and responsible supply chain helps optimise operations and safeguard business continuity. To ensure best practices and high quality services throughout the supply chain, the Manager assesses the track record, quality and reputation of potential suppliers and partners. In addition, sustainability policies, performance, procedures, accreditations and certifications are also considered in the assessment to mitigate supply chain risks.

In 2019, one new supplier was added to the supply chain.

In 2016, the Keppel Group implemented the Keppel Supplier Code of Conduct to implement Keppel's sustainability values across the REIT's supply chain. Key suppliers are required to abide by the code, which outlines expectations related to business conduct, anti-corruption, labour practices, safety and health, as well as environmental management.

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

There were 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.

PRODUCT QUALITY AND SAFETY

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

Building and Service Excellence

Keppel DC REIT's portfolio comprises high technical specifications and operational resilience that aligns with international standards. The REIT's global clientele includes internet enterprises, financial institutions, and information technology services with strict service-level requirements for high operational resilience. A breakdown of the REIT's client profile by trade sector is available on page 32 to 52.

Data centres involve mission critical operations where 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 against 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 Business Continuity Management (BCM) to ensure the resilience of the REIT's data centres. BCM exercises are carried out regularly to prepare for, prevent and mitigate risks through measures such as robust power outage scenario planning, as well as fire and influenza pandemic drills.

To ensure operational excellence, all equipment are routinely repaired and tested. Maintaining strict operating processes and standards for high infrastructure quality enables the Manager to support clients' needs and ensure operational excellence.

The Manager collects annual feedback from its colocation clients relating to the physical security, building and service standards of the facilities. In 2019, the Manager achieved above-average ratings. In addition, there were zero reported cases of contractual breaches of customer privacy, and operations across all facilities complied with local regulations and standards.

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 1, KDC SGP 2, KDC SGP 3 and KDC SGP 5	SS 564 Part-1:2013 Energy & Environment Management System
KDC SGP 1, KDC SGP 2, KDC SGP 3 and KDC SGP 5	ISO 50001:2011 Energy Management System
KDC SGP 1, KDC SGP 2, KDC SGP 3 and KDC SGP 5	SS 507:2015 Standard for Business Continuity/Disaster Facilities Recovery Services (BC/DR)
KDC SGP 1 and KDC SGP 3	SS 577:2012 Water Efficiency Management System
KDC SGP 1, KDC SGP 2, and KDC SGP 3	Water Efficient Building by PUB
KDC SGP 1, KDC SGP 2, KDC SGP 3 and KDC SGP 5	ISO 46001:2019 – Water Efficiency Management Systems (WEMS)
KDC SGP 1, KDC SGP 2, KDC SGP 3 and KDC SGP 5	Biz Safe Level Star
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	ANSI/TIA-942-B:2017 – Rated 3
KDC SGP 1, KDC SGP 2, KDC SGP 3 and KDC SGP 5	ISO 45001:2018 Occupational Health and Safety Management Systems
KDC SGP 1, KDC SGP 2, KDC SGP 3, KDC SGP 5, Basis Bay DC and Gore Hill DC	ISO/IEC 27001:2013 Information Security Management System
KDC DUB 1 and KDC DUB 2	ISO 27001:2013 Information Security Management System
KDC SGP 1, KDC SGP 2, KDC SGP 3, KDC SGP 5 and KDC DUB 1	ISO 9001:2015 Quality Management System
KDC DUB 1 and KDC DUB 2	ISO 37001:2016 Anti-Bribery Management System
KDC SGP 1, KDC SGP 2, KDC SGP 3 and KDC SGP 5	ISO 14001:2015 Environmental Management System

PEOPLE AND COMMUNITY

THROUGH ENGAGING AND EMPOWERING ITS PEOPLE AND THE COMMUNITY, THE MANAGER BUILDS A SUSTAINABLE BUSINESS.

The Manager recognises that people are at the core of its business. Investing in a motivated and competent workforce helps to ensure sustainable business value.

The Manager is committed to build up its talent pool through continual investments in training and development, as well as staff welfare. This is accomplished by focusing efforts in five key areas:

1. Making a difference: Provide platforms for employees to contribute in their own meaningful way
2. Having a voice: Allow sharing of ideas on improvement
3. Feeling valued: Build a culture of recognition and appreciation
4. Growing a career: Enhance career through self-directed learning
5. Inspiring to grow: Inspire others through leading by example

LABOUR PRACTICES, TALENT MANAGEMENT AND HUMAN RIGHTS

Profile of Employees

GRI 102-7 | 102-8 | 103-1 | 103-2 | 103-3 | 405-1

As of 31 December 2019, the Manager has a total headcount of 20 full-time permanent employees. In 2019, the dedicated Investment, Asset Management and Finance headcounts are seconded from Keppel Capital to the Manager. The Manager added 16 secondees consisting of 12 males and four females, of whom 12 were between 30-50 years old and four were under 30 years old. There was a voluntary resignation of a male between 30-50 years old. All staff were recruited locally and are based in Singapore.

The Manager continues to be supported by Keppel Capital's workforce in functions such as Investor Relations, Risk and Compliance, Human Resources, Information Technology, Legal and Corporate Secretarial.

As of 31 December 2019, the Board consists of seven directors, one of whom is female.

Diversity and Inclusion

GRI 102-41 | 103-1 | 103-2 | 103-3 | 405-1

The Manager's commitment to diversity and inclusion is based on the belief that this can foster innovation and business value when a multitude of cultures, values and perspectives work together.

Recruitment and advancement opportunities are based purely on merit, competence and job fit. The Manager is fully committed to equal opportunities, regardless of race, religion, gender, marital status or age. This policy ensures that all candidates are treated fairly and that the most suited candidates are selected to advance their careers. As at 31 December 2019, the workforce is 30% female and 70% male.

Keppel DC REIT cultivates a motivated and competent workforce.

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 or 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 opportunities 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. Abide by labour laws and adopt the Tripartite Guidelines on Fair Employment Practices.

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 Keppel Group Code of Conduct, as well as put into practice in staff recruitment, retention, development and performance, 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 rules apply to all employees and are consistent with the Corporate Statement on Human Rights of the Keppel Group that is available online on Keppel Corporation's website.

There were zero reported incidences of discrimination raised by the Manager's employees in 2019. None of the Manager's employees are under any collective bargaining agreements.

Provision of Benefits

The Manager complies with all relevant regulations regarding employee benefits. All permanent employees of the Manager 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.

Employees also enjoy competitive and sustainable compensation, paternity and maternity leave, leave for childcare, marriage, compassionate grounds, and examination, as well as additional benefits such as flexible credit points that are awarded to employees for redemption on a host of benefits such as wellness classes or healthcare subsidies. These benefits form part of the Manager's strategy of attracting and retaining top talent.

Performance Management

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

The Manager operates under a performance-based human resource strategy designed to align individual and collective goals. This strategy fosters a culture of motivation, promotes high-performance, as well as the fair distribution of benefits and opportunities, thus optimising long-term value for all stakeholders. This strategy is supported by a robust performance management system based on regular performance and career development reviews. The system is designed to recognise merit by offering opportunities for advancement, promotion, recognition of achievements, compensation, training and other conditions of employment.

During reviews, supervisors and employees discuss performance objectives based on targets that are aligned with the four key areas of the Manager's scorecard, which are Financial, Process, Customers & Stakeholders and People. Each year, 100% of employees receive performance and career development reviews.

Succession Planning and Talent Management

The Manager implements succession planning and talent management as a key tool to ensure business continuity. These plans are reviewed with the senior management biannually and shared with the board, to ensure high potential employees are well poised for advancement and leadership.

In addition, the Manager leverages the Keppel Group's talent management processes, which are centralised at the corporate level.

Keppel Group's Human Resources organises and manages performance data across business units to ensure a fair and in-depth review of talent. It also develops talent through various leadership and executive development programmes such as the Keppel Young Leaders and Advanced Leaders Programme. These platforms develop high-potential employees at different levels, spur innovative thinking and harness the collective strengths of business units across the Keppel Group.

The Keppel Leadership Institute was launched in 2015, and exemplifies the Group's commitment to develop future leaders to take on new leadership responsibilities, tackle emerging business challenges and capitalise on the opportunities of the future.

Training and Development

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

The Manager invests in its workforce. Various training and education programmes are implemented to develop valuable skill sets and allow employees to adapt to

AVERAGE TRAINING HOURS BY GENDER

Female	29.2
Male	26.7

AVERAGE TRAINING HOURS BY EMPLOYEE CATEGORY

Managerial	26.0
Executive	27.8

EMPLOYEE DEVELOPMENT

Objectives
Nurture, develop and empower staff to realise their best potential

Approach
Performance management, talent management, learning and development

EMPLOYEE WELL-BEING

Objectives
Enhance overall staff wellness

Approach
Promote wellness to foster a healthy workforce

EMPLOYEE ENGAGEMENT

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

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

industry trends and evolving business landscapes. Training opportunities are customised based on employees' respective responsibilities, career stages, ambitions and potential.

To ensure employees stay competitive in the changing landscape, leadership programmes such as the Advanced Leaders Programme, designed in conjunction with INSEAD, promote strategic thinking and equip employees with skills to better use their judgement to make decisions. For emerging leaders, a residential leadership programme was designed in collaboration with Nanyang Technology University to build competence to transit from operational leadership to strategic leadership.

Training and education management is measured based on the average hours of training that each employee receives. In 2019, the average number of training hours per full-time employee was 27.4 hours.

To further increase engagement and awareness, Keppel Capital also organised its inaugural Career Day on 28 June 2019. The aim of the event was to encourage employees to take charge of their own learning and career development. At the Career Day booths, employees learned how to plan their career and initiate conversations on their career goals, gained a deeper understanding of their individual working styles, and were introduced to various learning platforms that they can sign up for via Workday and Udemy.

Employee Engagement

Engaging employees fosters motivation, productivity and high morale in the workplace.

All Keppel Group entities participated in the Keppel Group's 2019 Employee Engagement Survey. The survey is designed to measure employee engagement, employee satisfaction and collect feedback to continually improve policies, processes and the satisfaction of employee needs. The survey was administered by an external consultant. The Manager saw 100% participation rate by its employees. Results of the survey were used to improve engagement initiatives and gain insights into its employees' perspectives. The survey results showed high levels of engagement and satisfaction among the Manager's employees, and provided insights for the Manager to implement new initiatives or improve existing ones.

To promote interaction, the workplace includes a bistro-style pantry, as well as discussion and relaxation zones throughout the office. To boost employees' morale, events such as Appreciation Day provide senior management a chance to thank everyone for their hard work. To foster greater collaboration and recognition among employees, a digital platform known as K'Kudos was launched to enable employees to appreciate those who have gone the extra mile.

OCCUPATIONAL HEALTH AND SAFETY

Employee Wellness

The Keppel Group and the Manager implemented various activities to promote health and physical well-being. Examples include providing employees with fruits, regular health screening programmes as well as lunch time health talks. At the Group level, the annual Keppel Games engage employees in friendly competitions across the organisation to promote exercise and teamwork. Other corporate activities were conducted throughout the year to further build bonds between team members.

As a key aspect of general well-being, the Manager believes in the importance of strong family relationships. Employees are encouraged to spend quality time with their families. The Manager participates in family initiatives such as 'Eat with Your Family Day' 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. To further encourage family bonding time, corporate passes are provided for popular family destinations such as the Singapore Zoo and River Safari.

The Manager is committed to providing a work environment that promotes productivity, collaboration and overall well-being. For example, the Manager's office in Singapore incorporated an Indoor Air Quality management system to monitor air quality and ventilation, and ergonomic furniture are provided.

Health and Safety

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

Safety is one of Keppel's core values. The Manager is committed to provide a safe work environment for all employees and stakeholders. The Manager targets zero workplace health and safety incidents. To achieve this goal, the Manager works closely with the facility managers to implement industry best practices. Periodic inspections and maintenance of facilities and equipment are conducted by qualified specialists who help to ensure proper implementation of all relevant safety standards.

All the REIT's assets are equipped with fire protection systems to ensure safety and business continuity. All visitors, employees, and clients are briefed on emergency evacuation routes and procedures in the event of a fire. Evacuation routes are also shown throughout the facility at different locations.

In the rare case of an incident, all details are documented through a systematic incident reporting system to be thoroughly

PEOPLE AND COMMUNITY

In 2019, the Manager and other Keppel Capital volunteers undertook about 1,380 hours of community service.

reviewed by senior management and relevant safety personnel. This information is used to identify root causes, corrective measures and any additional preventative measures to minimise the risk of similar incidents occurring. This information is also used to evaluate the effectiveness of the Manager's health and safety management response.

In 2019, there were zero fatalities and reportable health and safety incidents.

The Manager will continue to uphold high safety standards, implement best practices, and foster a strong safety culture. Keppel Capital introduced a Health & Wellness Month in October, which consisted of a series of talks and events such as booths selling healthy snacks, fruits and other health-related products.

In order to heighten safety awareness, a series of safety and wellness events were also conducted at the Group-level. Some of these are listed below:

COMMUNITY DEVELOPMENT

GRI 201-1

The Manager believes in doing well by doing good. As a responsible corporate citizen, the Manager supports initiatives that uplift the community. The Manager works with Keppel Capital to give back to the community.

In 2019, Keppel Capital continued to support its adopted charity, Muscular Dystrophy Association (Singapore) (MDAS), a self-help organisation committed to uplift the lives of people with muscular dystrophy. Keppel Capital has been a partner of MDAS since 2016 and believes that a long-term partnership with the organisation would enable it to more meaningfully contribute and make a difference.

Together with Keppel Capital, the Manager participated in several workshops with MDAS beneficiaries during the year, which include Coffee Art on Canvas, Clay Making, as well as Prata Flipping.

The Manager also joined Keppel Capital in other volunteer activities. During the Keppel Community Month in August, Keppel Capital hosted about 50 seniors at an Urban Gardening event at Thye Hua Kwan Senior Services @ Taman Jurong. In October, Keppel Capital, in collaboration with Keppel T&T, spent Children's Day bowling with about 60 children from New Life Children and Student Care Centre.

In Ireland, the team took part in the DCs for Bees event organised by Host in Ireland, the first industry-wide initiative which aims to reverse the rapid decline of the bee population in Ireland through the creation of safe habitats for bees. Together with participants from 19 other companies in the data centre industry, about 2,000 saplings were planted. The saplings, comprising a mix of native Oak, Birch and Rowan, will grow into trees that will provide food and shelter for animals, birds and insects, including bees.

In 2019, the Manager and other Keppel Capital volunteers dedicated about 1,380 hours of community service to engage with community members and improve the lives of the underprivileged. In addition, the Manager contributed $25,000 to Keppel Care Foundation to support various philanthropic programmes.

SAFETY EVENTS

Office Safety Site Inspection	Conducted safety inspection of Keppel Capital's office.
Fire Safety Awareness Training	Invited speaker from FIRE Specialist Rescue Centre Singapore to raise awareness of Fire Safety among Keppel Capital staff.
Global Safety Timeout (GSTO)	GSTO is held annually to promote a strong safety culture.
Ministry of No Accident Health Talk	Health talk for Keppel Capital employees about improving the quality of life, through making informed dietary choices, adopting an active lifestyle and promoting work-life balance.
Waves of Safety Messages	Keppel Capital HSE Committee members contribute to daily safety message postings on Yammer, an enterprise social online network.

GRI CONTENT INDEX

This report has been prepared in accordance with GRI standards: Core option.

GRI Standard	Disclosure Number	Disclosure Title	Page Reference
GRI 101: Foundation 2016			
		Organisational Profile	
GRI 102: General Disclosures 2016	102-1	Name of the organisation	Backcover
	102-2	Activities, brands, products, and services	3, 32 to 52
	102-3	Location of headquarters	Backcover
	102-4	Location of operations	3, 22 to 23, 36 to 40, 63
	102-5	Ownership and legal form	3, 10 to 11
	102-6	Markets served	24 to 31
	102-7	Scale of the organisation	2, 8 to 9, 22 to 23, 73
	102-8	Information on employees and other workers	73
	102-9	Supply chain	72
	102-10	Significant changes to organisation and its supply chain	4 to 7, 17, 32
	102-11	Precautionary Principle or approach	59 to 60, 70 to 71
	102-12	External initiatives	64, 72
	102-13	Membership of associations	64
		Strategy	
	102-14	Statement from senior decision-maker	62
		Ethics and Integrity	
	102-16	Values, principles, standards, and norms of behaviour	Inside Front Cover, 3, 61 to 62, 64, 156
		Governance	
	102-18	Governance structure	10 to 11, 64
		Stakeholder Engagement	
	102-40	List of stakeholder groups	65
	102-41	Collective bargaining agreements	74
	102-42	Identifying and selecting stakeholders	64 to 65
	102-43	Approach to stakeholder engagement	64 to 65
	102-44	Key topics and concerns raised	65
		Reporting Practice	
	102-45	Entities included in the consolidated financial statements	22 to 23 , 32
	102-46	Defining report content and topic Boundaries	63
	102-47	List of material topics	66
	102-48	Restatements of information	Scope 2 GHG emissions do not include that of KDC DUB 1 and KDC DUB 2 as these assets use 100% renewable sources for electricity generation. Therefore, 2018 figures have been restated as these were included in the calculations last year. Old figure: 139,888 tCO_2e New figure: 110,895 tCO_2e
	102-49	Changes in reporting	No changes
	102-50	Reporting period	63
	102-51	Date of most recent report	The 2018 sustainability report was published in March 2019.
	102-52	Reporting cycle	63
	102-53	Contact point for questions regarding the report	63
	102-54	Claims of reporting in accordance with the GRI Standards	63
	102-55	GRI content index	77 to 79
	102-56	External assurance	63

GRI CONTENT INDEX

GRI Standard	Disclosure Number	Disclosure Title	Page Reference
		CATEGORY: ECONOMIC	
		Economic Performance	
GRI 201: Economic Performance 2016	103-1	Explanation of the material topic and its Boundary	3 to 7, 53, 63, 70
	103-2	The management approach and its components	3 to 7, 54 to 58, 66, 70
	103-3	Evaluation of the management approach	3 to 7, 70
	201-1	Direct economic value generated and distributed	2, 8 to 9, 53 to 58 , 76
		Procurement Practices	
GRI 204: Procurement Practices 2016	103-1	Explanation of the material topic and its Boundary	63, 72
	103-2	The management approach and its components	66, 72
	103-3	Evaluation of the management approach	72
		Anti-Corruption	
GRI 205: Anti-Corruption 2016	103-1	Explanation of the material topic and its Boundary	59 to 60, 63, 66, 71 to 72
	103-2	The management approach and its components	66, 71 to 72
	103-3	Evaluation of the management approach	71 to 72
	205-2	Communication and training about anti-corruption policies and procedures	71 to 72
	205-3	Confirmed incidents of corruption and actions taken	71 to 72
		Anti-Competitive Behaviour	
GRI 206: Anti-Competitive Behaviour 2016	103-1	Explanation of the material topic and its Boundary	63, 71
	103-2	The management approach and its components	66, 71
	103-3	Evaluation of the management approach	71
	206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	71
		CATEGORY: ENVIRONMENT	
		Energy	
GRI 302: Energy 2016	103-1	Explanation of the material topic and its Boundary	63, 68
	103-2	The management approach and its components	66, 68 to 69
	103-3	Evaluation of the management approach	68 to 69
	302-1	Energy consumption within the organisation	63, 68 to 69
		Water	
GRI 303: Water 2016	103-1	Explanation of the material topic and its Boundary	63, 68 to 69
	103-2	The management approach and its components	66, 68 to 69
	103-3	Evaluation of the management approach	68 to 69
	303-1	Water withdrawal by source	63, 68 to 69
		Emissions	
GRI 305: Emissions 2016	103-1	Explanation of the material topic and its Boundary	63, 67
	103-2	The management approach and its components	66, 67 to 68
	103-3	Evaluation of the management approach	67
	305-1	Direct (Scope 1) GHG emissions	67 to 68
	305-2	Energy indirect (Scope 2) GHG emissions	67
		Environmental Compliance	
GRI 307: Environmental Compliance 2016	103-1	Explanation of the material topic and its Boundary	69
	103-2	The management approach and its components	66, 69
	103-3	Evaluation of the management approach	69
	307-1	Non-compliance with environmental laws and regulations	69

GRI Standard	Disclosure Number	Disclosure Title	Page Reference
		CATEGORY: SOCIAL	
		Employment	
GRI 401: Employment 2016	103-1	Explanation of the material topic and its Boundary	64, 73 to 74
	103-2	The management approach and its components	67, 73 to 75
	103-3	Evaluation of the management approach	73 to 74
	401-1	New employee hires and employee turnover	73
		Occupational Health and Safety	
GRI 403: Occupational Health and Safety 2016	103-1	Explanation of the material topic and its Boundary	64, 75 to 76
	103-2	The management approach and its components	67, 75 to 76
	103-3	Evaluation of the management approach	75 to 76
	403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism and number of work related fatalities	63, 75 to 76
		Training and Education	
GRI 404: Training and Education 2016	103-1	Explanation of the material topic and its Boundary	64 to 65, 74 to 75
	103-2	The management approach and its components	66, 74 to 75
	103-3	Evaluation of the management approach	74 to 75
	404-1	Average hours of training per year per employee	74 to 75
	404-3	Percentage of employees receiving regular performance and career development reviews	74 to 75
		Diversity and Equal Opportunity	
GRI 405: Diversity and Equal Opportunity 2016	103-1	Explanation of the material topic and its Boundary	73 to 74
	103-2	The management approach and its components	73 to 74
	103-3	Evaluation of the management approach	73 to 74
	405-1	Diversity of governance bodies and employees	12 to 16, 73 to 74
		Customer Privacy	
GRI 418: Customer Privacy 2016	103-1	Explanation of the material topic and its Boundary	63, 72
	103-2	The management approach and its components	66, 72
	103-3	Evaluation of the management approach	72
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	72
		Socioeconomic Compliance	
GRI 419: Socioeconomic Compliance 2016	103-1	Explanation of the material topic and its Boundary	63, 71
	103-2	The management approach and its components	66, 71
	103-3	Evaluation of the management approach	71
	419-1	Non-compliance with laws and regulations in the social and economic area	71

CORPORATE INFORMATION

TRUSTEE

Perpetual (Asia) Limited
Registered Address
8 Marina Boulevard #05-02
Marina Bay Financial Centre
Singapore 018981
Phone: +65 6908 8203
Fax: +65 6438 0255

Principal Business Address
16 Collyer Quay
#07-01
Singapore 049318

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

Principal Business Address
1 HarbourFront Avenue
Level 2 Keppel Bay Tower
Singapore 098632

Investor Relations Contact
Phone: +65 6803 1857
Email: investor.relations@keppeldcreit.com

UNIT REGISTRAR AND UNIT TRANSFER OFFICE

**Boardroom Corporate &
Advisory Services Pte. Ltd.
(a member of Boardroom Limited)**
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Phone: +65 6536 5355
Fax: +65 6536 1360

*For updates or change of mailing address,
please contact:*
The Central Depository (Pte) Limited
9 North Buona Vista Drive
#01-19/20 The Metropolis
Singapore 138588
Phone: +65 6535 7511
Fax: +65 6535 0775
Email: asksgx@sgx.com
Website: www2.sgx.com/securities/
retail-investor

COMPANY SECRETARIES

Winnie Mak

Kelvin Chua

DIRECTORS OF THE MANAGER

Christina Tan
Chairman and Non-Executive Director

Lee Chiang Huat
Independent Director

Dr Tan Tin Wee
Independent Director

Dileep Nair
Independent Director

Low Huan Ping
Independent Director

Kenny Kwan
Independent Director

Thomas Pang
Non-Executive Director

AUDIT AND RISK COMMITTEE

Lee Chiang Huat
Chairman

Dileep Nair

Low Huan Ping

NOMINATING AND REMUNERATION COMMITTEE

Dr Tan Tin Wee
Chairman

Christina Tan

Dileep Nair

Kenny Kwan

REPORT OF THE TRUSTEE

For the financial year ended 31 December 2019

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 87 to 141 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 2020

STATEMENT BY THE MANAGER

For the financial year ended 31 December 2019

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 87 to 141, comprising the Statements of Financial Position for the Group and the Trust, the Consolidated Portfolio Statement of the Group as at 31 December 2019, the Consolidated Statement of Profit and Loss of the Group, 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 2019, 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 2020

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 2019 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 2019;
- the consolidated statement of profit and loss of the Group for the year ended 31 December 2019;
- the consolidated statement of comprehensive income of the Group for the year ended 31 December 2019;
- the statements of movements of unitholders' funds of the Group and the Trust for the year ended 31 December 2019;
- 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 2019; 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 judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2019. 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 2019, the carrying value of the Group's investment properties of \$2.6 billion accounted for about 90.1% 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 28 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 significant 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 2020

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2019

	Note	Group 31 Dec 2019 $'000	Group 31 Dec 2018 $'000	Trust 31 Dec 2019 $'000	Trust 31 Dec 2018 $'000
Non-current assets					
Investment properties	4	**2,637,026**	2,028,672	**480,898**	456,000
Investment in subsidiaries	5	**–**	–	**1,421,796**	1,205,063
Loans to subsidiaries	6	**–**	–	**273,611**	223,338
Deposits	7	**–**	777	**–**	777
Intangible assets	8	**8,349**	–	**8,349**	–
Derivative financial assets	9	**518**	3,238	**485**	2,044
Deferred tax assets	10	**2,149**	–	**–**	–
		2,648,042	2,032,687	**2,185,139**	1,887,222
Current assets					
Trade and other receivables	11	**95,848**	85,723	**390,279**	32,060
Deposits	7	**25,349**	–	**–**	–
Intangible assets	8	**–**	4,000	**–**	4,000
Other asset	12	**–**	6,213	**–**	–
Derivative financial assets	9	**2,879**	2,106	**2,879**	1,952
Cash and cash equivalents	13	**155,876**	128,415	**61,713**	67,752
		279,952	226,457	**454,871**	105,764
Total assets		**2,927,994**	2,259,144	**2,640,010**	1,992,986
Current liabilities					
Loans from subsidiaries	14	**–**	–	**36,789**	130,000
Loans and borrowings	15	**40,264**	133,563	**–**	–
Trade and other payables	16	**60,698**	42,481	**29,857**	29,569
Derivative financial liabilities	9	**137**	–	**–**	–
Provision for taxation	17	**7,058**	16,948	**3,774**	2,781
		108,157	192,992	**70,420**	162,350
Non-current liabilities					
Loans from subsidiaries	14	**–**	–	**833,599**	543,952
Loans and borrowings	15	**880,455**	573,084	**10,898**	–
Derivative financial liabilities	9	**7,750**	4,459	**142**	341
Deferred tax liabilities	10	**29,084**	12,615	**6,056**	4
		917,289	590,158	**850,695**	544,297
Total liabilities		**1,025,446**	783,150	**921,115**	706,647
Net assets		**1,902,548**	1,475,994	**1,718,895**	1,286,339
Represented by:					
Unitholders' funds		**1,868,018**	1,444,839	**1,718,895**	1,286,339
Non-controlling interests	25	**34,530**	31,155	**–**	–
		1,902,548	1,475,994	**1,718,895**	1,286,339
Units in issue ('000)	19	**1,632,395**	1,351,578	**1,632,395**	1,351,578
Net asset value per Unit ($)		**1.14**	1.07	**1.05**	0.95

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the financial year ended 31 December 2019

		Group	
	Note	2019 $'000	2018 $'000
Gross revenue	20	194,826	175,535
Property operating expenses	21	(17,543)	(17,862)
Net property income		177,283	157,673
Finance income		1,182	834
Finance costs	22	(16,560)	(16,663)
Trustees' fees		(386)	(299)
Manager's base fee		(10,218)	(8,922)
Manager's performance fee		(5,794)	(5,062)
Audit fees		(256)	(299)
Valuation fees		(387)	(238)
Net realised gains on derivatives		2,642	555
Other trust expenses		(7,858)	(9,192)
Net income before tax and fair value change in investment properties		139,648	118,387
Net change in fair value of investment properties	23	(15,948)	32,634
Profit before tax		123,700	151,021
Tax expenses	24	(12,592)	(5,012)
Profit after tax		111,108	146,009
Profit attributable to:			
Unitholders		106,502	141,881
Non-controlling interests	25	4,606	4,128
		111,108	146,009
Earnings per Unit (cents)			
- Basic and diluted	26	7.51	11.09
- Basic and diluted (excluding net change in fair value of investment properties and their related deferred tax impact)	26	8.79	8.49

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2019

	Group	
	2019 $'000	2018 $'000
Profit after tax	**111,108**	146,009
Other comprehensive loss:		
Movement in fair value of cash flow hedges	(5,375)	1,170
Foreign currency translation movement	(28,414)	(5,798)
Total other comprehensive loss	**(33,789)**	(4,628)
Total comprehensive income	**77,319**	141,381
Attributable to:	72,726	137,322
Unitholders	4,593	4,059
Non-controlling interests	77,319	141,381

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

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

For the financial year ended 31 December 2019

Group (2019)	Note	Units in issue $'000	Foreign currency translation reserve $'000	Hedging reserve $'000	Other Reserve $'000	Accumulated profits $'000	Unitholders' funds $'000	Non-controlling interests $'000	Total $'000
At 1 January 2019		1,378,025	16,416	885	(95,751)	145,264	1,444,839	31,155	1,475,994
Operations									
Profit after tax for the period		–	–	–	–	106,502	106,502	4,606	111,108
Net increase in net assets resulting from operations		–	–	–	–	106,502	106,502	4,606	111,108
Other comprehensive loss									
Movement in hedging reserve	18(b)	–	–	(5,375)	–	–	(5,375)	–	(5,375)
Foreign currency translation movement		–	(28,401)	–	–	–	(28,401)	(13)	(28,414)
Net decrease in other comprehensive loss		–	(28,401)	(5,375)	–	–	(33,776)	(13)	(33,789)
Unitholders' transactions									
Net increase in net assets resulting from Unitholders' contribution	19	469,856	–	–	–	–	469,856	–	469,856
Distributions to Unitholders		–	–	–	–	(126,541)	(126,541)	–	(126,541)
Payment of management fees in Units	19	7,138	–	–	–	–	7,138	–	7,138
Net increase in net assets resulting from Unitholders' transactions		476,994	–	–	–	(126,541)	350,453	–	350,453
Acquisition of an interest in a subsidiary		–	–	–	–	–	–	1,335	1,335
Dividends paid to non-controlling interests		–	–	–	–	–	–	(2,553)	(2,553)
At 31 December 2019		1,855,019	(11,985)	(4,490)	(95,751)	125,225	1,868,018	34,530	1,902,548

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

Group (2018)	Note	Units in issue $'000	Foreign currency translation reserve $'000	Hedging reserve $'000	Other Reserve $'000	Accumulated profits $'000	Unitholders' funds $'000	Non-controlling interests $'000	Total $'000
At 1 January 2018		1,078,173	22,145	(285)	(95,751)	85,434	1,089,716	26,786	1,116,502
Operations									
Profit after tax for the period		–	–	–	–	141,881	141,881	4,128	146,009
Net increase in net assets resulting from operations		–	–	–	–	141,881	141,881	4,128	146,009
Other comprehensive loss									
Movement in hedging reserve	18(b)	–	–	1,170	–	–	1,170	–	1,170
Foreign currency translation movement		–	(5,729)	–	–	–	(5,729)	(69)	(5,798)
Net decrease in other comprehensive loss		–	(5,729)	1,170	–	–	(4,559)	(69)	(4,628)
Unitholders' transactions									
Net increase in net assets resulting from Unitholders' contribution	19	299,291	–	–	–	–	299,291	–	299,291
Distributions to Unitholders		–	–	–	–	(82,051)	(82,051)	–	(82,051)
Payment of management fees in Units	19	561	–	–	–	–	561	–	561
Net increase in net assets resulting from Unitholders' transactions		299,852	–	–	–	(82,051)	217,801	–	217,801
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)
At 31 December 2018		1,378,025	16,416	885	(95,751)	145,264	1,444,839	31,155	1,475,994

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

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

For the financial year ended 31 December 2019

Trust (2019)	**Note**	**Unit in Issue $'000**	**Hedging Reserve $'000**	**Other Reserve $'000**	**Accumulated Profits $'000**	**Unitholders' Funds $'000**
At 1 January 2019		1,378,025	3,655	(95,751)	410	1,286,339
Operations						
Profit after tax for the period		–	–	–	82,536	82,536
Net increase in net assets resulting from operations		–	–	–	82,536	82,536
Other comprehensive loss						
Movement in hedging reserve	18(b)	–	(433)	–	–	(433)
Net increase in other comprehensive loss		–	(433)	–	–	(433)
Unitholders' transactions						
Net increase in net assets resulting from Unitholders' contribution	19	469,856	–	–	–	469,856
Distribution to Unitholders		–	–	–	(126,541)	(126,541)
Payment of management fees in Units	19	7,138	–	–	–	7,138
Net increase in net assets resulting from Unitholders' transactions		476,994	–	–	(126,541)	350,453
At 31 December 2019		1,855,019	3,222	(95,751)	(43,595)	1,718,895

Trust (2018)	Note	Unit in Issue $'000	Hedging Reserve $'000	Other Reserve $'000	Accumulated Profits $'000	Unitholders' Funds $'000
At 1 January 2018		1,078,173	99	(95,751)	(23,336)	959,185
Operations						
Profit after tax for the period		–	–	–	105,797	105,797
Net increase in net assets resulting from operations		–	–	–	105,797	105,797
Other comprehensive income						
Movement in hedging reserve	18(b)	–	3,556	–	–	3,556
Net increase in other comprehensive income		–	3,556	–	–	3,556
Unitholders' transactions						
Net increase in net assets resulting from Unitholders' contribution	19	299,291	–	–	–	299,291
Distribution to Unitholders		–	–	–	(82,051)	(82,051)
Payment of management fees in Units	19	561	–	–	–	561
Net increase in net assets resulting from Unitholders' transactions		299,852	–	–	(82,051)	217,801
At 31 December 2018		1,378,025	3,655	(95,751)	410	1,286,339

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2019

	Note	2019 $'000	2018 $'000
Cash flows from operating activities			
Profit after tax		111,108	146,009
Adjustments for:			
Tax expenses		12,592	5,012
Finance income		(1,182)	(834)
Finance costs		16,560	16,663
Amortisation of intangible assets	8	4,363	6,791
Net change in fair value of investment properties	23	15,948	(32,634)
Management fees paid in Units		1,575	561
Unrealised translation differences		(9,144)	1,942
		151,820	143,510
Changes in working capital:			
Trade and other receivables		8,704	(15,832)
Trade and other payables		10,257	(14,053)
Cash generated from operations		170,781	113,625
Net income tax paid	17	(15,507)	(1,699)
Net cash from operating activities		155,274	111,926
Cash flows from investing activities			
Acquisitions of interests in investment properties (Note A)		(585,653)	(413,265)
Acquisition of an intangible asset		(8,712)	(8,000)
Rental top up received		8,712	8,000
Additions to investment properties	4	(23,765)	(10,153)
Capital expenditures on investment properties	4	(33,229)	(23,707)
Deposit paid to a vendor		(26,597)	(808)
Net cash used in investing activities		(669,244)	(447,933)
Cash flows from financing activities			
Proceeds from issuance of Units	19	478,242	303,072
Proceeds from bank borrowings		383,172	229,165
Capital contribution from a non-controlling interest		–	1,796
Payment of financing transaction costs		(1,111)	(156)
Repayment of bank borrowings		(166,890)	(83,934)
Principal payment of lease liabilities		(3,743)	(3,976)
Interest paid		(11,841)	(11,775)
Distributions paid to Unitholders		(126,541)	(82,051)
Dividends paid to non-controlling interests		(2,553)	(2,736)
Payment of transaction costs relating to fund-raising		(5,557)	(2,183)
Net cash generated from financing activities		543,178	347,222
Net increase in cash and cash equivalents		29,208	11,215
Cash and cash equivalents at beginning of the year		128,415	116,098
Effects of exchange rate fluctuations on cash held		(1,747)	1,102
Cash and cash equivalents at end of the year	13	155,876	128,415

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2019

Note A – Acquisitions of interests in investment properties
In October 2019, Keppel DC REIT announced the completion of the acquisition of a 100% interest in Datacentre One Pte. Ltd. which in turn holds DC1 located at 18 Riverside Road, Singapore 739088. This acquisition has been accounted for as an asset acquisition.

In November 2019, Keppel DC REIT announced the completion of the acquisition of a 99% interest in Keppel DC Singapore 4 Pte. Ltd. ("KDCS4PL") which in turn holds Keppel DC Singapore 4, located at 20 Tampines Street 92, Singapore 528875. A business transfer agreement with Keppel DC Singapore 2 Pte. Ltd. (Facility Manager) was entered into to transfer the employees, contracts and assets for the purpose of providing facility management services of KDCS4PL to the Facility Manager. This acquisition has been accounted for as an asset acquisition.

In June 2018, Keppel DC REIT announced the completion of the acquisition of a 99% interest in KDC SGP 5. This acquisition has been accounted for as an asset acquisition.

Keppel DC REIT completed the acquisition of maincubes DC in Offenbach am Main, Germany on 30 March 2018. 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.

Reconciliation of liabilities arising from financing activities

			Non-cash changes			
	As at 1 January $'000	Cash flows $'000	Adoption of SFRS(I) 16 Leases $'000	Interest expense $'000	Foreign exchange movement $'000	As at 31 December $'000
2019						
Bank borrowings	**673,181**	**215,171**	**–**	**362**	**(19,843)**	**868,871**
Lease liabilities	**33,466**	**(3,743)**	**19,318**	**4,357**	**(1,550)**	**51,848**
Interest payable	**947**	**(11,841)**	**–**	**11,841**	**398**	**1,345**
	707,594	**199,587**	**19,318**	**16,560**	**(20,995)**	**922,064**
2018						
Bank borrowings	545,554	145,075	–	313	(17,761)	673,181
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

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

DISTRIBUTION STATEMENT

For the financial year ended 31 December 2019

	Group	
	2019 $'000	2018 $'000
Amount available for distribution to Unitholders at beginning of the year	**55,498**	41,453
Profit after tax attributable to Unitholders after tax	**106,502**	141,881
Net tax and other adjustments (Note A)	**6,743**	(45,785)
Amount available for distribution to Unitholders	**168,743**	137,549
Distributions to Unitholders:		
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 1/1/2018 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)
Distribution of 3.70 cents per Unit for the period from 1/7/2018 to 31/12/2018	**(50,008)**	–
Distribution of 3.85 cents per Unit for the period from 1/1/2019 to 30/6/2019	**(52,057)**	–
Distribution of 1.81 cents per Unit for the period from 1/7/2019 to 24/9/2019	**(24,476)**	–
	(126,541)	(82,051)
Amount available for distribution to Unitholders at end of the year	**42,202**	55,498

Note A:

Net tax and other adjustments comprise:

	Group	
	2019 $'000	2018 $'000
Trustee's fees	**311**	221
Rental income adjustment on a straight-line basis	**(3,678)**	(5,149)
Amortisation of capitalised transaction costs	**362**	313
Net fair value losses/(gains) in investment properties[1]	**16,700**	(31,549)
Foreign exchange losses/(gains)	**791**	(98)
Deferred tax	**4,864**	(3,768)
Amortisation of intangible assets	**4,363**	6,791
Other net adjustments[1,2]	**(16,970)**	(12,546)
	6,743	(45,785)

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

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

CONSOLIDATED PORTFOLIO STATEMENT

As at 31 December 2019

Description of investment properties	Location	Land tenure	Term of lease[1] (Years)	Remaining term of lease[1] (Years)	Carrying amount at fair value 2019 $'000	Carrying amount at fair value 2018 $'000	Percentage of total net assets 2019 %	Percentage of total net assets 2018 %
Fully-fitted								
DC1[2]	Woodlands, Singapore	Leasehold	70	44	**200,200**	–	**10.5**	–
iseek Data Centre ("iseek DC")[3]	Brisbane, Queensland, Australia	Leasehold	37	27	**41,302**	44,187	**2.2**	3.0
GV7 Data Centre ("GV7 DC")	Greenwich, London, England	Leasehold	199	163	**63,983**	63,487	**3.4**	4.3
Almere Data Centre ("Almere DC")	Amsterdam, The Netherlands	Freehold	Not applicable	Not applicable	**135,165**	139,011	**7.1**	9.4
maincubes Data Centre ("maincubes DC")	Offenbach am Main, Germany	Freehold	Not applicable	Not applicable	**137,119**	135,517	**7.2**	9.2
Shell and core								
Intellicentre 2 Data Centre ("IC2 DC")	Macquarie Park, New South Wales, Australia	Freehold	Not applicable	Not applicable	**53,413**	53,880	**2.8**	3.7
Cardiff Data Centre ("Cardiff DC")	Cardiff, United Kingdom	Freehold	Not applicable	Not applicable	**63,234**	65,375	**3.3**	4.4
Milan Data Centre ("Milan DC")	Milan, Italy	Freehold	Not applicable	Not applicable	**57,434**	57,313	**3.0**	3.9
Colocation								
Keppel DC Singapore 1 ("KDC SGP 1")[3]	Serangoon, Singapore	Leasehold	60	35	**303,335**	287,000	**16.0**	19.4
Keppel DC Singapore 2 ("KDC SGP 2")[3]	Tampines, Singapore	Leasehold	60	31	**177,562**	169,000	**9.3**	11.4
Keppel DC Singapore 3 ("KDC SGP 3")[3]	Tampines, Singapore	Leasehold	60	32	**268,535**	257,000	**14.1**	17.4
Keppel DC Singapore 4 ("KDC SGP 4")[3]	Tampines, Singapore	Leasehold	60	30	**384,886**	–	**20.2**	–
Keppel DC Singapore 5 ("KDC SGP 5")	Jurong, Singapore	Leasehold	30	21	**331,000**	316,000	**17.4**	21.4
Basis Bay Data Centre ("Basis Bay DC")	Cyberjaya, Malaysia	Freehold	Not applicable	Not applicable	**25,833**	27,846	**1.4**	1.9
Gore Hill Data Centre ("Gore Hill DC")[4]	Artarmon, New South Wales, Australia	Freehold	Not applicable	Not applicable	**192,083**	207,463	**10.1**	14.1
Keppel DC Dublin 1 ("KDC DUB 1")[3]	Dublin, Republic of Ireland	Leasehold	40	21	**98,652**	100,752	**5.2**	6.8
Keppel DC Dublin 2 ("KDC DUB 2")	Dublin, Republic of Ireland	Leasehold	999	978	**103,290**	104,841	**5.4**	7.1
Total investment properties at fair value					**2,637,026**	2,028,672	**138.6**	137.4
Other assets and liabilities (net)					**(734,478)**	(552,678)	**(38.6)**	(37.4)
Total net assets of the Group					**1,902,548**	1,475,994	**100.0**	100.0

1 Term of lease includes option to renew the land leases.
2 A portion of the premises at DC1 relates to fully-fitted arrangements and the remaining portion of the premises relates to shell and core lease arrangements.
3 Included in the investment properties were lease liabilities pertaining to land rent commitments and options.
4 A portion of the premises at Gore Hill DC relates to colocation lease arrangements and the remaining portion of the premises relates to shell and core lease arrangements.

At 31 December 2019, the Group's investment properties amounting to $2,637.0 million (2018: $ 2,028.7 million) are free from encumbrances for debt facilities.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

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 2019 were authorised for issue by the Manager on 18 February 2020.

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, KDC SGP 4 and KDC SGP 5: 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)"), 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.

On 1 January 2019, the Company adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS. The related changes to significant accounting policies are described in Note 2.5.

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 28 – Fair Value of Assets and Liabilities.

2.5 Changes in accounting policies

New standards and amendments

Adoption of SFRS(I) 16 Leases

(a) When the Group is the lessee

Prior to the adoption of SFRS(I) 16, non-cancellable operating lease payments were not recognised as liabilities in the balance sheet. These payments were recognised as rental expenses over the lease term on a straight-line basis.

On initial application of SFRS(I) 16, the Group has elected to apply the following practical expedients:

i) For all contracts entered into before 1 January 2019 and that were previously identified as leases under SFRS(I) 1-17 Lease and SFRS(I) INT 4 Determining whether an Arrangement contains a Leases, the Group has not reassessed if such contracts contain leases under SFRS(I) 16; and

ii) On a lease-by-lease basis, the Group has used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

(b) When the Group is the lessor

There are no material changes to accounting by the Group as a lessor.

The Group's accounting policy on leases after the adoption of SFRS(I) 16 is as disclosed in Note 3.11.

The effects of adoption of SFRS(I) 16 on the Group's financial statements effective from 1 January 2019 are disclosed in Note 4(f) and Note 15.

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 Significant Accounting Policies (continued)

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:

- an equity investment designated as at FVOCI;
- 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

On initial recognition, a financial asset is classified as measured at: amortised cost.

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.

Financial assets at amortised cost
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.

Financial assets: Business model assessment

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

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.

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

Financial assets at amortised cost
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.

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
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.

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.

Net investment hedges
The Group designates certain 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.

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 Significant Accounting Policies (continued)

3.9 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit loss (ECLs) on financial assets measured at amortised costs.

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 accrued income. 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 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.

Presentation of allowance for ECLs in the statement of financial position
Loss allowances for financial assets measured at amortised cost and accrued income are deducted from the gross carrying amount of these assets.

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.

(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

(a) The accounting policy for leases before 1 January 2019 are as follows:

(i) When the Group is the lessee:
The Group leases land under operating leases from non-related parties.

- *Lessee – Operating leases*
  Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

(ii) When the Group is the lessor:
The Group leases investment properties under operating leases to non-related parties.

- *Lessor – Operating leases*
  Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

  Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

3 **Significant Accounting Policies** (continued)

3.11 Leases (continued)

(b) The accounting policy for leases from 1 January 2019 are as follows:

(i) When the Group is the lessee:
At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- *Right-of-use assets*
  The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

  Right-of-use asset which meets the definition of an investment property is presented within "Investment properties" and accounted for in accordance with Note 3.6.

- *Lease liabilities*
  The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

  Lease payments include the following:
  - Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
  - Amount expected to be payable under residual value guarantees; and
  - Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

  Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:
  - There is a change in future lease payments arising from changes in rate;
  - There is a change in the Group's assessment of whether it will exercise an extension option; or
  - There are modification in the scope or the consideration of the lease that was not part of the original term.

  Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- *Short term and low value leases*
  The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

(ii) When the Group is the lessor:
The accounting policy applicable to the Group as a lessor in the comparative period were the same under SFRS(I) 16.

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.

3.15 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.

3 Significant Accounting Policies (continued)

3.15 Income Tax (continued)

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.

3.18 Significant Accounting Estimates and Judgements

The preparation of the financial statements 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. 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 judgements 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 28 – 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 2020 and which the Group has not early adopted:

Amendments to SFRS(I) 3 Business Combination (effective for annual periods beginning on or after 1 January 2020)

The amendments provide new guidance on the assessment of whether an acquisition meets the definition of a business under SFRS(I) 3. To be considered a business, an acquisition would have to include an output and a substantive process that together significantly contribute to the ability to create outputs. A framework is introduced to evaluate when an input and substantive process are present. To be a business without outputs, there will now need to be an organised workforce.

The definition of the term 'outputs' is narrowed to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets.

Entities can apply a 'concentration test' that, if met, eliminates the need for further assessment. Under this optional test, where substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets), the assets acquired would not represent a business.

These amendments are applied to business combinations and asset acquisitions with acquisition date on or after 1 January 2020. Early application is permitted. The Group does not expect any significant impact arising from applying these amendments.

4 Investment Properties

	Group		Trust	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
At 1 January	**2,028,672**	1,570,090	**456,000**	452,000
Acquisitions[(b) (c)]	**580,200**	419,774	**–**	–
Additions[(e)]	**23,765**	10,153	**–**	–
Capital expenditure	**33,229**	23,707	**3,429**	2,448
Adoption of SFRS(I) 16[(f)]	**19,318**	–	**10,898**	–
Change in fair value	**(6,613)**	32,634	**10,571**	1,552
Translation differences on consolidation	**(41,545)**	(27,686)	**–**	–
At 31 December	**2,637,026**	2,028,672	**480,898**	456,000

(a) Investment properties are stated at fair value based on valuations performed by independent valuers, Cushman & Wakefield VHS Pte. Ltd., CIVAS Limited trading as Colliers International, Jones Lang Lasalle (JLL), Cushman & Wakefield Debenham Tie Leung Limited, Savills Valuation and Professional Services (S) Pte Ltd, Knight Frank Pte Ltd and Edmund Tie & Company (SEA) Pte Ltd (2018: 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.) 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) On 31 October 2019, Keppel DC REIT announced the completion of the acquisition of a 100% interest in Datacentre One Pte. Ltd. which in turn holds DC1 located at 18 Riverside Road, Singapore 739088. This acquisition has been accounted for as an asset acquisition.

On 21 November 2019, Keppel DC REIT announced the completion of the acquisition of a 99% interest in Keppel DC Singapore 4 Pte. Ltd. ("KDCS4PL") which in turn holds Keppel DC Singapore 4, located at 20 Tampines Street 92, Singapore 528875. A business transfer agreement with Keppel DC Singapore 2 Pte. Ltd. (Facility Manager) was entered into to transfer the employees, contracts and assets for the purpose of providing facility management services of KDCS4PL to the Facility Manager. This acquisition has been accounted for as an asset acquisition.

(c) Keppel DC REIT completed the acquisition of maincubes DC in Offenbach am Main, Germany on 30 March 2018. 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 June 2018, Keppel DC REIT announced the completion of the acquisition of a 99% interest in KDC SGP 5.

(d) The Group entered into leases in iseek DC and KDC DUB 1 as lessees under lease arrangements. The total carrying values of the investment properties were $139.9 million (2018: $144.9 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.

(f) Investment properties include right-of-use assets of $19,318,000 and $10,898,000 relating to land options that the Group and the Trust are reasonably certain to exercise, arising from the adoption of SFRS(I) 16 Leases.

5 Investment in Subsidiaries

	Trust	
	2019 $'000	2018 $'000
Investment in subsidiaries, at cost		
At 1 January	**1,205,063**	772,192
Incorporation/acquisition of subsidiaries [c]	**241,980**	305,450
Capital (reduction)/injection	**(7,540)**	127,421
Impairment loss	**(17,707)**	–
At 31 December	**1,421,796**	1,205,063

Details of the subsidiaries are as follows:

Name of entities	**Principal activities**	**Place of incorporation/ business**	**Effective equity held by the Trust**	
			2019 %	**2018 %**
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.	Investment holding	Singapore	100	100
Basis Bay Capital Management Sdn. Bhd. [a]	Investment in real estate properties	Malaysia	99	99
KDCR Netherlands 1 Pte. Ltd.	Investment holding	Singapore	100	100
KDCR Netherlands 2 Pte. Ltd.	Provision of financial and asset management services	Singapore	100	100
KDCR Netherlands 3 Pte. Ltd.	Investment holding	Singapore	100	100
KDCR Netherlands 4 Pte. Ltd.	Investment holding	Singapore	100	100
KDCR Ireland Pte. Ltd.	Investment holding	Singapore	100	100
KDCR Ireland 2 Pte. Ltd.	Investment holding	Singapore	100	100
Keppel DC REIT Fin. Company Pte. Ltd.	Provision of treasury services	Singapore	100	100
Keppel DC REIT MTN Pte. Ltd.	Provision of treasury services	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
Keppel DC Singapore 3 LLP ("KDCS3 LLP")	Letting of self-owned or leased real estate property	Singapore	90	90
Keppel DC Singapore 4 Pte. Ltd. [c]	Letting of self-owned or leased real estate property	Singapore	99	-

5 Investment in Subsidiaries

Name of entities	Principal activities	Place of incorporation/ business	Effective equity held by the Trust	
			2019 %	2018 %
Subsidiaries held by the Trust (continued)				
Keppel DC Singapore 5 LLP ("KDCS5 LLP")	Letting of self-owned or leased real estate property	Singapore	99	99
Datacentre One Pte. Ltd. (c)	Letting of self-owned or leased real estate property	Singapore	100	-
KDCR Singapore Pte. Ltd. (c)	Investment holding	Singapore	100	-
KDCR One Pte. Ltd. (c)	Investment holding	Singapore	100	-
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

Name of entities	Principal activities	Place of incorporation/ business	Effective equity held by the Trust	
			2019 %	2018 %
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 Keppel DC Singapore 4 Pte. Ltd. and Datacentre One Pte. Ltd. which are audited by Deloitte & Touche LLP, Singapore and KDCR (Ireland) Limited, KDCR (Ireland) 2 Limited, KDCR Ireland Fin. Company Limited, KDCR Ireland Holdings Limited and Basis Bay Capital Management Sdn Bhd , which are audited by PricewaterhouseCoopers Ireland, Ireland and PricewaterhouseCoopers PLT, Malaysia respectively (2018: PricewaterhouseCoopers Ireland, Ireland and PricewaterhouseCoopers PLT, 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) During the year, the Group incorporated KDCR Singapore Pte. Ltd. and KDCR One Pte. Ltd.

In October 2019, Keppel DC REIT acquired 100% interest in Datacentre One Pte. Ltd. which in turn holds DC1.

In November 2019, Keppel DC REIT acquired a 99% interest in Keppel DC Singapore 4 Pte. Ltd. which in turns holds KDC SGP 4.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

6 Loans to Subsidiaries

	Trust	
	2019 $'000	2018 $'000
Loans to subsidiaries	**108,856**	91,668
Quasi-equity loans to subsidiaries	**164,755**	131,670
	273,611	223,338

Loans to subsidiaries are unsecured, interest-bearing and not expected to be repaid within the next 12 months. The interest rates range from 5.5% to 7.1% (2018: 7.1% to 8.0%).

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 Deposits

	Group		Trust	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Non-current assets				
Deposit	**–**	777	**–**	777
Current assets				
Deposit	**25,349**	–	**–**	–

In December 2019, the Group paid a deposit of $24.6 million to the vendor to acquire Kelsterbach Data Centre in Germany.

In March 2018, the Group paid a deposit of $0.8 million (EUR 0.5 million) to the vendor for the acquisition of the remaining 999-year leasehold land interest in KDC DUB 1.

8 Intangible Assets

	Group		Trust	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
At 1 January	**4,000**	3,110	**4,000**	2,000
Additions (net)	**8,712**	7,681	**8,712**	8,000
Amortisation	**(4,363)**	(6,791)	**(4,363)**	(6,000)
At 31 December	**8,349**	4,000	**8,349**	4,000

	Group and Trust	
	2019 $'000	2018 $'000
Non-current assets		
Intangible assets	**8,349**	–
Current assets		
Intangible assets	**–**	4,000

The intangible assets relate to rental top up provided by the vendors of KDC SGP 4 (2018: KDC SGP 5). The remaining rental support is available for the next 23 months (2018: 6 months).

9 Derivative Financial Instruments

	Maturity	Contract/ Notional amount $'000	Assets $'000	Liabilities $'000
Group				
2019				
Current				
Forward exchange contracts	2020	43,896	2,879	–
Interest rate swaps	2020	12,191	–	(137)
			2,879	(137)
Non-current				
Forward exchange contracts	2021	38,606	485	(142)
Interest rate swaps	2021 - 2025	699,275	33	(7,608)
			518	(7,750)
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)

	Maturity	Contract/ Notional amount $'000	Assets $'000	Liabilities $'000
Trust				
2019				
Current				
Forward exchange contracts	2020	43,896	2,879	–
Non-current				
Forward exchange contracts	2021	38,606	485	(142)
2018				
Current				
Forward exchange contracts	2019	45,025	1,952	–
Non-current				
Forward exchange contracts	2020	43,896	1,703	–
Interest rate swaps	2021 - 2022	30,633	341	(341)
			2,044	(341)

9 Derivative Financial Instruments (continued)

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.

The Group designates these forward currency contracts and interest rate swaps as cash flow hedges. A net unrealised fair value gain of $3,222,000 (2018: fair value loss of $1,170,000) and fair value loss of $7,712,000 (2018: fair value loss of $3,556,000) were included in hedging reserve in respect of these contracts for the Group and the Trust respectively as at the financial year.

Hedging instruments used in Group's hedging strategy in 2019

		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**
<u>Group</u>							
Cash flow hedge							
Foreign exchange risk							
- Forward contracts to hedge highly probable transactions	82,502	3,222	Derivative financial instruments	(433)	433	AUD 1 : $0.98 EUR 1 : $1.62 GBP 1 : $1.80	2020 - 2021
Interest rate risk							
- Interest rate swaps to hedge floating rate borrowings	711,466	(7,712)	Derivative financial instruments	(4,942)	4,942	1.74%	2020 - 2025
Net investment hedge							
Foreign exchange risk							
- Borrowings to hedge net investments in foreign operations	–	436,377	Borrowings	11,003	(11,003)	AUD 1 : $0.95 EUR 1 : $1.53 GBP 1 : $1.74	2020 - 2026
<u>Trust</u>							
Cash flow hedge							
Foreign exchange risk							
- Forward contracts to hedge highly probable transactions	82,502	3,222	Derivative financial instruments	(433)	433	AUD 1 : $0.98 EUR 1 : $1.62 GBP 1 : $1.80	2020 - 2021

Hedging instruments used in Group's hedging strategy in 2018

	Contractual notional amount $'000	Carrying Amount		Changes in fair value used for calculating hedge ineffectiveness		Weighted average hedged rate	Maturity date
		Assets/ (Liabilities) $'000	Category	Hedging instrument $'000	Hedged Item $'000		
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 : $1.64 GBP 1 : $1.81	2019 - 2020
Interest rate risk							
- Interest rate swaps 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 : $1.61 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 : $1.64 GBP 1 : $1.81	2019 - 2020
Interest rate risk							
- Interest rate swaps to hedge floating rate borrowings	30,633	–	Derivative financial instruments	–	–	1.90%	2019 - 2023

10 Deferred Taxation

Deferred tax assets and liabilities are attributable to the following:

	Group		Group	
	Assets 2019 $'000	**Liabilities 2019 $'000**	Assets 2018 $'000	Liabilities 2018 $'000
Investment properties	**–**	**(34,876)**	–	(21,160)
Tax losses carried forward	**7,941**	**–**	8,545	–
	7,941	**(34,876)**	8,545	(21,160)
Offset	**(5,792)**	**5,792**	(8,545)	8,545
Deferred tax asset/ (liabilities)	**2,149**	**(29,084)**	–	(12,615)

	Trust	
	Liabilities 2019 $'000	Liabilities 2018 $'000
Investment properties	**(6,056)**	(4)
Deferred tax liabilities	**(6,056)**	(4)

10 Deferred Taxation (continued)

Movement in temporary differences during the year:

	At 1 January $'000	Acquisition $'000	Recognised in profit or loss $'000	Exchange difference $'000	At 31 December $'000
Group					
2019					
Investment properties	**(21,160)**	**(7,974)**	**(6,292)**	**550**	**(34,876)**
Tax losses carried forward	**8,545**	**–**	**(400)**	**(204)**	**7,941**
Net deferred tax liabilities	**(12,615)**	**(7,974)**	**(6,692)**	**346**	**(26,935)**

	At 1 January $'000	Recognised in profit or loss $'000	At 31 December $'000
Trust			
2019			
Investment properties	**(4)**	**(6,052)**	**(6,056)**
Net deferred tax liabilities	**(4)**	**(6,052)**	**(6,056)**

	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)

	At 1 January $'000	Recognised in profit or loss $'000	At 31 December $'000
Trust			
2018			
Investment properties	(4)	–	(4)
Net deferred tax liabilities	(4)	–	(4)

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 2019 and 31 December 2018, the Group and Trust 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	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Trade receivables	**44,220**	29,258	**5,130**	7,331
Accrued income	**12,245**	11,384	**2,293**	2,289
Other receivables	**38,425**	43,898	**10,343**	5,126
Amount due from subsidiaries	**–**	–	**372,456**	17,306
Prepayments	**958**	1,183	**57**	8
	95,848	85,723	**390,279**	32,060

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.

12 Other Asset

Other asset for the Group relates to the economic benefits to be derived from an overseas asset acquired in 2018.

13 Cash and Cash Equivalents

	Group		Trust	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Bank balances	**123,652**	108,338	**30,192**	48,377
Short-term deposits	**32,224**	20,077	**31,521**	19,375
Cash and cash equivalents in the Consolidated Statement of Cash Flows	**155,876**	128,415	**61,713**	67,752

The cash and cash equivalents disclosed above include the cash acquired from the acquisition of interests in DC1 and KDCS4PL of $9.6 million (2018: KDCS5 LLP ($14.8 million)).

14 Loans from Subsidiaries

Trust

The loans from subsidiaries are unsecured, interest-bearing, and have loan maturities of one to six years (2018: one to four years) with interest ranging from 0.52% to 3.33% (2018: 0.40% to 3.59%) per annum.

Terms and debt repayment schedule

Terms and conditions of loans from subsidiaries are as follows:

			2019		2018	
	Interest rate % per annum	**Year of maturity**	**Face value $'000**	**Carrying amount $'000**	Face value $'000	Carrying amount $'000
Trust						
Non-current liabilities						
Loans from subsidiaries	0.52 - 3.33 (2018: 0.40 - 3.59)	2020 - 2026 (2018: 2019 - 2023)	**833,599**	**833,599**	543,952	543,952
Current liabilities						
Loans from subsidiaries	0.65 - 3.26 (2018: 2.48)	2019: 2020 (2018: 2019)	**36,789**	**36,789**	130,000	130,000

15 Loans and Borrowings

	Group		Trust	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Non-current liabilities				
Bank borrowings	**833,599**	543,952	**–**	–
Capitalised transaction costs of debt financing	**(1,517)**	(771)	**–**	–
	832,082	543,181	**–**	–
Finance lease liabilities	**–**	29,903	**–**	–
Lease liabilities	**48,373**	–	**10,898**	–
	880,455	573,084	**10,898**	–
Current liabilities				
Bank borrowings	**36,789**	130,000	**–**	–
Finance lease liabilities	**–**	3,563	**–**	–
Lease liabilities	**3,475**	–	**–**	–
	40,264	133,563	**–**	–
Total loans and borrowings	**920,719**	706,647	**10,898**	–

Borrowings for the Group denominated in currencies other than the Group's presentation currency amounted to $595.4 million (2018: $544.0 million). These balances are denominated in Australian Dollar ("AUD"), Euro ("EUR") and British Pound ("GBP"). The loans and borrowings are carried at amortised cost.

All bank borrowings will be unconditionally and irrevocably guaranteed by Perpetual (Asia) Limited, in its capacity as Trustee of Keppel DC REIT.

Lease liabilities include the effects of adoption of SFRS(I) 16 of $19,318,000 for the Group and $10,898,000 for the Trust, relating to the land options that the Group is reasonably certain to exercise.

Finance lease liabilities

As at 31 December 2018, the Group has obligations under finance leases that are payable as follows:

	Future minimum lease payments $'000	Financing costs $'000	Present value of minimum lease payments costs
Group			
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

Finance lease liabilities were reclassified to lease liabilities on 1 January 2019 arising from the adoption of SFRS(I) 16.

Terms and debt repayment schedule

Terms and conditions of outstanding financial liabilities are as follows:

			2019		2018	
	Interest rate % per annum	Year of maturity	Face value $'000	Carrying amount $'000	Face value $'000	Carrying amount $'000
Group						
Bank borrowings	0.52 - 3.33 (2018: 0.40 - 3.59)	2020 - 2026 (2018: 2019 - 2023)	**870,388**	**870,388**	673,952	673,952

16 Trade and Other Payables

	Group		Trust	
	2019 **$'000**	2018 $'000	**2019** **$'000**	2018 $'000
Trade payables	**7,377**	4,052	**2,246**	2,130
Amount due to subsidiaries	**–**	–	**2,921**	8,653
Interest payables	**1,345**	947	**–**	–
Other payables and accruals	**51,976**	37,482	**24,690**	18,786
	60,698	42,481	**29,857**	29,569

Amount due to subsidiaries are non-trade, unsecured, interest-free and repayable on demand.

As at 31 December 2019 and 31 December 2018, 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.

17 Provision for Taxation

Movement in current tax liabilities:-

	Group		Trust	
	2019 **$'000**	2018 $'000	**2019** **$'000**	2018 $'000
Beginning of financial year	**16,948**	10,332	**2,781**	906
Acquisition of a subsidiary	**23**	–	**–**	–
Income tax paid	**(15,507)**	(1,699)	**(1,015)**	(646)
Tax expense	**5,900**	8,780	**2,008**	2,521
Currency translation differences	**(306)**	(465)	**–**	–
	7,058	16,948	**3,774**	2,781

Included in provision for tax comprise withholding tax payable of $1,228,000 (2018: $10,654,000), 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	
	2019 $'000	2018 $'000
At 1 January	**16,416**	22,145
Net currency translation differences of financial statements of foreign subsidiaries	**(39,417)**	(23,434)
Less: Non-controlling interest	**13**	69
Net currency translation difference on borrowings designated as net investment hedge of foreign operations	**11,003**	17,636
At 31 December	**(11,985)**	16,416

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.

	2019			2018		
	Interest rate risk $'000	**Foreign exchange risk $'000**	**Total $'000**	Interest rate risk $'000	Foreign exchange risk $'000	Total $'000
Group						
At 1 January	**(2,770)**	**3,655**	**885**	(384)	99	(285)
Fair value (losses)/gains	**(6,660)**	**(433)**	**(7,093)**	(4,667)	3,556	(1,111)
	(9,430)	**3,222**	**(6,208)**	(5,051)	3,655	(1,396)
Reclassified to profit or loss, as hedged item has affected profit or loss (Note 22)	**1,718**	**–**	**1,718**	2,281	–	2,281
At 31 December	**(7,712)**	**3,222**	**(4,490)**	(2,770)	3,655	885

	2019			2018		
	Interest rate risk $'000	**Foreign exchange risk $'000**	**Total $'000**	Interest rate risk $'000	Foreign exchange risk $'000	Total $'000
Trust						
At 1 January	**–**	**3,655**	**3,655**	–	99	99
Fair value (losses)/gains	**–**	**(433)**	**(433)**	–	3,556	3,556
At 31 December	**–**	**3,222**	**3,222**	–	3,655	3,655

(c) 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 2019 and 31 December 2018.

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	
	2019 **$'000**	2018 $'000
Gross bank borrowings (Note 15)	**870,388**	673,952
Less: cash and cash equivalents (Note 13)	**(155,876)**	(128,415)
(1) Net borrowings	**714,512**	545,537
(2) Total Unitholders' funds and liabilities	**2,893,464**	2,227,989
Net debt to total funding ratio at end of the year	**0.25**	0.24

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			
	2019		2018	
	No. of Units	$'000	No. of Units	$'000
Units in issue:				
At 1 January	**1,351,578,450**	**1,378,025**	1,127,171,336	1,078,173
Issue of Units:				
Management fees [(a)]	**834,994**	**1,287**	407,114	561
Acquisition fees [(a)]	**2,992,300**	**5,851**	–	–
Issuance of Units[(b)]	**276,989,617**	**478,242**	224,000,000	303,072
Issue expenses (net)	**–**	**(8,386)**	–	(3,781)
At 31 December	**1,632,395,361**	**1,855,019**	1,351,578,450	1,378,025

(a) In 2019, the Trust issued 834,994 new Units (2018: 407,114) 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 SGP5 for the period from 1 October 2018 to 30 September 2019 (2018: 1 October 2017 to 30 September 2018).

The Trust also issued 2,992,300 new Units to the Manager as payment of acquisition fees for the acquisition of the 100.0% and 99.0% interest in Datacentre One Pte. Ltd. and Keppel DC Singapore 4 Pte. Ltd. respectively.

(b) Pursuant to the private placement announced on 16 September 2019, the Trust issued 135,000,000 new Units at an issue price of $1.744. The new Units were listed on 25 September 2019.

Pursuant to the pro-rated Preferential Offering announced on 16 September 2019, the Trust issued 141,989,617 new Units at an issue price of $1.710. The new Units were listed on 15 October 2019.

Pursuant to the private placement announced on 8 May 2018, 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) 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 2019 $'000	Group 2018 $'000
Rental income	**189,315**	167,158
Power related revenue	**30**	433
Other revenue	**5,481**	7,944
	194,826	175,535

Power related revenue refers to the recovery of power costs from clients. Other revenue mainly refers to rental top up income of $4.4 million (2018: $6.8 million) provided by the vendors of assets acquired and non-recurring service fee charged to clients as stipulated in the lease agreements.

Rental top up income included $363,000 (2018: Nil) provided by a related corporation as the vendor of an asset acquired during the financial year.

Contingent rent recognised as rental income amounted to $78.8 million (2018: $65.3 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	2019 $'000	2018 $'000
Power revenue		
- Australia	**580**	721
- Other countries	**(550)**	(288)
	30	433
Rental top up income		
- Singapore	**4,363**	4,000
- Italy	**–**	2,000
- Other countries	**–**	792
	4,363	6,792

21 Property operating expense

	Group 2019 $'000	Group 2018 $'000
Property-related taxes	**2,866**	2,674
Facility management costs	**8,816**	8,381
Repairs and maintenance	**1,635**	2,381
Other property-related costs	**4,226**	4,426
	17,543	17,862

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

22 Finance Costs

	Group	
	2019 $'000	2018 $'000
Interest expense for bank borrowings	**10,123**	9,494
Amortisation of:		
- lease charges	**4,357**	4,575
- capitalised transaction costs of debt financing	**362**	313
	14,842	14,382
Cash flow hedges, reclassified from hedging reserve (Note 18(b))	**1,718**	2,281
	16,560	16,663

23 Net change in fair value of investment properties

Included in net change in fair value of investment properties is an amount of fair value loss of $9,335,000 (2018: $Nil) pertaining to effects of recognising rental income on a straight-line basis over the lease terms and fair value loss of investment properties held directly by the Group of $6,613,000 (2018: fair value gain of $32,634,000).

24 Tax Expenses

	Group	
	2019 $'000	2018 $'000
Current tax expense	**5,900**	8,780
Deferred tax – origination and reversal of temporary differences	**6,692**	(3,768)
	12,592	5,012
Reconciliation of effective tax rate		
Profit before tax	**123,700**	151,021
Tax calculated using Singapore tax rate of 17% (2018: 17%)	**21,029**	25,674
Effects of tax rates in foreign jurisdictions	**3,781**	1,680
Income not subject to tax	**(15,688)**	(20,291)
Non-deductible expenses	**12,805**	7,173
Utilisation of previously unrecognised tax benefits	**(1,258)**	(2,885)
Effect of unrecognised temporary differences	**3,514**	3,505
Tax transparency	**(11,591)**	(9,844)
	12,592	5,012

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 $3,863,000 (2018: $2,902,000) relating to overseas subsidiaries.

25 Non-Controlling Interests

As at 31 December 2019, non-controlling interests in relation to KDCS3 LLP and KDCS5 LLP are significant to the Group. Set out below are the summarised financial information for KDCS3 LLP and KDCS5 LLP. These are presented before inter-company eliminations.

	KDCS3 LLP		**KDCS5 LLP**	
Summarised balance sheet	**2019 $'000**	2018 $'000	**2019 $'000**	2018 $'000
Current				
Assets	**30,947**	27,070	**23,990**	25,891
Liabilities	**(1,437)**	(2,411)	**(2,156)**	(9,947)
Total current net assets	**29,510**	24,659	**21,834**	15,944
Non-current				
Assets	**268,535**	257,000	**331,000**	316,000
Liabilities	**(3,535)**	(6,052)	**(2,712)**	–
Total non-current net assets	**265,000**	250,948	**328,288**	316,000
Net assets	**294,510**	275,607	**350,122**	331,944
Summarised income statement				
Revenue	**30,701**	30,765	**27,235**	10,659
Profit before tax	**36,387**	38,030	**33,164**	36,076
Income tax	**6,442**	–	**(885)**	(1,828)
Profit after tax	**42,829**	38,030	**32,279**	34,248
Other comprehensive income	**–**	–	**–**	–
Total comprehensive income	**42,829**	38,030	**32,279**	34,248
Total comprehensive income allocated to non-controlling interest	**4,283**	3,803	**323**	342
Dividends paid to non-controlling interest	**(2,393)**	(2,646)	**(89)**	(72)
Summarised cash flows				
Cash flows from operating activities				
Cash generated from operations	**28,229**	16,524	**18,782**	(156,549)
Income tax paid	**–**	–	**–**	–
Net cash generated from/(used in) operating activities	**28,229**	16,524	**18,782**	(156,549)
Net cash (used in)/generated from investing activities	**(1,023)**	331	**(7,619)**	(10,408)
Net cash (used in)/generated from financing activities	**(23,926)**	(26,459)	**(14,101)**	179,587
Net increase/(decrease) in cash and cash equivalents	**3,280**	(9,604)	**(2,938)**	12,630
Cash and cash equivalent at the beginning of financial year	**13,762**	23,366	**14,818**	2,188
Cash and cash equivalent at the end of financial year	**17,042**	13,762	**11,880**	14,818

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

26 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	
	2019 $'000	2018 $'000
Profit attributable to Unitholders	**106,502**	141,881
Profit attributable to Unitholders (excluding net change in fair value of investment properties and their related deferred tax impact)	**124,629**	108,606

	Number of Units	
	2019 $'000	2018 $'000
Weighted average number of Units:		
- outstanding during the year	**1,278,968**	1,129,884
- effects of Units issued	**139,146**	149,084
Weighted average number of Units during the year	**1,418,114**	1,278,968

	Group	
	2019	2018
Basic and diluted earnings per Unit (cents)	**7.51**	11.09
Basic and diluted earnings per Unit (cents) (excluding net change in fair value of investment properties and their related deferred tax impact)	**8.79**	8.49

(b) Distribution per Unit

The calculation of distribution per Unit for the financial year is based on:

	Group	
	2019 $'000	2018 $'000
Total amount available for distribution for the year	**113,245**	96,096
Distribution per Unit (cents)	**7.61**	7.32

The amount available for distribution for the financial year included capital expenditure reserves set aside for certain assets of $4.9 million (2018: $3.3 million).

27 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 38.3% (2018: 17.6%) and 1.3% (2018: 22.1%) 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 45.5% (2018: 23.2%) of the trade receivables carrying amount as at the reporting date. The Trust's 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.

27 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				
2019				
Non-derivative financial liabilities				
Bank borrowings	(930,223)	(51,509)	(521,498)	(357,216)
Lease liabilities	(135,601)	(9,062)	(32,228)	(94,311)
Trade and other payables	(60,698)	(60,698)	–	–
	(1,126,522)	(121,269)	(553,726)	(451,527)
Derivative financial instruments				
Forward foreign exchange contracts				
- Outflow	(82,502)	(43,896)	(38,606)	–
- Inflow	85,724	46,775	38,949	–
Interest rate swaps	(7,567)	(2,801)	(5,265)	499
	(4,345)	78	(4,922)	499
2018				
Non-derivative financial liabilities				
Bank borrowings	(705,367)	(140,381)	(564,986)	–
Trade and other payables	(42,481)	(42,481)	–	–
	(747,848)	(182,862)	(564,986)	–
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	–

	Contractual cash flows (including finance costs)			
	Total $'000	Within 1 year $'000	Within 1 to 5 years $'000	More than 5 years $'000
Trust				
2019				
Non-derivative financial liabilities				
Loans from subsidiaries	**(922,656)**	**(48,707)**	**(516,233)**	**(357,716)**
Lease liabilities	**(12,004)**	**(284)**	**(11,720)**	**–**
Trade and other payables	**(29,857)**	**(29,857)**	**–**	**–**
	(964,517)	**(78,848)**	**(527,953)**	**(357,716)**
Derivative financial instruments				
Forward foreign exchange contracts				
- Outflow	**(82,502)**	**(43,896)**	**(38,606)**	**–**
- Inflow	**85,724**	**46,775**	**38,949**	**–**
	3,222	**2,879**	**343**	**–**
2018				
Non-derivative financial liabilities				
Loans from subsidiaries	(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	–

27 Financial Risk Management (continued)

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 2019 $'000	Notional amount 2018 $'000
Fixed rate instruments		
Interest rate swaps	(711,466)	(581,784)
Lease liabilities	(51,848)	(33,466)
Variable rate instruments		
Bank borrowings	(870,388)	(673,952)
Interest rate swaps	711,466	581,784

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.

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 2019 and 31 December 2018, the Group is not exposed to significant floating interest rate risk since its floating rate bank borrowings are substantially hedged with interest rate swaps. The Group has applied hedge accounting in order to manage volatility in profit or loss.

As at 31 December 2019 and 31 December 2018, 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					
2019					
Interest rate swaps					
Assets	33	665	171	177	317
Liabilities	(7,745)	(8,731)	(2,972)	(2,849)	(2,910)
	(7,712)	(8,066)	(2,801)	(2,672)	(2,593)
Forward exchange contracts					
Assets	3,364	3,364	2,879	485	–
Liabilities	(142)	(142)	–	(142)	–
	3,222	3,222	2,879	343	–
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	–

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 $82.5 million (2018: $ 87.0 million). The net positive fair value of forward foreign exchange contracts is $3.2 million (2018: $0.3 million) comprising assets of $3.3 million (2018: $2.0 million) and liabilities of $0.1 million (2018: $1.7 million). These amounts are recognised as derivative financial instruments in Note 9.

27 Financial Risk Management (continued)

Foreign currency risk (continued)

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:

	2019			2018		
	AUD $'000	EUR $'000	GBP $'000	AUD $'000	EUR $'000	GBP $'000
Group						
Cash and cash equivalents	17,849	51,192	8,912	17,186	33,816	6,442
Trade receivables and other receivables	5,290	6,611	290	9,130	15,282	84
Bank borrowings	(79,007)	(431,629)	(84,751)	(85,955)	(373,891)	(84,106)
Trade payables and other payables	(5,194)	(11,453)	(731)	(2,631)	(14,609)	(832)
Add: Firm commitments and highly probable forecast transactions in foreign currencies	24,668	44,518	13,316	28,617	47,043	13,261
Less: Forward exchange contracts	(24,668)	(44,518)	(13,316)	(28,617)	(47,043)	(13,261)
Add: Net investment hedge	579	11,068	(644)	1,101	12,974	3,561
Net exposure	(60,483)	(374,211)	(76,924)	(61,169)	(326,428)	(74,851)

The summary of quantitative data about the Trust's exposure to currency risk as reported to the management of the Trust is as follows:

	2019			2018		
	AUD $'000	EUR $'000	GBP $'000	AUD $'000	EUR $'000	GBP $'000
Trust						
Cash and cash equivalents	8,660	8,279	5,712	3,443	17,609	4,617
Trade receivables and other receivables	3,941	7,156	–	8,781	673	266
Trade payables and other payables	(176)	(730)	(1,658)	(188)	(2,236)	(1,669)
Loans from subsidiaries	(79,007)	(431,629)	(84,751)	(85,955)	(373,891)	(84,106)
Loans to subsidiaries	116,490	157,121	–	126,733	96,605	–
Add: Firm commitments and highly probable forecast transactions in foreign currencies	24,668	44,518	13,316	28,617	47,043	13,261
Less: Forward exchange contracts	(24,668)	(44,518)	(13,316)	(28,617)	(47,043)	(13,261)
Net exposure	49,908	(259,803)	(80,697)	52,814	(261,240)	(80,892)

Sensitivity analysis:
A 10% (2018: 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	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
AUD	**6,048**	6,117	**4,991**	5,281
EUR	**37,421**	32,643	**25,980**	26,124
GBP	**7,692**	7,485	**8,070**	8,089
	51,161	46,245	**39,041**	39,494

A 10% (2018: 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.

Financial instruments by category

	Group		Trust	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Financial assets at amortised cost	**253,134**	190,320	**448,545**	97,344
Financial liabilities at amortised cost	**(931,086)**	(716,433)	**(900,245)**	(703,521)

28 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.

The carrying amounts of the Trust's interest-bearing amounts owing by subsidiaries are assumed to approximate their fair values because of the short period to maturity.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

28 Fair Value of Assets and Liabilities (continued)

Determination of fair values (continued)

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				
2019				
Derivative financial assets	–	3,397	–	3,397
Investment properties	–	–	2,637,026	2,637,026
	–	3,397	2,637,026	2,640,423
Derivative financial liabilities	–	(7,887)	–	(7,887)
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)
Trust				
2019				
Derivative financial assets	–	3,364	–	3,364
Investment properties	–	–	480,898	480,898
	–	3,364	480,898	484,262
Derivative financial liabilities	–	(142)	–	(142)
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)

There were no transfers between levels of the fair value hierarchy during the years ended 31 December 2019 and 31 December 2018.

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: 5.50% to 10.25% (2018: 5.75% to 10.75%)	The estimated fair value varies inversely against the capitalisation rate.
Discounted cash flow approach	Discount rate: 4.75% to 12.00% (2018: 5.50% to 12.25%)	The estimated fair value varies inversely against the discount rate and terminal yield rate.
	Terminal yield rate: 4.75% to 15.00% (2018: 5.52% to 16.00%)	

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.

29 Leases

Nature of the leasing activities

The Group as a lessee

Leasehold land
The Group makes annual lease payments for the leasehold land of iseek DC and KDC DUB 1.

For leasehold land that contain extension periods, the related lease payments amounting $19,318,000 (Note 4) had been included in investment properties and lease liabilities respectively as the Group is reasonably certain to exercise these extension options.

For the remaining investment properties that are on leasehold land, the Group has secured the right-of-use at the point of acquisition of investment properties.

The right-of-use of the leasehold land has been classified as investment properties (Note 4) and are stated at fair value at balance sheet date.

There is no externally imposed covenant on these lease arrangements.

Future cash outflow which are not capitalised in lease liabilities

The leases for certain leasehold lands contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension options. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and not by the lessor.

29 Leases (contiuned)

Nature of the leasing activities (contiuned)

The Group as a lessor

Leasehold land
The Group have leased out their owned investment properties to a third party for monthly lease payments. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees for the term of the lease. This lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from investment properties are disclosed in Note 20.

Undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

Operating leases under SFRS (I) 16	Group 2019 $'000
Less than one year	121,227
One to two years	108,299
Two to three years	107,853
Three to four years	105,808
Four to five years	107,489
More than five years	593,724
Total undiscounted lease payment	1,144,400

As at 31 December 2018, the future minimum lease receivables under non-cancellable operating leases contracted for but not recognised as receivables, are as follows:

Operating leases under SFRS (I) 1-17	Group 2018 $'000
Within one year	100,913
Between one and five years	344,947
More than five years	418,919
	864,779

30 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	
	2019 $'000	2018 $'000
Fixed rental income from related corporations	19,209	15,548
Variable rental income from related corporations	78,827	65,286
Management base fees to the Manager	(10,218)	(8,922)
Management performance fees to the Manager	(5,794)	(5,062)
Acquisition fees to the Manager	(5,937)	(4,308)
Facility management fees to related corporations	(3,185)	(2,977)
Support services fee to a related corporation	(172)	(574)
Purchase consideration paid to a related corporation in relation to an interest in DC1	(104,255)	–
Purchase consideration paid to a related corporation in relation to an interest in KDC SGP 4	(392,848)	–

31 Commitments and Contingencies

Capital commitments

In December 2019, Keppel DC REIT entered into a Supplemental Deed to supplement the existing master lease agreement dated 12 April 2016 with the master lessee in DC1. Keppel DC REIT shall pay up to $56.6 million to fund the costs of the additional core M&E.

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 August 2018, the Group entered into an agreement to construct a new shell and core data centre on the vacant land within the current IC2 DC 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 in 2020.

Guarantees

Group

The Group provided bank guarantee of approximately $0.5 million (2018: $0.6 million) to a lessor of a leasehold land under a lease agreement.

Trust

The Trust has provided bank guarantee amounting to approximately $0.5 million (2018: $0.6 million) to the bank for a lease agreement entered by a subsidiary.

32 Financial Ratios

	Group	
	2019 %	2018 %
Expenses to average net assets[1]		
- including asset management fees	**1.53**	1.84
- excluding asset management fees	**0.51**	0.77

	Group	
	2019	2018
Operating expenses[2] ($'000)	**50,364**	39,881
Operating expenses[2] to net asset value as at 31 December (%)	**3.19**	3.04

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.

33 Operating Segments

The Group has 17 (2018: 15) 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.

Information about reportable segments

By type of asset

	2019			
	Colocation $'000	Fully-fitted $'000	Shell and core $'000	Total $'000
Gross revenue	145,752	33,357	15,717	194,826
Net property income	129,387	33,057	14,839	177,283
Finance income	1,123	32	27	1,182
Finance costs	(9,396)	(4,697)	(2,252)	(16,345)
Amortisation of intangible assets	(4,363)	–	–	(4,363)
Net change in fair value of investment properties	(14,848)	(2,889)	1,789	(15,948)
Reportable segment profit before tax	102,247	23,710	11,948	137,906
Unallocated amounts:				
- Finance costs				(215)
- Other corporate expenses				(13,991)
Profit before tax				123,700
Segment assets	1,880,917	533,789	448,178	2,862,884
Other unallocated amounts				65,110
Consolidated assets				2,927,994
Segment liabilities	508,399	286,952	187,376	982,727
Other unallocated amounts				42,719
Consolidated liabilities				1,025,446
Other segment items:				
Capital expenditure/net additions	50,892	3,739	2,363	56,994

	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)
Net change in fair value of investment properties	18,253	(1,626)	16,007	32,634
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:				
Capital expenditure/net additions	27,325	6,102	433	33,860

By geographical area

	Group	
	2019 $'000	2018 $'000
Gross revenue		
- Singapore	**107,397**	85,838
- Australia	**29,099**	30,439
- Ireland	**22,061**	22,620
- United Kingdom	**10,494**	10,769
- Other countries	**25,775**	25,869
Total gross revenue	**194,826**	175,535
Investment properties		
- Singapore	**1,665,518**	1,029,000
- Australia	**286,798**	305,530
- Ireland	**201,942**	205,593
- The Netherlands	**135,165**	139,011
- Germany	**137,119**	135,517
- Other countries	**210,484**	214,021
Total carrying value of investment properties	**2,637,026**	2,028,672

Major customers

Gross revenue of $116.0 million (2018: $98.3 million) is derived from 2 external clients from Singapore and Australia. (2018: Singapore and Australia).

34 Subsequent Events

On 21 January 2020, the Manager declared a distribution of 1.95 cents per Unit for the period from 25 September 2019 to 31 December 2019.

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 Person	Nature of Relationship	Aggregate value of all interested person transaction during the financial period under review (excluding transactions less than S$100,000) FY2019 S$'000	FY2018 S$'000
Temasek Holdings Group	*Controlling Unitholder* of the REIT and *Controlling Shareholder* of the REIT Manager		
- Rental income in relation to a supplementary deed [1]		**73,580**	-
- Rental income [2]		**2,985**	-
- Professional and consultancy fees		**165**	-
Keppel Corporation Limited and its subsidiaries	*Controlling Unitholder* of the REIT and *Controlling Shareholder* of the REIT Manager		
- Acquisition of an interest in KDC SGP 4 [3]		**392,848**	-
- Manager's acquisition fees		**5,937**	4,308
- Manager's management fees		**16,012**	13,984
- Fixed rental income [3]		**144,476**	2,970
- Variable rental income		**76,109**	62,692
- Facility management fees and property management fees		**3,075**	2,872
- Support services fees		**581**	574
Keppel Infrastructure Trust and its subsidiaries	*Associate* of *Controlling Unitholder* of the REIT and *Associate* of *Controlling Shareholder* of the REIT Manager	**104,255**	-
- Acquisition of an interest in DC1[2]			
Perpetual (Asia) Limited	*Trustee* of the REIT	**311**	221
- Trustee fees			

1 The entry into a supplemental deed with the master lessee, to supplement the existing master lease agreement dated 12 April 2016 in relation to DC1 which was announced on 10 December 2019. The additional rent ranges from S$6.890 million per annum to S$7.358 million per annum, with the S$7.358 million figure being the upper end of the range for a period of 10 years.

2 As disclosed in the Circular to the Unitholders dated 8 October 2019 on the proposed acquisition of the shares in the company which holds DC1 ("DC1PL"), Keppel DC REIT will be taking over the existing master lease as purchaser of DC1PL. The master lease was an existing master lease entered into by DC1PL and not an additional or new transaction entered into by Keppel DC REIT. Keppel DC REIT has on 31 October 2019 completed the acquisition of DC1PL.

3 Pursuant to Unitholders' approvals obtained at the general meetings held on 16 April 2019 and 23 October 2019, the agreements pertaining to Keppel DC Singapore 5 and Keppel DC Singapore 4 were executed in 2019.

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 30 in the financial statements.

SUBSCRIPTION OF KEPPEL DC REIT UNITS

During the financial year ended 31 December 2019, Keppel DC REIT issued:

1. 135,000,000 new Units pursuant to the Private Placement at an issue price of S$1.744 per Unit;
2. 141,989,617 new Units pursuant to the Preferential Offering at an issue price of S$1.71 per Unit;
3. 2,992,300 new Units to the Manager as payment of acquisition fees in respect of 99% interest in Keppel DC Singapore 4 and 100% interest in DC1 at an issue price ranging from S$1.9389 - S$1.9879; and
4. 834,994 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 2018 to 30 September 2019 at issue prices ranging from $1.3707 - $2.0004 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 2018[1] (the "2018 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 2018 Code and its accompanying Practice Guidance.

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.

BOARD MATTERS: THE BOARD'S CONDUCT OF AFFAIRS

Principle 1:

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Principle 3:

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

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.

Role: The principal functions of the Board are to:

- provide entrepreneurial leadership and decide on matters in relation to Keppel DC REIT's and the Manager's activities of a significant 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 (including appropriate focus on value creation, innovation and sustainability) to be implemented by management, and monitor the performance of management and ensure that the Manager has necessary resources to meet its strategic objectives;

- hold management accountable for performance and ensure proper accountability within Keppel DC REIT and the Manager;

[1] The Code of Corporate Governance 2018 issued by the Monetary Authority of Singapore on 6 August 2018.

CORPORATE GOVERNANCE

- oversee processes for evaluating the adequacy and effectiveness of internal controls, risk management, financial reporting and compliance, and satisfy itself as to the adequacy of such processes;

- be responsible for the governance of risk and ensure that management maintains a sound system of risk management and internal controls, to safeguard the interests of Keppel DC REIT and its stakeholders; and

- assume responsibility for corporate governance and ensure transparency and accountability to key stakeholder groups.

Internal Limits of Authority: 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.

Independent Judgment: 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.

Conflicts of Interest: All Directors are required to promptly disclose any conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with Keppel DC REIT or the Manager as soon as is practicable after the relevant facts have come to his knowledge, and recuse themselves when the conflict-related matter is discussed unless the Board is of the opinion that his / her presence and participation is necessary to enhance the efficacy of such discussion, and abstain from voting in relation to conflict-related matters. On an annual basis, each Director is also required to submit details of his or her associates for the purpose of monitoring interested persons transactions.

Board Committees: 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.

Meetings: 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 financial 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. Board meetings are scheduled and circulated to the Directors prior to the start of the financial year to allow Directors to plan ahead to attend such meetings, so as to maximise participation.

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.

The number of Board and Board committee meetings held in FY 2019, as well as the attendance of each Board member at these meetings, are disclosed in the table below.

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.

Closed Door Directors' Meetings: Time is also set aside at the end of each scheduled quarterly Board meeting for closed door discussions without the presence of management to discuss matters such as board processes, corporate governance initiatives, succession planning, and performance management and remuneration matters.

Company Secretaries: The Company Secretaries administer, attend and prepare minutes of Board proceedings. They assist the Chairman to ensure that Board procedures (including but not limited to assisting the Chairman to ensure timely and good information flow to the Board and its Board committees, and between Management and the Directors) are followed and regularly reviewed to ensure effective functioning of the Board and that the Manager's constitution and relevant rules and regulations are complied with. They also assist the Chairman and the Board to implement corporate governance practices and processes with a view to enhancing long-term Unitholder value. They are also the primary channel of communication between Keppel DC REIT and the Singapore Exchange Limited (SGX).

The appointment and removal of each of the Company Secretaries are subject to the approval of the Board as a whole.

Access to Information: 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

Director	Board Meetings Attended	Audit and Risk Committee Meetings Attended	Nominating and Remuneration Committee Meetings Attended
Ms Christina Tan	7	-	3
Mr Lee Chiang Huat	7	5	-
Mr Leong Weng Chee (resigned w.e.f 17 April 2019)	3 out of 3	2 out of 2	-
Mr Dileep Nair	7	5	3
Dr Tan Tin Wee	7	-	3
Mr Thomas Pang	7	-	-
Mr Low Huan Ping (appointed w.e.f 28 February 2019)	5 out of 5	4 out of 4	-
Mr Kenny Kwan (appointed w.e.f 28 February 2019)	5 out of 5	-	2 out of 2
No. of Meetings held in FY 2019	7	5	3

debate and challenge management on its assumptions and proposals and that for this to happen, the Board must be kept well informed of Keppel DC REIT's businesses and affairs and be knowledgeable about the industry in which the businesses operate.

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. 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.

As a general rule, Board papers are required to be distributed to Directors at least seven days before the Board meeting so that the Directors may better understand the matters prior to the Board meeting and discussions may be focused on questions that the Directors may have. Directors are provided with tablet devices to facilitate their access to and review of board materials. However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed. Managers who can provide additional insight into the matters at hand would be present at the relevant time during the Board meeting. The Directors are also provided with the names and contact details of senior management and the Company Secretaries to facilitate direct access to senior management and the Company Secretaries. The Directors are entitled to request from management, and would be provided with, such additional information as may be needed from time to time in order to make informed decisions.

Subject to the approval of the Chairman, the Directors, whether as a group or individually, may seek and obtain independent professional advice to assist them in their duties, at the expense of Keppel DC REIT.

The Board reviews the budget on an annual basis, and any material variance between the projections and actual results would be disclosed and explained. A board strategy meeting is organised annually for in-depth discussion on strategic issues and direction of Keppel DC REIT, to give the Directors a better understanding of Keppel DC REIT and its businesses, and to provide an opportunity for the Directors to familiarise themselves with the management team so as to facilitate the Board's review of Keppel DC REIT's succession planning.

Director Orientation: A formal letter is sent to newly-appointed Directors upon their appointment explaining their roles, duties, obligations and responsibilities as a 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.

Training: 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 or other applicable legislation 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. All induction, training and development costs are at the Manager's expense.

Chairman and CEO: 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, with the assistance of the Company Secretaries, schedules meetings and prepares meeting agenda to enable the Board to perform its duties responsibly having regard to the flow of Keppel DC REIT's operations.

She sets guidelines on and monitors the flow of information from management to the Board to ensure that all material information is provided in a timely manner to the Board for the Board to make good decisions. She also encourages constructive relations between the Board and management. At Board meetings, the Chairman encourages a full and frank exchange of views, drawing out contributions from all Directors so that the debate benefits from the full diversity of views, in a robust yet collegiate setting.

At annual general meetings ("AGM") and other Unitholders' meetings, the Chairman ensures constructive dialogue between Unitholders, the Board and management. The Chairman sets the right ethical and behavioural tone and takes a leading role in Keppel DC REIT's drive to achieve and maintain a high standard of corporate governance with the full support of the Directors, Company Secretaries and management.

The CEO, assisted by management, makes strategic proposals to the Board and after robust and constructive Board discussion, executes the agreed strategy, manages and develops Keppel DC REIT's businesses and implements the Board's decisions.

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.

BOARD MATTERS: BOARD COMPOSITION AND GUIDANCE

Principle 2:

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Principle 4:

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of 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 and oversee the Board and senior management's succession plans and conducting annual review of board diversity, board size, board independence and directors' commitment. 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;

(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;

(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 appointments of Ms Christina Tan and Mr Lee Chiang Huat as Directors were last endorsed by Unitholders on 18 April 2017, the Manager is seeking the re-endorsement of the appointments of Ms Christina Tan and Mr Lee Chiang Huat at the AGM to be held in 2020.

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.

Alternate Director
The Manager has no alternate directors on the Board.

Board Diversity
The Manager recognizes that diversity in relation to composition of the Board provides a range of perspectives, insights and challenge needed to support good decision-making for the benefit of Keppel DC REIT, and is committed to ensuring that the Board comprises directors who, as a group, provide an appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity (such as gender and age) so as to promote the inclusion of different perspectives and ideas, mitigate against groupthink and ensure that Keppel DC REIT has the opportunity to benefit from all available talent.

It is paramount that the Manager continues to maintain the appropriate balance and mix of skills, knowledge and experience on the Board to support the needs and long-term sustainability of Keppel DC REIT's and the Manager's businesses. When assessing Board composition or identifying suitable candidates for appointment or re-endorsement to the Board, the Manager will consider candidates on merit against objective criteria set by the Board after having given due regard to the benefits of diversity and the needs of the Board.

The Manager has in place a Board Diversity Policy that sets out the framework and approach for the Board to set its qualitative and measurable quantitative objectives for achieving diversity, and to annually assess the progress in achieving these objectives.

The Board will, taking into consideration the recommendations of the NRC, review and agree annually the qualitative and measurable quantitative objectives for achieving diversity on the Board. At the recommendation of the NRC and in recognition of the merits of gender diversity, the Board has committed to ensuring female candidates are included for consideration when identifying suitable candidates for new appointment to the Board. As of 31 December 2019, there was one female Director out of a total of seven Directors on the Board.

Annual Review of Board Size and Composition
The Board consists of seven members, five of whom are non-executive independent Directors.

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 nature of the Directors' appointments on the Board and details of their Board committee membership are set out in the Appendix hereto.

The NRC has recently conducted its assessment in January 2020 and is satisfied that the Board and the Board committees comprise Directors who as a group provide an appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The NRC is also satisfied that the Directors, as a group, possess core competencies such as accounting or finance, legal and regulatory, 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.

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 Provision 2.2 of the 2018 Code, at least a majority 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.

Board Independence
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 2018 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 2018 Code, a Director who has no relationship with the Manager, its related companies, its 5% 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.

Taking into account the views of the NRC, the Board has determined that:

(i) each of Dr Tan Tin Wee, Mr Dileep Nair and Mr Low Huan Ping (1) has 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 a whole;

(iii) Mr Kenny Kwan (1) has been independent from the management of 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. The Board has also determined that Mr Kwan shall nevertheless be considered independent notwithstanding that he is a partner of Baker & McKenzie.Wong & Leow which is one of the Singapore law firms providing legal services to the Keppel Group. Taking into consideration Mr Kwan having declared that (a) he does not hold a substantial partnership interest (less than 5%) in Baker & McKenzie.Wong & Leow, (b) he has not provided any legal services to Keppel DC REIT, and (c) he does not regard the business relationship which Baker & McKenzie.Wong & Leow 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 a whole; and

(iv) 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.

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.

Taking into account the independence and diversity of the Board, the NRC is of the view that the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of Keppel DC REIT.

Annual Review of Directors' Time Commitments

The NRC assesses annually whether a director is able to and has been adequately carrying out his duties as a Director. Instead of fixing a maximum number of listed company board representation and/or other principal commitments that a director may have, the NRC assesses holistically whether a director is able to and has been adequately carrying out his/her duties as a Director, taking into account the results of the assessment of the effectiveness of the individual Director, the level of commitment required of the Director's listed company board representations and/or other principal commitments, and the Director's actual conduct and participation on the Board and Board committees, including availability and attendance at regular scheduled meetings and ad-hoc meetings. The NRC is of the view that such an assessment is sufficiently robust to detect and address, on a timely basis, any time commitment issues that may hinder the effectiveness of the directors.

Taking into account the abovementioned factors, the NRC was of the view that each Director has given sufficient time and attention to the affairs of Keppel DC REIT and the Manager and has been able to discharge his duties as director effectively.

Key Information Regarding Directors

The following key information regarding Directors are set out in the following pages of this Annual Report:

Pages 12 to 14: 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 164: Unitholdings in Keppel DC REIT as at 21 January 2020.

BOARD MATTERS: BOARD PERFORMANCE

Principle 5:

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

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.

Independent Coordinator: 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.

Formal Process and Performance Criteria: The evaluation processes and performance criteria are set out in the Appendix hereto.

Objectives and Benefits: The Board assessment exercise provided an opportunity to obtain constructive feedback from each Director on whether the Board's procedures and processes allow him or her to discharge his or her 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.

REMUNERATION REPORT

Principle 6:

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Principle 7:

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Principle 8:

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The composition of the NRC has been set out under Principle 4 on page 145. 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 2019, the NRC undertook a comprehensive review of the pay mix for key management personnel and non-executive Directors' fees with the assistance of 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 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 2019, the NRC, in consultation with Aon Hewitt, conducted a review of the 2019/2020 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 to include payment of units in Keppel DC REIT (Keppel DC REIT Units) to Directors. The incorporation of an equity component in the total remuneration of the Directors is intended to achieve the objective of aligning the interests of the Directors with those of Unitholders and the long-term interests of Keppel DC REIT.

Each of the Directors will receive 80% of his or her total Director's fees in cash and the balance 20% in the form of Keppel DC REIT Units. The Director's fees for Ms Christina Tan and Mr Thomas Pang will be paid in cash to Keppel Capital and Keppel T&T respectively.

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 FY2019, the NRC undertook a pay mix review for key management personnel with the assistance of Aon Hewitt. The exercise is to achieve market competitive base pay versus short term incentives while maintaining total compensation competitiveness.

The current total remuneration structure reflects four key objectives:

(a) Unitholder alignment: To incorporate performance measures that are aligned to Unitholder's interests

(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 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 FRAMEWORK FOR DETERMINING THE DIRECTORS' FEES IS SHOWN IN THE TABLE BELOW:

	Chairman	Director	Member
Main Board	S$90,000 per annum	S$55,000 per annum	-
Audit and Risk Committee	S$30,000 per annum	-	S$20,000 per annum
Nominating and Remuneration Committee	S$20,000 per annum	-	S$12,000 per annum

CORPORATE GOVERNANCE

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 FY2019.

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 149 and 150.

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 Substantial Shareholders/Unitholders or Immediate Family Members of a Director, Chief Executive Officer or a Substantial Shareholder/Unitholder

No employee of the Manager was a substantial shareholder of the Manager or a substantial unitholder of Keppel DC REIT or an immediate family member of a Director, the CEO, a substantial shareholder of the Manager or a substantial unitholder of Keppel DC REIT and whose remuneration exceeded S$100,000 during the financial year ended 31 December 2019. "Immediate family member" refers to the spouse, child, adopted child, step-child, brother, sister and parent.

AUDIT COMMITTEE

Principle 10:

The Board has an Audit Committee which discharges its duties objectively

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.

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 three 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 and Mr Low Huan Ping.

LEVEL AND MIX OF REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL FOR THE YEAR ENDED 31 DECEMBER 2019

The level and mix of each of the Directors' remuneration are set out below:

Name of Director	Base/ Fixed Salary (S$)	Variable or Performance-related Income/Bonuses (S$)	Directors' Fees[1] (S$)	Benefits-in-Kind (S$)
Christina Tan[2]	-	-	102,000	-
Lee Chiang Huat	-	-	85,000	-
Thomas Pang Thieng Hwi[3]	-	-	55,000	-
Dileep Nair	-	-	87,000	-
Leong Weng Chee[4]	-	-	21,781	-
Dr Tan Tin Wee	-	-	75,000	-
Low Huan Ping[5]	-	-	63,082	-
Kenny Kwan[6]	-	-	56,353	-

1. Unless otherwise stated, each of the Directors will receive 80% of his/her total Director's fee in cash and the balance 20% in the form of Keppel DC REIT Units.
2. Ms Christina Tan's fees will be paid 100% in cash to Keppel Capital.
3. Mr Thomas Pang's fees will be paid 100% in cash to Keppel T&T.
4. Mr Leong Weng Chee ceased to be a member of the Board and a member of the ARC with effect from 17 April 2019. Fees are pro-rated accordingly and will be paid 100% in cash.
5. Mr Low Huan Ping was appointed as a member of the Board and a member of the ARC with effect from 28 February 2019. Fees are pro-rated accordingly.
6. Mr Kenny Kwan was appointed as a member of the Board and a member of the NRC with effect from 28 February 2019. Fees are pro-rated accordingly.

The level and mix of the remuneration of the CEO and each of the other key management personnel, in bands of S$250,000, are set out below:

				Contingent award of units/ shares	
Remuneration Band and Names of CEO and Key Management Personnel (1)	Base/ Fixed Salary	Variable or Performance-related Income/ Bonuses (2)	Benefits-in-kind	PUP (3)	RUP (3)
Above S$1,000,000 to S$1,250,000					
Chua Hsien Yang	37%	25%	n.m (4)	14%	24%
Above S$500,000 to S$750,000					
Lee Meng Hoon, Anthea	53%	29%	n.m (4)	-	18%
Above S$250,000 to S$500,000					
Thng Bee Lay	64%	27%	n.m (4)	-	9%
Adam Lee	54%	35%	n.m (4)	-	11%

1. The Manager has less than five key management personnel other than the CEO.
2. The Nominating and Remuneration Committee 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 FY2019 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 2019 (being the grant date), the estimated value of each unit granted in respect of the contingent awards under the KDCRM PUP was S$1.20. As at 17 February 2020 (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 S$2.40. 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. "n.m" means not material.

At least two of the members of the ARC have accounting or related financial management expertise or experience.

None of the ARC members were former partners or directors of Keppel DC REIT's external auditor, PricewaterhouseCoopers LLP ("PwC"), within the last 2 years or hold any financial interest in PwC.

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 five ARC meetings were held in 2019. 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 2019, an aggregate amount of S$264,000, comprising audit service fees of S$245,000 and non-audit service fees of S$19,000, 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 independence and performance of the internal audit function and was satisfied that the internal audit team was independent, adequately resourced and effective in performing 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 159 and 160 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 9:

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

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 seven times in 2019. 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 59 and 60 of this Annual Report. The Manager is guided by a set of Risk Tolerance Guiding Principles, as disclosed on page 59.

The Manager has in place a risk management assessment framework which was established to facilitate the 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
Keppel DC REIT's and the Manager's internal auditor conduct an annual risk-based review of the adequency and 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 team. Employees are guided by the Manager's core values and expected to comply strictly with the Keppel Group 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 Chief Financial Officer ("CFO") 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.

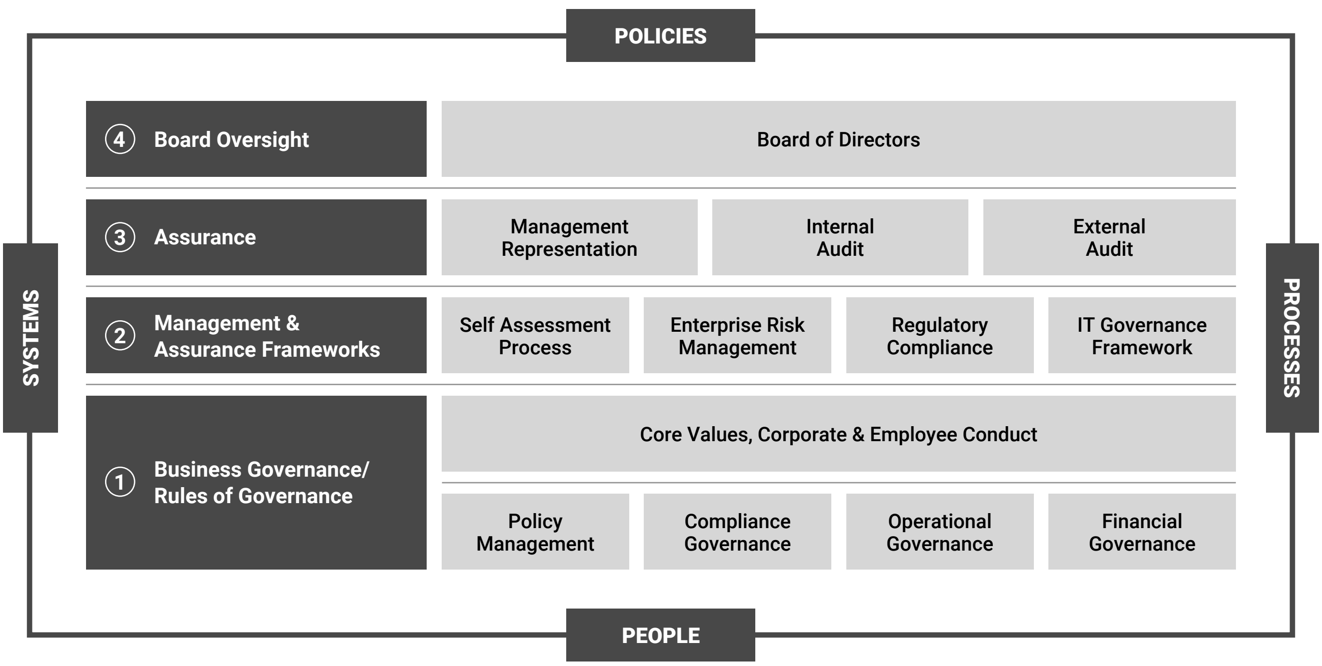
The Board, supported by the ARC, oversees Keppel DC REIT's and the Manager's system of internal controls and risk management. The Board has received assurance from the CEO, Mr Chua Hsien Yang, and the CFO, Mr Adam Lee, that, amongst others:

(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 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.

KEPPEL DC REIT'S SYSTEM OF MANAGEMENT CONTROLS (KSMC)



Based on the Framework, the internal controls 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 2019, Keppel DC REIT's and the Manager's internal controls and risk management system, are adequate and effective in addressing 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

The internal audit function of the Manager is performed by Keppel Corporation Limited's Group Internal Audit ("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, 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 Internal Audit's primary line of reporting is to the Chairman of the ARC.

As a member of the Institute of Internal Auditors, Internal Audit is guided by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors Incorporated, USA. 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 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, 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. Internal Audit's reports are submitted to the ARC for deliberation with copies of these reports extended to the relevant senior management personnel. A summary of findings and recommendations are discussed at the ARC meetings. To ensure timely and proper closure of audit findings, the status of the implementation of the actions agreed by management is tracked and discussed with the ARC.

UNITHOLDER RIGHTS, CONDUCT OF UNITHOLDER MEETINGS AND ENGAGEMENT WITH UNITHOLDERS AND STAKEHOLDERS

Principle 11:

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Principle 12:

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Principle 13:

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

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 570 local and foreign investors as well as 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 18 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 and trade-sensitive information is not selectively disclosed 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 Keppel DC REIT's website, 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. An independent external consultant is also appointed as scrutineer for the electronic poll voting process. Prior to the commencement of the general meeting of Unitholders, the scrutineer would review the proxies and the proxy process. A proxy verification process agreed upon with the scrutineer is also in place. The total number of votes cast for and against each 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 number of Unitholders' meetings held in FY 2019, as well as the attendance of each Board member, are disclosed in the table below.

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 prepare minutes of Unitholders' meetings, which incorporates comments or queries from Unitholders and responses from the Board and management. These minutes are published on Keppel DC REIT's website.

Keppel DC REIT's policy is to distribute, on a half-yearly basis, at least 90% of its distributable income for each financial year. The Manager endeavours to pay distributions no later than 90 days after the end of each distribution period.

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. In FY 2019, the Manager issued 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

Director	Unitholders' Meetings Attended
Christina Tan	2
Lee Chiang Huat	2
Tan Tin Wee	2
Dileep Nair	2
Low Huan Ping	2
Kenny Kwan	2
Thomas Pang	2
Leong Weng Chee*	1 out of 1
No. of Unitholders' Meetings held in FY 2019	2

* Mr Leong Weng Chee resigned with effect 17 April 2019.

CORPORATE GOVERNANCE

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 the Keppel Group 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 in relation to financial reporting and other financial-related risks (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 nature and extent of non-audit services performed by external auditor, to ensure their independence and objectivity and to approve their appointments.

(5) Meet with external auditor (without the presence of management and internal auditor) and internal auditor (without the presence of management and external auditor), at least annually.

(6) 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.

(7) Review the adequacy, effectiveness and independence of the Manager's and Keppel DC REIT's external audit function and internal audit function, at least annually and report the ARC's assessment to the Board.

(8) Ensure at least annually that the internal audit function is adequately resourced and has appropriate standing with the Manager and Keppel DC REIT.

(9) Approve the accounting/auditing firm or corporation to which the internal audit function is outsourced.

(10) Review the policy and arrangements (such as Whistle-Blower Policy) 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.

(11) 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).

(12) 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).

(13) Investigate any matters within the ARC's purview, whenever it deems necessary.

(14) 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, risk parameters and risk policies.

(15) Review and discuss, as and when appropriate, with management the Manager's and Keppel DC REIT's risk governance structure and framework, including risk policies, risk strategy, risk culture, risk assessment, risk mitigation and monitoring processes and procedures.

(16) Review the Information Technology (IT) governance and cybersecurity framework to ascertain alignment with business strategy and the Manager's and Keppel DC REIT's risk tolerance including monitoring the adequacy of IT capability and capacity to ensure business objectives are well-supported with adequate measures to safeguard corporate information, operating assets, and effectively monitor the performance, quality and integrity of IT service delivery.

(17) Review at least quarterly reports from management on the Manager's and Keppel DC REIT's risk profile and major risk exposures and the steps taken to monitor, control and mitigate such risks to ensure that such risks are managed within acceptable levels.

(18) Review the Manager's risk management capabilities including capacity, resourcing, systems, training, communication channels as well as competencies in identifying and managing new risk types.

(19) Receive and review updates from management to assess the adequacy and effectiveness of the Manager's and Keppel DC REIT's compliance framework in line with relevant laws, regulations and best practices.

(20) Through interactions with the Head of Keppel Capital Risk and Compliance, review and oversee performance of the Manager's implementation of compliance programmes.

(21) Review and monitor the Manager's approach to ensuring compliance with regulatory commitments, including

progress of remedial actions where applicable.

(22) Review the adequacy, effectiveness and independence of the Risk and Compliance function, at least annually, and report the ARC's assessment to the Board.

(23) Review and monitor management's responsiveness to the risks, matters, and identified recommendations of the Risk and Compliance function.

(24) Providing timely input to the Board on critical risk and compliance issues, material matters and recommendations.

(25) Review management's proposals in respect of new risk focused products, focusing, in particular, on the risk and compliance aspects and implications of the proposed action for the risk tolerance of the Manager and Keppel DC REIT, and make recommendations to the Board.

(26) Review the assurance from the CEO and CFO on the financial records and financial statements and the steps taken by the CEO and other key management personnel for their relevant areas of responsibilities, regarding the adequacy and effectiveness of the Manager's and Keppel DC REIT's risk management and internal controls systems.

(27) (a) Review the Board's comment on the adequacy and effectiveness of the Manager's and Keppel DC REIT's risk management and internal control systems and state whether it concurs with the Board's comments.

(b) Where there are material weaknesses identified in the Manager's and Keppel DC REIT's risk management and internal control systems, to consider and recommend the necessary steps to be taken to address them.

(28) Ensure that the Head of Keppel Capital Risk and Compliance has direct and unrestricted access to the ARC Chairman.

(29) Review the ARC's terms of reference annually and recommend any proposed changes to the Board.

(30) Perform such other functions (including Sustainability Reporting) as the Board may determine.

(31) Sub-delegate any of its powers within its terms of reference as listed above from time to time as this ARC may deem fit.

B. Nominating and Remuneration Committee

(1) Recommend to the Board the appointment and re-appointment of Directors (including alternate Directors, if any).

(2) Annual review of the structure and size of the Board and Board Committees, and the balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age.

(3) Recommend to the Board a Board Diversity Policy (including the qualitative, and measurable quantitative, objectives (as appropriate) for achieving board diversity), and conduct an annual review of the progress towards achieving these objectives.

(4) Annual review of the independence of each Director, and to ensure that the Board comprises (a) majority non-executive Directors, and (b) at least one-third, or (if Chairman is not independent) a majority of, independent Directors.

(5) Assess, 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.

(6) 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, the Board Committees and the contribution of the Chairman and each Director.

(7) Annual assessment of the effectiveness of the Board as a whole, the Board Committees and the contribution of the Chairman and individual Directors.

(8) Review the succession plans for the Board (in particular, the Chairman) and other key management personnel.

(9) Review talent development plans

(10) Review the training and professional development programs for Board members.

(11) 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, including review of all long-term and short-term incentive plans, with a view to aligning the level and structure of remuneration to the Company's long-term strategy and performance.

(12) Consider all aspects of remuneration to ensure that they are fair, and 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.

(13) 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).

(14) Review the ongoing appropriateness and relevance of the remuneration policy to ensure that the level and structure of the remuneration are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

(15) Review the level and structure of remuneration for directors and key management personnel relative to the internal and external peers and competitors to ensure that the remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the Company for the long term.

(16) Set performance measures and determine targets for any performance-related pay schemes.

(17) Administer the Company's long-term incentive schemes in accordance with the rules of such schemes.

(18) Report to the Board on material matters and recommendations.

(19) Review the Nominating and Remuneration Committee's terms of reference annually and recommend any proposed changes to the Board for approval.

(20) Perform such other functions as the Board may determine.

(21) 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 her ability to lead, whether she established proper procedures to ensure the effective functioning of the Board, whether she 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 she 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 she guided discussions effectively so that there is timely resolution of issues, whether she ensured that meetings are conducted in a manner that facilitates open communication and meaningful participation, and whether she 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 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.

CORPORATE GOVERNANCE

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.

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. The 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.

NATURE OF CURRENT DIRECTORS' APPOINTMENTS AND MEMBERSHIP ON BOARD COMMITTEE

Director	Board Membership	Audit and Risk Committee Membership	Nominating and Remuneration Committee Membership
Ms Christina Tan	Chairman and Non-Executive Director	-	Member
Mr Lee Chiang Huat	Independent Director	Chairman	-
Dr Tan Tin Wee	Independent Director	-	Chairman
Mr Dileep Nair	Independent Director	Member	Member
Mr Thomas Pang Thieng Hwi	Non-Executive Director	-	-
Mr Low Huan Ping	Independent Director	Member	-
Mr Kenny Kwan	Independent Director	-	Member

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 endorsement by Unitholders at the annual general meeting to be held in 2020 is set out below.

Name of Director	Ms Christina Tan	Mr Lee Chiang Huat
Date of Appointment	15 September 2016	18 November 2014
Date of last re-appointment (if applicable)	18 April 2017	18 April 2017
Age	54	70
Country of principal residence	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 at pages 146 to 148 of this Annual Report.	
Whether the appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Director and Member of Nominating and Remuneration Committee	Independent Director and Chairman of the Audit & Risk Committee
Professional qualifications	Bachelor of Accountancy (Honours), National University of Singapore; CFA® Charterholder	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
Working experience and occupation(s) during the past 10 years	From Jan 2016 to Present: Chief Executive Officer of Keppel Capital Holdings Pte. Ltd. From Jan 2012 to Jan 2018: Managing Director of Alpha Investment Partners Limited From 2003 to Jul 2011: Chief Financial Officer of Alpha Investment Partners Limited	Former Chief Financial Officer of Singapore Petroleum Company Limited and NOR Offshore Ltd
Shareholding interest in the listed issuer and its subsidiaries	55,250 units in Keppel DC REIT	105,582 units in Keppel DC REIT
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
Conflict of interest (including any competing business)	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
Other Principal Commitments including Directorships - Past (for the last 5 years)	Various subsidiaries and associated companies of Alpha Investment Partners Limited and funds managed by Alpha Investment Partners Limited	Channoil Asia Pte Ltd; Icurrencies Pte Ltd
Other Principal Commitments including Directorships - Present	Keppel Capital Holdings Pte Ltd (Chief Executive Officer)	Keppel REIT Management Limited (the manager of Keppel REIT), Jurong Port Pte Ltd
Any prior experience as a director of an issuer listed on the Exchange?	Yes	Yes
If yes, please provide details of prior experience.	Keppel DC REIT Management Pte Ltd (the manager of Keppel DC REIT); Keppel REIT Management Limited (the manager of Keppel REIT); Keppel Infrastructure Fund Management Pte. Ltd. (in its capacity as trustee-manager of Keppel Infrastructure Trust)	Keppel DC REIT Management Pte Ltd (the manager of Keppel DC REIT); Keppel REIT Management Limited (the manager of Keppel REIT)
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.

CORPORATE GOVERNANCE

Summary of Disclosures of 2018 CG Code

Rule 710 of the SGX Listing Manual requires Singapore listed companies to describe their corporate governance practices with specific reference to the 2018 CG Code in their annual reports for financial years commencing on or after 1 January 2019. This summary of disclosures describes our corporate governance practices with specific reference to the disclosure requirement under the 2018 CG Code.

PRINCIPLES

Board Matters

The Board's Conduct of Affairs

Principle 1

Provision 1.1	Pages 144, 155 to 157
Provision 1.2	Page 145
Provision 1.3	Page 144
Provision 1.4	Pages 144 to 154, 157 to 159
Provision 1.5	Pages 144 and 148
Provision 1.6	Pages 144 and 145
Provision 1.7	Pages 144 and 145

Board Composition and Guidance

Principle 2

Provision 2.1	Pages 147 and 148
Provision 2.2	Pages 147 and 148
Provision 2.3	Page 147
Provision 2.4	Pages 146 and 147
Provision 2.5	Page 144

Chairman and Chief Executive Officer

Principle 3

Provision 3.1	Page 145
Provision 3.2	Page 145
Provision 3.3	Page 148

Board Membership

Principle 4

Provision 4.1	Pages 158 and 159
Provision 4.2	Page 145
Provision 4.3	Page 146
Provision 4.4	Pages 147 and 148
Provision 4.5	Pages 12 to 14 and 148

Board Performance

Principle 5

Provision 5.1	Pages 148 and 159
Provision 5.2	Pages 148 and 159

Remuneration Matters

Procedures for Developing Remuneration Policies

Principle 6

Provision 6.1	Pages 148 to 151
Provision 6.2	Page 145
Provision 6.3	Pages 148 to 150
Provision 6.4	Page 149

Level and Mix of Remuneration

Principle 7

Provision 7.1	Pages 149 and 150
Provision 7.2	Pages 149 and 150
Provision 7.3	Pages 148 to 150

PRINCIPLES

Remuneration Matters

Disclosure on Remuneration

Principle 8

Provision 8.1	Pages 149 to 151
Provision 8.2	Page 150
Provision 8.3	Pages 149 and 150

Accountability and Audit

Risk Management and Internal Controls

Principle 9

Provision 9.1	Page 152
Provision 9.2	Page 153

Audit Committee

Principle 10

Provision 10.1	Pages 152, 153, 157 and 158
Provision 10.2	Pages 151 and 152
Provision 10.3	Page 152
Provision 10.4	Page 154
Provision 10.5	Page 152

Shareholder Rights and Engagement

Shareholder Rights and Conduct of General Meetings

Principle 11

Provision 11.1	Pages 154 and 155
Provision 11.2	Page 155
Provision 11.3	Page 155
Provision 11.4	Page 155
Provision 11.5	Page 155
Provision 11.6	Page 155

Engagement with Shareholders

Principle 12

Provision 12.1	Page 154
Provision 12.2	Page 154
Provision 12.3	Page 154

Managing Stakeholders Relationship

Engagement with Stakeholders

Principle 13

Provision 13.1	Page 155
Provision 13.2	Page 154
Provision 13.3	Page 154

STATISTICS OF UNITHOLDINGS

As at 3 March 2020

Issued and Fully Paid Units

1,632,783,806 Units (Voting rights: 1 vote per Unit)

There is only one class of Units in Keppel DC REIT.

Market capitalisation of $3,935,008,972 based on market closing price of $2.41 per Unit on 3 March 2020.

DISTRIBUTION OF UNITHOLDINGS

SIZE OF UNITHOLDINGS	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
1 - 99	85	0.78	3,401	0.00
100 - 1,000	1,279	11.82	1,002,180	0.06
1,001 - 10,000	6,266	57.89	29,315,432	1.80
10,001 - 1,000,000	3,169	29.28	114,523,747	7.01
1,000,001 AND ABOVE	25	0.23	1,487,939,046	91.13
TOTAL	**10,824**	**100.00**	**1,632,783,806**	**100.00**

TWENTY LARGEST UNITHOLDERS

NO.	NAME	NO. OF UNITS	%
1	Keppel DC Investment Holdings Pte Ltd	374,131,978	22.91
2	Citibank Nominees Singapore Pte Ltd	312,497,658	19.14
3	DBS Nominees (Private) Limited	302,133,038	18.50
4	DBSN Services Pte. Ltd.	152,709,729	9.35
5	Raffles Nominees (Pte.) Limited	130,861,026	8.01
6	HSBC (Singapore) Nominees Pte Ltd	91,087,661	5.58
7	BPSS Nominees Singapore (Pte.) Ltd.	39,406,971	2.41
8	DB Nominees (Singapore) Pte Ltd	13,629,424	0.83
9	ABN AMRO Clearing Bank N.V.	10,370,400	0.64
10	United Overseas Bank Nominees (Private) Limited	8,893,636	0.54
11	UOB Kay Hian Private Limited	5,746,044	0.35
12	Keppel DC REIT Management Pte Ltd	5,684,703	0.35
13	OCBC Securities Private Limited	5,300,348	0.32
14	BNP Paribas Nominees Singapore Pte. Ltd.	5,162,166	0.32
15	Phillip Securities Pte Ltd	4,801,305	0.29
16	Societe Generale Spore Branch	4,639,421	0.28
17	NTUC Fairprice Co-Operative Ltd	4,232,400	0.26
18	OCBC Nominees Singapore Private Limited	3,928,587	0.24
19	CGS-CIMB Securities (Singapore) Pte. Ltd.	3,423,779	0.21
20	Maybank Kim Eng Securities Pte. Ltd.	2,181,138	0.13
	Total	**1,480,821,412**	**90.66**

The Manager's Directors' Unitholdings

Based on the Register of Directors' Unitholdings maintained by the Manager, as at 21 January 2020, 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	55,250 (Direct)
Lee Chiang Huat	105,582 (Direct)
Dileep Nair	28,177 (Direct)
Dr Tan Tin Wee	105,638 (Direct)
Thomas Pang	70,388 (Direct)
Low Huan Ping	Nil
Kenny Kwan	Nil

[1] As at 21 January 2020, 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 3 March 2020, 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	383,149,978 (Deemed)[1]	23.47
Keppel Corporation Limited	380,291,301 (Deemed)[2]	23.29
Keppel Telecommunications & Transportation Ltd	380,291,301 (Deemed)[3]	23.29
Keppel DC Investment Holdings Pte. Ltd.	374,131,978 (Direct)	22.91

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 3 March 2020, approximately 76.43% 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 3 March 2020, there are no treasury units held by Keppel DC REIT or the Manager.

FINANCIAL CALENDAR

Financial Year Ended 31 December 2019	
First Quarter 2019 Results Announcement	15 April 2019
Second Quarter 2019 Results Announcement	16 July 2019
Distribution for 1 January 2019 to 30 June 2019	28 August 2019
Third Quarter 2019 Results Announcement	15 October 2019
Extraordinary General Meeting for the Acquisitions of Interests in Keppel DC Singapore 4 and DC1	23 October 2019
Distribution for 1 July 2019 to 24 September 2019	27 November 2019
Full Year 2019 Results Announcement	21 January 2020
Distribution for 25 September 2019 to 31 December 2019	3 March 2020

Keppel DC REIT Management Pte. Ltd.
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632

Tel: (65) 6803 1818
Fax: (65) 6803 1717
www.keppeldcreit.com

Co Reg No: 199508930C