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## MEDIA RELEASE

### **Unaudited Results of Keppel DC REIT for the First Half Ended 30 June 2023**

**24 July 2023**

The Directors of Keppel DC REIT Management Pte. Ltd., as Manager of Keppel DC REIT, are pleased to announce the unaudited results of Keppel DC REIT for the first half ended 30 June 2023.

*The materials are also available at [www.keppeldcreit.com](http://www.keppeldcreit.com), [www.keppeltt.com.sg](http://www.keppeltt.com.sg), [www.kepcapital.com](http://www.kepcapital.com) and [www.kepcorp.com](http://www.kepcorp.com).*

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## Keppel DC REIT achieves 1H 2023 DPU of 5.051 cents

### Key Highlights

- Maintained high portfolio occupancy of 98.5% with long portfolio WALE of 8.0 years by lettable area
- Completed refinancing of all debt due in 2023, with bulk of debt expiring in 2026 and beyond
- Keppel DC Dublin 1 and 2 achieved LEED v4.1 Operations and Maintenance Gold certification
- Continued pursuit of data centre opportunities with disciplined capital management approach

(\$'000)	1H 2023	1H 2022	Change %
Gross Revenue	140,464	135,540	+3.6
Property Expenses	(13,111)	(12,305)	+6.6
Net Property Income	127,353	123,235	+3.3
Finance Income	5,549	4,120	+34.7
<b>Distributable Income (DI)</b>	<b>91,311</b>	<b>91,158</b>	<b>+0.2</b>
<b>Distribution Per Unit (DPU)<sup>(1)</sup> (cents)</b>	<b>5.051</b>	<b>5.049</b>	-
Annualised Distribution Yield <sup>(2)</sup> (%)	4.68	5.13	(45bps)

(1) DPU was computed based on the DI to Unitholders after the deduction of Capex Reserves that has been set aside.

(2) Based on closing price of \$2.160 and \$1.970 per Unit as at 30 June 2023 and 30 June 2022 respectively.

### Financial Results

Keppel DC REIT Management Pte. Ltd., the Manager of Keppel DC REIT, is pleased to announce DI of \$91.3 million for 1H 2023, which was 0.2% higher than \$91.2 million in 1H 2022. The growth in DI was due mainly to contributions from the accretive acquisitions<sup>1</sup> of Guangdong Data Centre 2 and building shell of Guangdong Data Centre 3, reversions from contract renewals and escalations, as well as tax savings from approvals obtained for the NetCo Bonds<sup>2</sup> to be qualified as Qualifying Project Debt Securities.

These were partially offset by higher finance costs from the refinanced loans and floating interest rates loans, net lower contributions from some of the Singapore colocation assets arising from higher facilities expenses including electricity costs, a lower government incentive sum for our investments in Guangdong, and less favourable forex hedges.

Accordingly, Keppel DC REIT has declared a DPU of 5.051 cents for 1H 2023 compared to 5.049 cents a year ago. The 1H 2023 DPU will be paid on 14 September 2023. Based on the closing price of \$2.160 per Unit on 30 June 2023, Keppel DC REIT's annualised distribution yield is 4.68%.

### Portfolio Updates

Portfolio occupancy remained healthy at 98.5%<sup>3</sup> with a long portfolio weighted average lease expiry (WALE) of 8.0 years<sup>4</sup> as at 30 June 2023, testament to the Manager's continued proactive asset management efforts. Keppel DC REIT has a well-diversified client base with a well-spread expiry profile. Majority of rental income is derived from clients with investment grade or equivalent credit profiles.

<sup>1</sup> The acquisition of the building shell of Guangdong Data Centre 3 was completed in August 2022 and is expected to be fully-fitted by the third quarter of 2023.

<sup>2</sup> Bonds issued by M1 Network Private Limited (NetCo).

<sup>3</sup> Not adjusted for the ongoing litigation with DXC Technology Services Singapore Pte. Ltd.

<sup>4</sup> By lettable area. WALE by rental income was 4.7 years as a higher proportion of rental income is from colocation assets, which typically have shorter contractual periods.

In 1H 2023, the Manager secured new, renewal and expansion contracts at Keppel DC REIT's data centres in Singapore, Ireland and the Netherlands with overall positive reversions. Over half of the portfolio have built in income and rental escalations whilst the remaining contracts with no escalation have a WALE by rental income of approximately 1.7 years. 3.4% of contracts by lettable area is due to expire for the remaining of 2023 and the Manager is proactively engaging clients to secure renewals.

### **Capital Management**

Aggregate leverage was healthy at 36.3%, with 73% of borrowings fixed through interest rate swaps as at 30 June 2023. Average cost of debt for 1H 2023 was 3.1% and interest coverage ratio at 6.0 times.

In April 2023, the Manager completed the refinancing of all loans due in 2023. Keppel DC REIT's debt profile remains favourable, with the bulk of debt expiring in 2026 and beyond. The Manager borrows in currencies that correspond with its investments to provide a natural hedge to the extent possible, and the borrowings are diversified across five currencies.

As at July 2023, our forecast foreign sourced distributions have been substantially hedged till end June 2024 to ensure cash flow stability.

The Manager remains disciplined in its capital management approach to manage the impact of borrowing costs and currency fluctuations on distributions, while ensuring sufficient debt headroom to pursue strategic opportunities.

### **Growing in a Sustainable Manner**

In 1H 2023, Keppel DC Dublin 1 and 2 achieved Leadership in Energy and Environmental Design (LEED) v4.1 Operations and Maintenance (O+M) Gold certification, a testament to Keppel DC REIT's commitment towards sustainability, ahead of its 2030 target for these assets. LEED O+M certification is a globally recognised green building standard, covering all aspects of the building operations including energy, water efficiency and waste performance.

Keppel DC Dublin 1 and 2 also registered as a participant of the European Code of Conduct for Data Centres Energy Efficiency, a voluntary initiative endorsed by the European Commission and widely participated by industry peers to support energy efficiency as a commitment to sustainability.

### **Looking Ahead**

The World Bank expects global economic growth to slow from 3.1% in 2022 to 2.1% in 2023. Weak growth prospects and heightened risks in the near term will compound a long-term slowdown in potential growth, which has been exacerbated by the overlapping shocks of the pandemic, Russian-Ukraine conflict, and the sharp tightening of global financial conditions.

Despite the macroeconomic headwinds, data centre demand is expected to remain resilient. Structure Research forecasts that the global data centre colocation and interconnection market will grow 12% year-on-year to US\$72.7 billion in 2023.<sup>5</sup> Continued expansion by hyperscalers, growth in consumer and enterprise activities and adoption of cloud computing, digital transformation initiatives; and artificial intelligence (AI) & machine learning (e.g. generative AI including ChatGPT) will also support demand for data centres.<sup>6,7,8</sup>

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<sup>5</sup> 2023: Global Data Centre Colocation & Interconnection Report, Structure Research, May 2023

<sup>6</sup> Asia Pacific Data Centre Trends H2 2022, CBRE, Apr 2023

<sup>7</sup> Europe Data Centres 1Q 2023, CBRE, May 2023

<sup>8</sup> EMEA Data Centre Report Q1 2023, JLL, May 2023

Looking ahead, the Manager remains cautiously optimistic on growth opportunities and will continue to grow its diversified global portfolio of data centres, with a focus on diversification to strengthen income resilience.

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**About Keppel DC REIT ([www.keppeldcreit.com](http://www.keppeldcreit.com))**

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

Keppel DC REIT's investment strategy is to principally invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets which are used primarily for data centre purposes, as well as real estate and assets necessary to support the digital economy.

Keppel DC REIT's investments comprise an optimal mix of colocation, fully-fitted and shell and core assets, as well as debt securities issued by NetCo which holds network assets<sup>9</sup>, thereby reinforcing the diversity and resiliency of its portfolio.

Keppel DC REIT is managed by Keppel DC REIT Management Pte. Ltd. (the Manager) and is sponsored by Keppel, a global asset manager and operator with strong expertise in sustainability-related solutions spanning the areas of infrastructure, real estate and connectivity.

**Important Notice**

*The past performance of Keppel DC REIT is not necessarily indicative of its future performance. Certain statements made in this release may not be based on historical information or facts and may be "forward-looking" statements due to a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes, and the continued availability of financing in the amounts and terms necessary to support future business.*

*Prospective investors and unitholders of Keppel DC REIT (Unitholders) are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel DC REIT Management Pte. Ltd., as manager of Keppel DC REIT (the Manager) on future events. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained in this release. None of the Manager, the trustee of Keppel DC REIT or any of their respective advisors, representatives or agents shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this release or its contents or otherwise arising in connection with this release. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. The value of units in Keppel DC REIT (Units) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including possible loss of principal amount invested.*

*Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (SGX-ST). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.*

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<sup>9</sup> Bonds issued by M1 Network Private Limited (NetCo).

**KEPPEL DC REIT  
FINANCIAL STATEMENTS ANNOUNCEMENT****CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND  
DISTRIBUTION ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE 2023**CONTENTS

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## KEPPEL DC REIT AND ITS SUBSIDIARIES

### SUMMARY OF KEPPEL DC REIT RESULTS

	1H 2023 \$'000	1H 2022 \$'000	+/(-) %
Gross Revenue	140,464	135,540	3.6
Property Expenses	(13,111)	(12,305)	6.6
Net Property Income	127,353	123,235	3.3
Distributable Income (DI) to Unitholders	91,311	91,158	0.2
Distribution per Unit (DPU) (cents) <sup>1</sup>	5.051	5.049	-
Annualised Distribution Yield (%) <sup>2</sup>	4.68	5.13	(45 bps)

#### Notes:

- 1 Computed based on the DI to Unitholders after the deduction of Capex Reserves that has been set aside.
- 2 Annualised distribution yields were computed based on closing price of \$2.160 and \$1.970 per Unit as at 30 June 2023 and 30 June 2022 respectively.

For details, refer to **Condensed profit and loss and distribution statement and Other Information Paragraph C. - Review of Performance.**

<b>Distribution</b>	<u>20th</u> Distribution Distribution for the period from 1 January to 30 June 2023
<b>Distribution type</b>	(a) Taxable Income (b) Tax-exempt Income (c) Capital Distribution
<b>Distribution rate</b>	Distribution for the period from 1 January to 30 June 2023 (a) Taxable Income – 2.017 cents per Unit (b) Tax-exempt Income – 1.924 cents per Unit (c) Capital Distribution – 1.110 cents per Unit
<b>Distribution amount (\$'000)</b>	86,903
<b>Record Date</b>	1 August 2023
<b>Payment Date</b>	14 September 2023

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### INTRODUCTION

Keppel DC REIT was listed on Singapore Exchange Securities Trading Limited (SGX-ST) on 12 December 2014.

Keppel DC REIT's strategy is to principally invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets which are used primarily for data centres purposes, as well as real estate and assets necessary to support the digital economy.

As at 30 June 2023, the REIT has a portfolio size of approximately \$3.7 billion. The portfolio comprises 23 high quality well located data centres in Singapore, Australia, China, Malaysia, Germany, Republic of Ireland (Ireland), Italy, the Netherlands and the United Kingdom (UK).

#### Asia-Pacific

1)	Keppel DC Singapore 1	Singapore	(KDC SGP 1)
2)	Keppel DC Singapore 2	Singapore	(KDC SGP 2)
3)	Keppel DC Singapore 3	Singapore	(KDC SGP 3)
4)	Keppel DC Singapore 4	Singapore	(KDC SGP 4)
5)	Keppel DC Singapore 5	Singapore	(KDC SGP 5)
6)	DC1	Singapore	(DC1)
7)	Gore Hill Data Centre	Australia	(Gore Hill DC)
8)	Intellicentre Campus	Australia	(IC DC)
9)	Guangdong Data Centre 1	China	(Guangdong DC 1)
10)	Guangdong Data Centre 2	China	(Guangdong DC 2)
11)	Guangdong Data Centre 3 <sup>1</sup>	China	(Guangdong DC 3)
12)	Basis Bay Data Centre	Malaysia	(Basis Bay DC)

#### Europe

13)	Kelsterbach Data Centre	Germany	(Kelsterbach DC)
14)	maincubes Data Centre	Germany	(maincubes DC)
15)	Keppel DC Dublin 1	Ireland	(KDC DUB 1)
16)	Keppel DC Dublin 2	Ireland	(KDC DUB 2)
17)	Milan Data Centre	Italy	(Milan DC)
18)	Almere Data Centre	The Netherlands	(Almere DC)
19)	Amsterdam Data Centre	The Netherlands	(Amsterdam DC)
20)	Eindhoven Campus	The Netherlands	(Eindhoven DC)
21)	Cardiff Data Centre	UK	(Cardiff DC)
22)	GV7 Data Centre	UK	(GV7 DC)
23)	London Data Centre	UK	(London DC)

The notes below shall be applicable to the relevant paragraphs thereafter:

- 1H – Refers to the first half from 1 January to 30 June 2023 and the corresponding period of the preceding year.
- Nm – Not meaningful

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<sup>1</sup> Comprising building shell of Guangdong Data Centre 3

**KEPPEL DC REIT AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED PROFIT AND LOSS AND DISTRIBUTION STATEMENT**

**FOR THE FIRST HALF ENDED 30 JUNE 2023**

	1H 2023 \$'000	1H 2022 \$'000	+ / (-) %	Reference
Gross rental income	138,011	133,125	3.7	(a)
Other income	2,453	2,415	1.6	(b)
<b>Gross Revenue</b>	<b>140,464</b>	<b>135,540</b>	<b>3.6</b>	
Property operating expenses	(13,111)	(12,305)	6.6	(c)
<b>Net Property Income</b>	<b>127,353</b>	<b>123,235</b>	<b>3.3</b>	
Finance income	5,549	4,120	34.7	(d)
Finance costs	(22,715)	(13,097)	73.4	(d)
Trustees' fees	(271)	(265)	2.3	
Manager's base fee	(9,216)	(8,792)	4.8	(e)
Manager's performance fee	(4,335)	(4,210)	3.0	(e)
Net (losses)/gains on derivatives	(1,598)	4,295	Nm	(f)
Other trust expenses	(2,534)	(2,269)	11.7	(g)
<b>Profit before joint venture</b>	<b>92,233</b>	<b>103,017</b>	<b>(10.5)</b>	
Share of results of a joint venture	(2,404)	-	100	(h)
<b>Profit before tax</b>	<b>89,829</b>	<b>103,017</b>	<b>(12.8)</b>	
Tax expenses	(7,811)	(9,104)	(14.2)	(i)
<b>Profit after tax</b>	<b>82,018</b>	<b>93,913</b>	<b>(12.7)</b>	
<b>Attributable to:</b>				
Unitholders	80,434	92,370	(12.9)	
Non-controlling interests	1,584	1,543	2.7	
	<b>82,018</b>	<b>93,913</b>	<b>(12.7)</b>	
<b>Earnings per Unit (cents)</b>				
- basic and diluted	<b>4.68</b>	5.38	(13.0)	
<u>Distribution Statement</u>				
Profit after tax attributable to Unitholders	80,434	92,370	(12.9)	
Net tax and other adjustments	10,877	(1,212)	Nm	(j)
<b>Income available for distribution</b>	<b>91,311</b>	<b>91,158</b>	<b>0.2</b>	(k)
<b>Distribution per Unit (cents)</b>	<b>5.051</b>	<b>5.049</b>	-	(l)



## KEPPEL DC REIT AND ITS SUBSIDIARIES

### Reference (2023 and 2022):

- (a) In 1H 2023, gross rental income was higher mainly due to the acquisition of Guangdong DC 2 and building shell of Guangdong DC 3, as well as contract renewals and income escalations.

This was partially offset by net lower contributions from the Singapore colocation assets, largely arising from the higher facility expenses (including electricity costs). In addition, the depreciation of foreign currencies against the SGD resulted in lower foreign sourced income.

- (b) Other income in 1H 2023 was comparable due to the higher ad hoc service revenue at the overseas assets, offset by lower government incentive sum for the investments in Guangdong.

- (c) The following were included as part of the operating expenses:

	1H 2023 \$'000	1H 2022 \$'000
Property-related taxes	(1,876)	(1,919)
Facility management and related costs	(6,211)	(6,463)
Repairs and maintenance	(1,061)	(968)
Other property-related costs	(3,963)	(2,955)
	<u>(13,111)</u>	<u>(12,305)</u>

- (d) Finance income increased mainly due to coupon income from Guangdong DC 3.

Included in finance costs were interest expenses, amortisation of debt-related transaction costs from borrowings and lease charges recognised. The higher finance costs arose from the refinanced loans and floating rate loans.

- (e) Increase in Manager's base fee and performance fee were mainly due to Guangdong DC 2 and building shell of Guangdong DC 3.

- (f) These relate to the net (losses)/gains on the foreign currency forward contracts entered into by the Group for hedging purposes.

- (g) Other trust expenses were higher mainly due to the higher foreign exchange loss.

- (h) Share of loss of a joint venture (NetCo) arose mainly from depreciation of the network assets. This does not affect Keppel DC REIT's distributable income and has been adjusted in full in net tax and other adjustments (refer to Note j). For share of NetCo's other comprehensive income, refer to Statement of Comprehensive Income.

- (i) Tax expenses comprise (a) tax in relation to the taxable income that are not accorded full tax transparency treatment, (b) tax expenses of the Group's overseas properties, and (c) net deferred tax expenses recognised on tax depreciation, tax losses carried forward and fair value changes in investment properties.

Lower tax expenses were due to the tax savings from FY 2022, following approvals obtained for the NetCo Bonds to be qualified as Qualifying Project Debt Securities (QPDS).

- (j) Included in the net tax and other adjustments were the following:

	1H 2023 \$'000	1H 2022 \$'000
Trustee's fees	232	224
Rental income adjustment on a straight-line basis	(1,490)	(1,216)
Amortisation of capitalised transaction costs	312	466
Foreign exchange losses	613	640
Deferred tax	4,573	3,439
Net change in fair value of financial assets at fair value through profit or loss	184	190
Management fee paid in units	2,796	2,290
Share of results of a joint venture	2,404	-
Other net adjustments	1,253	(7,245)
<b>Net tax and other adjustments</b>	<u>10,877</u>	<u>(1,212)</u>

Included in other net adjustments were dividends and distribution, lease charges, other non-taxable income and non-deductible expenses.

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### Reference (2023 and 2022):

(k) Higher DI in 1H 2023 was mainly due to higher net property income and tax savings from Netco Bonds. These were partially offset by higher finance costs arising from the refinanced loans and floating rate loans.

(l) The DPU was computed based on DI (Note k) after the deduction of Capex Reserves which has been set aside.

Keppel DC REIT declares distributions on a half-yearly basis. For the financial period from 1 January to 30 June 2023, eligible unitholders will receive a distribution of 5.051 cents per Unit.

### Consolidated Earnings Per Unit and Distribution Per Unit

	1H 2023	1H 2022
<b><u>Earnings per Unit (EPU)</u></b>		
<b>EPU (basic and diluted) (cents)</b>	<b>4.68</b>	5.38
Weighted average number of Units <sup>1</sup>	<b>1,719,863,052</b>	1,717,110,596
Profit after tax <sup>2</sup> (\$'000)	<b>80,434</b>	92,370
<b><u>Distribution per Unit (DPU)</u></b>		
<b>DPU<sup>3</sup> (cents)</b>	<b>5.051</b>	5.049
Total number of Units in issue at end of period	<b>1,720,506,951</b>	1,717,755,601
Income available for distribution to Unitholders (\$'000)	<b>91,311</b>	91,158

### Notes:

- 1 The weighted average number of Units was based on the issued Units during the financial period in review.
- 2 This excludes the non-controlling interests' profit and loss after tax for the period.
- 3 DPU is computed based on the distributable income to Unitholders after the deduction of Capex Reserves that has been set aside.

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2023

	1H 2023 \$'000	1H 2022 \$'000	+/(-) %
<b>Profit after tax</b>	<b>82,018</b>	<b>93,913</b>	<b>(12.7)</b>
<b>Other comprehensive income</b>			
Movement in hedging reserve	1,198	36,394	(96.7)
Share of movement in hedging reserve of a joint venture	(6,204)	-	100
Foreign currency translation movement	(7,416)	(18,981)	(60.9)
<b>Total other comprehensive (loss)/income</b>	<b>(12,422)</b>	<b>17,413</b>	<b>Nm</b>
<b>Total comprehensive income</b>	<b>69,596</b>	<b>111,326</b>	<b>(37.5)</b>
<b>Attributable to:</b>			
Unitholders	68,020	109,791	(38.0)
Non-controlling interests	1,576	1,535	2.7
	<b>69,596</b>	<b>111,326</b>	<b>(37.5)</b>

#### Note:

Other comprehensive income items relate to (i) the fair value changes of the mark-to-market derivatives as a result of interest rate swaps entered into by the Group and by the joint venture, and (ii) the movement in foreign currency transaction reserve that arises from the translation of foreign entities and intercompany loans that form part of the Group's net investment in foreign entities.

# KEPPEL DC REIT AND ITS SUBSIDIARIES

## CONDENSED BALANCE SHEETS AS AT 30 JUNE 2023

	Note	Group			Trust			Reference
		30-Jun-23 \$'000	31-Dec-22 \$'000	+ / (-) %	30-Jun-23 \$'000	31-Dec-22 \$'000	+ / (-) %	
<b>Non-current assets</b>								
Investment properties	4	3,655,528	3,639,453	0.4	534,442	530,228	0.8	(a)
Investment in subsidiaries		-	-	-	2,240,174	2,246,084	(0.3)	(b)
Loans to subsidiaries		-	-	-	310,852	311,881	(0.3)	(b)
Investment in a joint venture	5	17,867	26,475	(32.5)	-	-	-	(c)
Notes receivables		80,855	82,559	(2.1)	80,855	82,559	(2.1)	(d)
Trade and other receivables		20,549	31,233	(34.2)	-	-	-	(e)
Derivative financial assets		51,699	49,762	3.9	44	1,607	(97.3)	(f)
Deposits		13,730	13,896	(1.2)	-	-	-	(g)
Deferred tax assets		1,499	1,679	(10.7)	-	-	-	(h)
<b>Total non-current assets</b>		<b>3,841,727</b>	<b>3,845,057</b>	<b>(0.1)</b>	<b>3,166,367</b>	<b>3,172,359</b>	<b>(0.2)</b>	
<b>Current assets</b>								
Notes receivables		3,334	3,208	3.9	3,334	3,208	3.9	(d)
Trade and other receivables		71,509	61,404	16.5	12,756	14,232	(10.4)	(e)
Derivative financial assets		4,143	7,595	(45.5)	4,143	6,784	(38.9)	(f)
Cash and cash equivalents		139,714	190,399	(26.6)	57,307	98,079	(41.6)	
<b>Total current assets</b>		<b>218,700</b>	<b>262,606</b>	<b>(16.7)</b>	<b>77,540</b>	<b>122,303</b>	<b>(36.6)</b>	
<b>TOTAL ASSETS</b>		<b>4,060,427</b>	<b>4,107,663</b>	<b>(1.1)</b>	<b>3,243,907</b>	<b>3,294,662</b>	<b>(1.5)</b>	
<b>Current liabilities</b>								
Loans from subsidiaries		-	-	-	47,310	161,899	(70.8)	(i)
Loans and borrowings	6	60,675	175,425	(65.4)	-	-	-	(j)
Trade and other payables		64,873	62,646	3.6	16,756	21,713	(22.8)	(k)
Derivative financial liabilities		863	-	Nm	863	-	Nm	(f)
Provision for taxation		5,009	6,569	(23.7)	770	2,549	(69.8)	(l)
<b>Total current liabilities</b>		<b>131,420</b>	<b>244,640</b>	<b>(46.3)</b>	<b>65,699</b>	<b>186,161</b>	<b>(64.7)</b>	
<b>Non-current liabilities</b>								
Loans from subsidiaries		-	-	-	1,243,068	1,139,538	9.1	(i)
Loans and borrowings	6	1,394,985	1,299,708	7.3	8,032	7,928	1.3	(j)
Trade and other payables		6,095	6,338	(3.8)	-	-	-	(k)
Derivative financial liabilities		4,280	2,180	96.3	206	-	Nm	(f)
Provision		-	18,273	(100.0)	-	-	-	(m)
Deferred tax liabilities		83,919	79,606	5.4	13,191	13,191	-	(h)
<b>Total non-current liabilities</b>		<b>1,489,279</b>	<b>1,406,105</b>	<b>5.9</b>	<b>1,264,497</b>	<b>1,160,657</b>	<b>8.9</b>	
<b>TOTAL LIABILITIES</b>		<b>1,620,699</b>	<b>1,650,745</b>	<b>(1.8)</b>	<b>1,330,196</b>	<b>1,346,818</b>	<b>(1.2)</b>	
<b>NET ASSETS</b>		<b>2,439,728</b>	<b>2,456,918</b>	<b>(0.7)</b>	<b>1,913,711</b>	<b>1,947,844</b>	<b>(1.8)</b>	
<b>Represented by:</b>								
Unitholders' funds	7	2,396,868	2,414,118	(0.7)	1,913,711	1,947,844	(1.8)	
Non-controlling interests		42,860	42,800	0.1	-	-	-	(n)
		<b>2,439,728</b>	<b>2,456,918</b>	<b>(0.7)</b>	<b>1,913,711</b>	<b>1,947,844</b>	<b>(1.8)</b>	
<b>Net asset value per Unit (\$)</b>		<b>1.39</b>	<b>1.40</b>	<b>(0.7)</b>	<b>1.11</b>	<b>1.13</b>	<b>(1.8)</b>	(o)
<b>Aggregate leverage /</b>		<b>36.3</b>	<b>36.4</b>	<b>(10bps)</b>	<b>Nm</b>	<b>Nm</b>	<b>Nm</b>	(p)
<b>Deposited properties (%)</b>								

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### Reference:

#### Net Asset Value (NAV) / Net Tangible Asset (NTA) Per Unit

	Group	
	As at 30 Jun 23	As at 31 Dec 22
<b>NAV<sup>1</sup> per Unit<sup>2</sup> (\$)</b>	<b>1.39</b>	1.40
Adjusted NAV <sup>1</sup> per unit <sup>2</sup> (excluding the distributable amount)	<b>1.34</b>	1.35
<b>NTA<sup>1</sup> per Unit<sup>2</sup> (\$)</b>	<b>1.39</b>	1.40
Adjusted NTA <sup>1</sup> per unit <sup>2</sup> (excluding the distributable amount)	<b>1.34</b>	1.35

- 1 This excludes the non-controlling interests' share of net asset value / net tangible asset.
- 2 The NAV per Unit and the NTA per Unit were computed based on the issued Units at the end of the financial period.

### Balance sheet analysis

- (a) Included in the investment properties were leases of \$12.7 million (2022: \$12.7 million) capitalised at the present value of the lease payments for investment properties with option to renew or extend.

<u>Investment Properties</u>	<u>Tenure</u>	<u>As at</u> <u>30 Jun 23</u> <u>(\$'000)</u>	<u>As at</u> <u>31 Dec 22</u> <u>(\$'000)</u>
Keppel DC Singapore 1	Leasehold, expiring 30 Sept 2055 <sup>^</sup>	348,794	347,228
Keppel DC Singapore 2	Leasehold, expiring 31 July 2051	185,648	183,000
Keppel DC Singapore 3	Leasehold, expiring 31 Jan 2052	320,547	319,000
Keppel DC Singapore 4	Leasehold, expiring 30 June 2050	448,317	446,000
Keppel DC Singapore 5	Leasehold, expiring 31 August 2050 <sup>*</sup>	398,061	395,389
DC1	Leasehold, expiring 31 July 2044	286,300	286,300
Gore Hill Data Centre	Freehold	202,809	211,531
Intellicentre Campus	Freehold	107,969	113,123
Guangdong Data Centre 1	Leasehold, expiring 17 January 2067	133,490	135,100
Guangdong Data Centre 2	Leasehold, expiring 17 January 2067	133,490	135,100
Guangdong Data Centre 3	Leasehold, expiring 17 January 2067	12,281	12,429
Basis Bay Data Centre	Freehold	19,146	19,994
Kelsterbach Data Centre	Freehold	108,656	106,356
maincubes Data Centre	Freehold	151,913	148,701
Keppel DC Dublin 1	Leasehold, expiring 31 Dec 2998	156,861	152,950
Keppel DC Dublin 2	Leasehold, expiring 31 Dec 2997	143,025	139,850
Milan Data Centre	Freehold	56,425	55,232
Almere Data Centre	Freehold	147,718	144,594
Amsterdam Data Centre	Freehold	42,431	41,353
Eindhoven Campus	Freehold	53,809	52,612
Cardiff Data Centre	Freehold	42,560	41,651
GV7 Data Centre	Leasehold, expiring 28 Sept 2183	60,322	59,033
London Data Centre	Freehold	94,956	92,927
		<u>3,655,528</u>	<u>3,639,453</u>

<sup>^</sup> Include option to renew for 30 years

<sup>\*</sup> Include offer to extend for a further term of 9 years

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### Balance sheet analysis (cont'd)

- (b) These relate to the investments in subsidiaries as well as interest-bearing and quasi-equity loans to subsidiaries.
- (c) These relate to the investment in a joint venture and share of post-acquisition reserves, which mainly consists of mark-to-market gains from an interest rate swap, partially offset by depreciation of the network assets.
- (d) These relate to investment in debt securities issued by a joint venture.
- (e) Included in trade and other receivables were accrued rental revenue from the clients
- (f) These mainly relate to the fair value of the foreign currency forward contracts entered into in relation to the income from overseas investment properties, and the fair value of interest rate swaps entered into by the Group for hedging purposes.
- (g) Deposits paid in 2022 relate to the amount paid to the vendor for the advance payment of Guangdong DC 3 facilities and equipment.
- (h) These relate to the net deferred tax assets/liabilities recognised in different tax jurisdictions that arose on tax depreciation, tax losses carried forward and fair value changes in certain investment properties.
- (i) These relate to loans from subsidiaries. The lower balances as at 30 June 2023 were mainly due to repayment of borrowings.
- (j) These relate to external borrowings of \$1,445.1 million, lease liabilities pertaining to a land rent option and an extension offer, and capitalised debt-related transaction costs. The lower external borrowings as at 30 June 2023 were mainly due to the repayment of borrowings to maintain an efficient capital management.
- (k) Included in trade and other payables were trade creditors, accrued liabilities and deferred revenue.
- (l) Included in income tax provision were income tax expense accrued for the Group and provision of withholding tax expense in relation to the income received from the Group's overseas investments.
- (m) Provision in 2022 relates to a contractual obligation assumed on the acquisition of a subsidiary. Cash has been set aside by the vendor to settle the contractual provision assumed, and the remaining obligation is recoverable from a related corporation.
- (n) This relates to the non-controlling interests' share of net assets.
- (o) This excludes the non-controlling interests' share of net assets.
- (p) Aggregate leverage relates to the \$1,445.1 million external borrowings drawn down and deferred payment as a percentage over deposited properties which refers to the value of the Group's total assets based on the latest valuation defined in the property fund guidelines in the Code on Collective Investment Schemes issued by MAS, without considering lease liabilities pertaining to the land rent option and extension offer.

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### CONDENSED STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS FOR THE HALF YEAR ENDED 30 JUNE 2023

<b>GROUP (2023)</b>	<b>Note</b>	<b>Units in Issue \$'000</b>	<b>Foreign Currency Translation Reserve \$'000</b>	<b>Hedging Reserve \$'000</b>	<b>Other Reserve \$'000</b>	<b>Accumulated Profits \$'000</b>	<b>Unitholders' Funds \$'000</b>	<b>Non- Controlling Interests \$'000</b>	<b>Total \$'000</b>
<b>At 1 January 2023</b>		2,026,265	(50,177)	82,245	(95,751)	451,536	2,414,118	42,800	2,456,918
<b>Operations</b>									
Profit after tax for the period		-	-	-	-	80,434	80,434	1,584	82,018
<b>Net increase in net assets resulting from operations</b>		-	-	-	-	<b>80,434</b>	<b>80,434</b>	<b>1,584</b>	<b>82,018</b>
<b>Unitholders' transactions</b>									
Distributions to Unitholders		(21,157)	-	-	-	(67,611)	(88,768)	-	(88,768)
Payment of management fees in Units		3,498	-	-	-	-	3,498	-	3,498
<b>Net decrease in net assets resulting from Unitholders' transactions</b>		<b>(17,659)</b>	-	-	-	<b>(67,611)</b>	<b>(85,270)</b>	-	<b>(85,270)</b>
Capital reduction of non- controlling interests		-	-	-	-	-	-	(60)	(60)
Dividends paid to non- controlling interests		-	-	-	-	-	-	(1,456)	(1,456)
<b>Other comprehensive income</b>									
Movement in hedging reserve	1	-	-	1,198	-	-	1,198	-	1,198
Share of movement in hedging reserve of a joint venture	1	-	-	(6,204)	-	-	(6,204)	-	(6,204)
Foreign currency translation movement	1	-	(7,408)	-	-	-	(7,408)	(8)	(7,416)
<b>Net increase in other comprehensive income</b>		-	<b>(7,408)</b>	<b>(5,006)</b>	-	-	<b>(12,414)</b>	<b>(8)</b>	<b>(12,422)</b>
<b>At 30 June 2023</b>		<b>2,008,606</b>	<b>(57,585)</b>	<b>77,239</b>	<b>(95,751)</b>	<b>464,359</b>	<b>2,396,868</b>	<b>42,860</b>	<b>2,439,728</b>

**Note:**

- Other comprehensive income items relate to (i) the fair value changes of the mark-to-market derivatives as a result of interest rate swaps entered into by the Group and by a joint venture, and (ii) the movement in foreign currency translation reserve that arises from the translation of foreign entities and intercompany loans that form part of the Group's net investment in foreign entities.

**KEPPEL DC REIT AND ITS SUBSIDIARIES**

**CONDENSED STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS (CONT'D)  
FOR THE HALF YEAR ENDED 30 JUNE 2023**

<b>GROUP (2022)</b>	<b>Note</b>	<b>Units in Issue \$'000</b>	<b>Foreign Currency Translation Reserve \$'000</b>	<b>Hedging Reserve \$'000</b>	<b>Other Reserve \$'000</b>	<b>Accumulated Profits \$'000</b>	<b>Unitholders' Funds \$'000</b>	<b>Non- Controlling Interests \$'000</b>	<b>Total \$'000</b>
<b>At 1 January 2022</b>		2,054,294	5,869	(3,616)	(95,751)	332,451	2,293,247	42,429	2,335,676
<b>Operations</b>									
Profit after tax for the period		-	-	-	-	92,370	92,370	1,543	93,913
<b>Net increase in net assets resulting from operations</b>		-	-	-	-	<b>92,370</b>	<b>92,370</b>	<b>1,543</b>	<b>93,913</b>
<b>Unitholders' transactions</b>									
Distributions to Unitholders		(16,006)	-	-	-	(44,140)	(60,146)	-	(60,146)
Payment of management fees in Units		5,363	-	-	-	-	5,363	-	5,363
<b>Net decrease in net assets resulting from Unitholders' transactions</b>		<b>(10,643)</b>	-	-	-	<b>(44,140)</b>	<b>(54,783)</b>	-	<b>(54,783)</b>
Dividends paid to non- controlling interests		-	-	-	-	-	-	(1,391)	(1,391)
<b>Other comprehensive income</b>									
Movement in hedging reserve	1	-	-	36,394	-	-	36,394	-	36,394
Foreign currency translation movement	1	-	(18,973)	-	-	-	(18,973)	(8)	(18,981)
<b>Net increase in other comprehensive income</b>		-	<b>(18,973)</b>	<b>36,394</b>	-	-	<b>17,421</b>	<b>(8)</b>	<b>17,413</b>
<b>At 30 June 2022</b>		<b>2,043,651</b>	<b>(13,104)</b>	<b>32,778</b>	<b>(95,751)</b>	<b>380,681</b>	<b>2,348,255</b>	<b>42,573</b>	<b>2,390,828</b>

**Note:**

- 1 Other comprehensive income relate to the fair value changes of the cash flow hedges as a result of interest rate swaps entered into by the Group and the movement in foreign currency translation reserve that arises from the translation of foreign entities and intercompany loans that form part of the Group's net investment in foreign entities.



KEPPEL DC REIT AND ITS SUBSIDIARIES

CONDENSED STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS (CONT'D)  
FOR THE HALF YEAR ENDED 30 JUNE 2023

<u>TRUST (2023)</u>	Note	<u>Unit in Issue</u> \$'000	<u>Other Reserve</u> \$'000	<u>Accumulated Profits</u> \$'000	<u>Unitholders' Funds</u> \$'000
At 1 January 2023		2,026,265	(95,751)	17,329	1,947,843
<b>Operations</b>					
Profit after tax for the period		-	-	51,138	51,138
<b>Net increase in net assets resulting from operations</b>		-	-	<b>51,138</b>	<b>51,138</b>
<b>Unitholders' transactions</b>					
Distribution to Unitholders		(21,157)	-	(67,611)	(88,768)
Payment of management fees in Units		3,498	-	-	3,498
<b>Net decrease in net assets resulting from Unitholders' transactions</b>		<b>(17,659)</b>	<b>-</b>	<b>(67,611)</b>	<b>(85,270)</b>
<b>At 30 June 2023</b>		<b>2,008,606</b>	<b>(95,751)</b>	<b>856</b>	<b>1,913,711</b>

<u>TRUST (2022)</u>	Note	<u>Unit in Issue</u> \$'000	<u>Other Reserve</u> \$'000	<u>Accumulated Profits/ (Losses)</u> \$'000	<u>Unitholders' Funds</u> \$'000
At 1 January 2022		2,054,294	(95,751)	(1,238)	1,957,305
<b>Operations</b>					
Profit after tax for the period		-	-	106,180	106,180
<b>Net increase in net assets resulting from operations</b>		-	-	<b>106,180</b>	<b>106,180</b>
<b>Unitholders' transactions</b>					
Distribution to Unitholders		(16,006)	-	(44,140)	(60,146)
Payment of management fees in Units		5,363	-	-	5,363
<b>Net decrease in net assets resulting from Unitholders' transactions</b>		<b>(10,643)</b>	<b>-</b>	<b>(44,140)</b>	<b>(54,783)</b>
<b>At 30 June 2022</b>		<b>2,043,651</b>	<b>(95,751)</b>	<b>60,802</b>	<b>2,008,702</b>

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 JUNE 2023

	1H 2023 \$'000	1H 2022 \$'000
<b>Operating activities</b>		
Profit after tax	82,018	93,913
Adjustments for:		
Tax expenses	7,811	9,104
Finance income	(5,549)	(4,120)
Finance costs	22,715	13,097
Share of result of a joint venture	2,404	-
Net change in fair value of derivatives	5,272	(3,286)
Net change in fair value of financial assets at fair value through profit or loss	184	190
Management fees payable in Units	2,796	2,290
Unrealised currency translation differences	(266)	466
	<b>117,385</b>	<b>111,654</b>
Changes in working capital:		
- Trade and other receivables	(9,871)	(2,817)
- Trade and other payables	(3,224)	(8,491)
<b>Cash generated from operations</b>	<b>104,290</b>	<b>100,346</b>
Net tax paid	(4,751)	(5,608)
<b>Net cash generated from operating activities</b>	<b>99,539</b>	<b>94,738</b>
<b>Cash flows from investing activities</b>		
Acquisition of interests in investment property (Note A)	-	(92,431)
Additions to investment properties	-	(4,924)
Capital expenditures on investment properties	(12,832)	(18,124)
Acquisition of a financial asset	-	(1,004)
Rental top up received	-	1,004
Coupon received from notes receivables	3,922	4,056
Repayment of notes receivables	1,578	1,444
Deposit paid to a vendor	-	(21,424)
<b>Net cash used in investing activities</b>	<b>(7,332)</b>	<b>(131,403)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	153,429	318,161
Capital reduction of a non-controlling interest	(60)	-
Payment of financing transaction costs	(249)	(357)
Repayment of borrowings	(183,659)	(208,233)
Payment of lease liability	-	(4,378)
Finance costs paid	(21,931)	(12,697)
Distributions paid to Unitholders	(88,768)	(60,146)
Dividends paid to non-controlling interests	(1,456)	(1,391)
<b>Net cash (used in)/generated from financing activities</b>	<b>(142,694)</b>	<b>30,959</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(50,487)</b>	<b>(5,706)</b>
Cash and cash equivalents at beginning of period	190,399	195,941
Effects of exchange rate fluctuations on cash held	(198)	(2,007)
<b>Cash and cash equivalents at end of period</b>	<b>139,714</b>	<b>188,228</b>

#### Note A – Acquisition of interests in investment property

In January 2022, Keppel DC REIT completed the acquisition of London DC. The remaining balance of the purchase consideration was paid, along with the release of the deposit, to the vendor as settlement of the purchase consideration.

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### NOTES TO CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

#### Cash flow analysis (1H 2023 vs 1H 2022)

Net cash generated from operating activities for 1H 2023 was \$99.5 million, \$4.8 million higher than the \$94.7 million for the corresponding period last year. This was mainly due to higher operational cash flow.

Net cash used in investing activities for 1H 2023 was \$7.3 million, comprising capital expenditures, partially offset by coupon received and repayment of notes receivables. Net cash used in investing activities for the corresponding period last year was \$131.4 million, comprising mainly the acquisition of London DC, capital expenditures and deposit paid for Guangdong DC 2 and Guangdong DC 3, partially offset by coupon received and repayment of notes receivables.

The Group recorded net cash used in financing activities of \$142.7 million in 1H 2023 as compared to net cash generated from financing activities of \$31.0 million for the corresponding period last year. Net cash used in 1H 2023 was mainly from a net decrease in borrowings, distributions paid to Unitholders and finance costs paid. Net cash generated for 1H 2022 was higher mainly due to a net increase in borrowings, partially offset by distributions paid to Unitholders and finance costs.

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

#### 1 GENERAL

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 principally invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets which are used primarily for data centres purposes, as well as real estate and assets necessary to support the digital economy.

#### 2 SIGNIFICANT ACCOUNTING POLICIES

##### 2.1 Basis of Preparation

This condensed consolidated interim financial statements for the half year ended 30 June 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) 34 Interim Financial Reporting (SFRS (I) 1-34). This condensed interim financial statements do not include all the disclosures included in the Group's financial report. Accordingly, this report should be read in conjunction with the Group's Annual Report for the financial year ended 31 December 2022 and any public announcements made by Keppel DC REIT during the interim reporting period.

##### 2.2 Changes in Accounting Policies

The accounting policies adopted by the Group in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's Annual Report for the financial year ended 31 December 2022, except for the adoption of new and revised standards effective as of 1 January 2023.

The following are the new or amended SFRS(I)s, SFRS (I) Interpretations and amendments to SFRS(I)s, that are relevant to the Group:

- Amendments to SFRS(I) 1-1 Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)
- Amendments to SFRS(I) 1-1 Presentation of Financial Statements and SFRS(I) Practice Statement 2 (Disclosure of Accounting Policies)

The adoption of the above new or amended SFRS(I)s, SFRS (I) Interpretations and amendments to SFRS(I)s did not have any significant impact on the condensed consolidated interim financial statements of the Group.

##### 2.3 Significant Accounting Estimates and Judgements

In the process of applying the Group's accounting policies, there was no instance of application of judgements with significant updates since the audited financial statements as at 31 December 2022 and this is not expected to have a significant effect on the amounts recognised in the condensed consolidated interim financial statements.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and with significant updates since the audited financial statements as at 31 December 2022 are disclosed in Note 9 Fair Value of Assets and Liabilities

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

#### 3 SEASONAL OPERATIONS

The Group's businesses were not affected significantly by seasonal or cyclical factors during the financial period.

#### 4 INVESTMENT PROPERTIES

	Group	
	30-Jun-23 \$'000	31-Dec-22 \$'000
At 1 January	3,639,453	3,401,436
Acquisitions <sup>(a)</sup>	-	257,279
Additions <sup>(b)</sup>	-	15,790
Capital expenditure	12,832	39,422
Net change in fair value <sup>(c)</sup>	-	70,969
Currency translation differences	3,243	(145,443)
At 30 June 2023 / 31 December 2022	<u>3,655,528</u>	<u>3,639,453</u>

- (a) In 2022, Keppel DC REIT completed the acquisitions of London DC, Guangdong DC 2 and building shell of Guangdong DC 3.
- (b) The additions include transaction-related costs and any costs other than capital expenditures capitalised as part of the investment properties.
- (c) For the period ended 30 June 2023, the carrying value of the Group's investment properties was based on the independent valuations as at 31 December 2022 taking into account progress payments and capitalised expenditures made during the six-month period.

#### 5 INVESTMENT IN A JOINT VENTURE

	Group	
	30-Jun-23 \$'000	31-Dec-22 \$'000
Equity investment at cost	1,000	1,000
Share of reserves	16,867	25,475
	<u>17,867</u>	<u>26,475</u>

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in the joint venture, is as follows:

	Group	
	30-Jun-23 \$'000	31-Dec-22 \$'000
At 1 January	26,475	-
Share of results for the year	(2,404)	(8,983)
Share of movement in fair value of cash flow hedges	(6,204)	35,458
At 30 June 2023 / 31 December 2022	<u>17,867</u>	<u>26,475</u>

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

#### 6 LOANS AND BORROWINGS

	30-Jun-23 \$'000	Group 31-Dec-22 \$'000
<b><u>Unsecured borrowings</u><sup>1</sup></b>		
Amount repayable within one year	60,675	175,425
Amount repayable after one year	1,384,430	1,289,367
	<b>1,445,105</b>	<b>1,464,792</b>
<b>Total borrowings</b>	<b>1,445,105</b>	<b>1,464,792</b>
Capitalised transactions costs of debt financing	(2,242)	(2,305)
<b><u>Lease liabilities</u></b>		
After one year	12,797	12,646
<b>Total loans and borrowings</b>	<b>1,455,660</b>	<b>1,475,133</b>

#### Note:

- 1 Keppel DC REIT has unsecured borrowings of approximately \$668.5 million (2022: \$687.0 million) and \$523.4 million (2022: \$530.0 million) and \$253.2 million (2022: \$247.8 million) under its term loan facilities, revolving credit facilities and Multicurrency Debt Issuance Programme respectively.

As at 30 June 2023, the Group had total borrowings of approximately \$1,445.1 million and unutilised facilities of approximately \$502.5 million to meet its future obligations. The all-in average interest rate for borrowings was 3.1% per annum for the financial period ended 30 June 2023.

#### 7 UNITHOLDERS' FUNDS

##### Units in Issue

GROUP AND TRUST	1 Jan 23 to 30 Jun 23	1 Jan 22 to 31 Dec 22
	No. of Units	No. of Units
Issued Units as at beginning of period	1,718,650,015	1,715,511,855
Management fees paid in Units	1,856,936	3,138,160
Issued Units as at end of period	1,720,506,951	1,718,650,015

##### Total number of issued units

Keppel DC REIT did not hold any treasury units as at 30 June 2023 and 31 December 2022.

	Group	
	As at 30 Jun 23	As at 31 Dec 22
Total number of issued Units	1,720,506,951	1,718,650,015

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

#### 8 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	
	1H 2023 \$'000	1H 2022 \$'000
Fixed rental income from related corporations	15,662	15,163
Variable rental income from related corporations	43,879	43,750
Management base fees to the Manager	(9,216)	(8,792)
Management performance fees to the Manager	(4,335)	(4,210)
Acquisition and development management fees to the Manager	–	(1,078)
Facility management fees to related corporations	(2,863)	(3,121)
Project management fees to related corporations	–	(102)
Support services fee to a related corporation	(296)	(304)
Interest income from a joint venture	3,987	4,030

#### 9 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 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 contract 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.

**KEPPEL DC REIT AND ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 30 JUNE 2023**

**9 FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)**

**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**

	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<b>Group</b>				
<b>30 June 2023</b>				
Derivative financial assets	–	55,842	–	55,842
Investment properties	–	–	3,655,528	3,655,528
	–	55,842	3,655,528	3,711,370
Derivative financial liabilities	–	(5,143)	–	(5,143)
<b>31 December 2022</b>				
Derivative financial assets	–	57,357	–	57,357
Investment properties	–	–	3,639,453	3,639,453
	–	57,357	3,639,453	3,696,810
Derivative financial liabilities	–	(2,180)	–	(2,180)
<b>Trust</b>				
<b>30 June 2023</b>				
Derivative financial assets	–	4,187	–	4,187
Investment properties	–	–	534,442	534,442
	–	4,187	534,442	538,629
Derivative financial liabilities	–	(1,069)	–	(1,069)
<b>31 December 2022</b>				
Derivative financial assets	–	8,391	–	8,391
Investment properties	–	–	530,228	530,228
	–	8,391	530,228	538,619

There were no transfers between levels of the fair value hierarchy for the Group in the first half ended 30 June 2023.

Movement in Level 3 fair value of investment property for the financial period is as shown in Note 4.



## KEPPEL DC REIT AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

#### 9 FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

##### Assets and liabilities carried at fair value (cont'd)

###### Level 3 fair values

The following table shows the valuation techniques and the significant unobservable inputs used in the determination of fair value as at 31 December 2022.

Management has assessed that the inputs and assumptions used by the independent valuers in their valuation techniques based on the latest valuations such as occupancy rate, cashflows, capitalisation rate and discount rate, remains appropriate and reflect the current market conditions. A full revaluation of the Group's investment properties will be performed for the financial year ending 31 December 2023, in line with the Property Fund Guidelines on annual valuation.

<u>Valuation method</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
<b>Investment properties – data centres</b>		
Capitalisation approach	Capitalisation rate: 3.96% to 11.55%	The estimated fair value varies inversely against the capitalisation rate.
Discounted cash flow approach	Discount rate: 4.88% to 10.50% Terminal yield rate: 4.00% to 8.25%	The estimated fair value varies inversely against the discount rate and terminal yield rate.

##### Fair value

The basis for fair value measurement of financial assets and liabilities is set out above. The carrying amounts of other financial assets and liabilities approximate their fair values.

The Group carries its investment properties at fair value with changes in fair value being recognised in profit and loss account, determined annually by independent professional valuers based on open 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, prudently and without compulsion.

Factors taken into consideration in this assessment included the Group's high portfolio occupancy with a long weighted average lease expiry. The Group's tenant portfolio is underpinned by large established companies from diversified sectors. Additionally, data centres are a resilient asset class that supports mission critical operations. Data centre demand is expected to remain strong underpinned by the growth of the digital economy and continued cloud and technological adoption.

KEPPEL DC REIT AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 30 JUNE 2023

10 SEGMENTAL INFORMATION

<b>By type of asset class (\$'000)</b>	<b>1H 2023</b>			<b>Total</b>
	<b>Colocation</b>	<b>Fully-fitted</b>	<b>Shell and core</b>	
Gross revenue	83,324	37,920	19,220	140,464
Net property income	72,086	37,482	17,785	127,353
Finance income	163	607	69	839
Finance costs	(7,590)	(8,702)	(5,360)	(21,652)
Net change in fair value of financial assets at fair value through profit or loss	-	-	(184)	(184)
<b>Reportable segment profit before tax</b>	<b>65,263</b>	<b>27,516</b>	<b>11,994</b>	<b>104,773</b>
<b>Unallocated amounts:</b>				
- Finance income				4,710
- Finance costs				(1,063)
- Other corporate expenses:				(18,591)
<b>Profit before tax</b>				<b>89,829</b>
	<b>As at 30-Jun-23</b>			
<b>By type of asset class (\$'000)</b>	<b>Colocation</b>	<b>Fully-fitted</b>	<b>Shell and core</b>	<b>Total</b>
<b>Segment assets</b>	2,180,203	977,226	734,937	3,892,366
Other unallocated amounts				168,061
<b>Consolidated assets</b>				<b>4,060,427</b>
<b>Segment liabilities</b>	581,426	556,794	413,736	1,551,956
Other unallocated amounts				68,743
<b>Consolidated liabilities</b>				<b>1,620,699</b>
<b>Other segment items:</b>				
Capital expenditures / Additions	11,882	-	950	12,832

<b>By type of asset class (\$'000)</b>	<b>1H 2022</b>			<b>Total</b>
	<b>Colocation</b>	<b>Fully-fitted</b>	<b>Shell and core</b>	
Gross revenue	83,948	33,167	18,425	135,540
Net property income	73,082	32,902	17,251	123,235
Finance income	55	35	-	90
Finance costs	(5,529)	(3,727)	(2,764)	(12,020)
Net change in fair value of financial assets at fair value through profit or loss	-	-	(190)	(190)
<b>Reportable segment profit before tax</b>	<b>68,254</b>	<b>28,867</b>	<b>12,424</b>	<b>109,545</b>
<b>Unallocated amounts:</b>				
- Finance income				4,030
- Finance costs				(1,077)
- Other corporate expenses:				(9,481)
<b>Profit before tax</b>				<b>103,017</b>
	<b>As at 31-Dec-22</b>			
<b>By type of asset class (\$'000)</b>	<b>Colocation</b>	<b>Fully-fitted</b>	<b>Shell and core</b>	<b>Total</b>
<b>Segment assets</b>	2,175,408	979,366	729,290	3,884,064
Other unallocated amounts				223,599
<b>Consolidated assets</b>				<b>4,107,663</b>
<b>Segment liabilities</b>	588,926	567,475	425,181	1,581,582
Other unallocated amounts				69,163
<b>Consolidated liabilities</b>				<b>1,650,745</b>
<b>Other segment items:</b>				
Capital expenditures / Additions	42,696	2,616	9,901	55,213

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

#### 10 SEGMENTAL INFORMATION (CONT'D)

##### By geographical area

	1H 2023	1H 2022
<u>Gross Revenue</u>	<u>\$'000</u>	<u>\$'000</u>
- Singapore	71,965	71,834
- Australia	11,504	12,272
- China	13,356	7,812
- Ireland	16,251	16,191
- Germany	8,698	9,040
- The Netherlands	7,784	7,586
- Other countries	10,906	10,805
<b>Total gross revenue</b>	<b>140,464</b>	<b>135,540</b>

##### Major Customers

Revenue of \$59.0 million (1H 2022: \$58.9 million) were derived from a single client from Singapore (1H 2022: Singapore).

	As at 30 Jun 23	As at 31 Dec 22
<u>Investment Properties</u>	<u>\$'000</u>	<u>\$'000</u>
- Singapore	1,987,667	1,976,917
- Australia	310,778	324,654
- China	279,261	282,629
- Ireland	299,886	292,800
- Germany	260,569	255,057
- The Netherlands	243,958	238,559
- Other countries	273,409	268,837
<b>Total value of investment properties</b>	<b>3,655,528</b>	<b>3,639,453</b>

#### 11 SUBSEQUENT EVENT

On 24 July 2023, the Manager declared a distribution of 5.051 cents per Unit for the period from 1 January 2023 to 30 June 2023.

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### OTHER INFORMATION FOR THE HALF YEAR ENDED 30 JUNE 2023

#### A. AUDIT

Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have neither been audited nor reviewed by the auditors.

#### B. AUDITORS' REPORT

Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

#### C. REVIEW OF PERFORMANCE

Review of the Performance between 2023 and 2022 results

##### 1H 2023 vs 1H 2022

Gross rental income for 1H 2023 was \$138.0 million, an increase of \$4.9 million or 3.7% from 1H 2022 of \$133.1 million. This was mainly due to the acquisitions of Guangdong DC 2 and building shell of Guangdong DC 3, as well as contract renewals and income escalations. This was partially offset by net lower contributions from the Singapore colocation assets, largely arising from the higher facility expenses (including electricity). In addition, the depreciation of foreign currencies against the SGD resulted in lower foreign sourced income.

Other income includes higher ad-hoc service income in overseas assets, offset by lower government incentive sum for the investments in Guangdong.

Property operating expenses for 1H 2023 was \$13.1 million, an increase of \$0.8 million or 6.5% from 1H 2022 of \$12.3 million. This was mainly due to higher other property-related costs in the overseas assets.

Net property income of \$127.4 million for 1H 2023 was \$4.2 million or 3.3% higher than 1H 2022.

Profit after tax for 1H 2023 was \$82.0 million, a decrease of \$11.9 million or 12.7% as compared to 1H 2022 of \$93.9 million. This was mainly due to higher finance costs from the refinanced loans and floating rate loans, higher Manager's fees as well as net losses on derivatives recognised, partially offset by recognition of share of losses by a joint venture, higher finance income and tax savings from the NetCo debt securities.

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### OTHER INFORMATION FOR THE HALF YEAR ENDED 30 JUNE 2023

#### D. PROSPECTS

A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The World Bank expects global economic growth to slow from 3.1% in 2022 to 2.1% in 2023. Weak growth prospects and heightened risks in the near term will compound a long-term slowdown in potential growth, which has been exacerbated by the overlapping shocks of the pandemic, the Russian-Ukraine conflict, and the sharp tightening of global financial conditions.

Despite the macroeconomic headwinds, data centre demand is expected to remain resilient. Structure Research forecasts that the global data centre colocation and interconnection market will grow 12% year-on-year to US\$72.7 billion in 2023<sup>1</sup>. Continued expansion by hyperscalers, growth in consumer and enterprise activities and adoption of cloud computing, digital transformation initiatives; and artificial intelligence (AI) & machine learning (e.g. generative AI including ChatGPT) will also support demand for data centres.<sup>2,3,4</sup>

Looking ahead, the Manager remains cautiously optimistic on growth opportunities and will continue to grow its diversified global portfolio of data centres, with a focus on diversification to strengthen income resilience.

#### E. RISK FACTORS AND RISK MANAGEMENT

The Manager ascribes importance to risk management and constantly takes initiatives to systematically review the risks it faces and mitigates them. Some of the key risks that the Manager has identified are as follows:

##### **Interest rate risk**

The Manager constantly monitors its exposure to changes in interest rates for its interest-bearing financial liabilities. Interest rate risk is managed on an on-going basis with the primary objective of limiting the extent to which net interest expense can be affected by adverse movements in interest rates through financial instruments.

##### **Liquidity risk**

The Manager manages Keppel DC REIT's cash flow position and working capital to ensure that there are adequate liquid reserves in terms of cash and credit facilities to meet short-term obligations. Consideration has been given to funding and expense requirements.

##### **Credit risk**

Credit risk assessments of prospective clients are carried out by way of evaluation of information from corporate searches conducted prior to the signing of lease agreements. In addition, the Manager also monitors the property portfolio's client trade sector mix to assess and manage exposure to any potentially volatile trade sector.

##### **Currency risk**

The Group's foreign currency risk relates mainly to its exposure from its investments in Australia, China, Europe and Malaysia, and the distributable income and interest income from progressive payments related to such foreign investments. The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located.

The Manager monitors the Group's foreign currency exposure on an on-going basis and continue to manage its exposure to adverse movements in foreign currency exchange rates through financial instruments.

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<sup>1</sup> 2023: Global Data Centre Colocation & Interconnection Report, Structure Research, May 2023

<sup>2</sup> Asia Pacific Data Centre Trends H2 2022, CBRE, Apr 2023

<sup>3</sup> Europe Data Centres 1Q2023, CBRE, May 2023

<sup>4</sup> EMEA Data Centre Report Q1 2023, JLL, May 2023

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### OTHER INFORMATION FOR THE HALF YEAR ENDED 30 JUNE 2023

#### E. RISK FACTORS AND RISK MANAGEMENT (CONT'D)

##### Operational risk

Measures have been put in place to ensure the sustainability of net property income. These measures include steps taken to discuss early renewals with clients, manage expenses, actively monitor contractual payments from clients and continuously evaluate the Group's counterparties.

In addition, the Manager also performs an annual review of the adequacy and appropriateness of insurance coverage, continuously reviews disaster and pandemic business continuity plans and modifies them, when necessary. The Manager, working with the respective facilities managers or Master Lessee, manages such risks through multiple layers of redundancy and back-up systems supported by detailed operational procedures and maintenance programmes. However, the Manager notes that no system of risk management can provide absolute assurance against all potential risks.

##### Competition risk

The Manager actively manages the properties and grow strong relationships with its clients by providing value-added property-related services. Through such active asset management and enhancements, the Manager seeks to maintain high client retention and occupancy levels and achieve rental and income growth.

The Manager will work with the facility managers (where applicable) to actively manage (i) contract and colocation renewals and (ii) new contracts and colocation arrangements to maintain high client retention levels and minimise vacancy periods. The Manager also leverages on its relationship with existing data centre clients as well as data centre brokers to secure new clients for the Group's data centre facilities.

##### Cybersecurity risk

The Manager recognises the increasing and ever present threats to cybersecurity in today's digital economy. To address data security risks, the Manager actively works with facility managers to ensure that cyber security governance structures and technology are aligned with leading industry standards. The Manager remains committed to ensure that data security and potential cybersecurity threats are managed in a proactive manner, in order to secure and protect our data and assets.

##### Climate risk

The effects of climate change are increasingly apparent globally and gaining attention from countries to corporates. Understanding and addressing climate-related impacts is crucial to ensuring the business remains sustainable and resilient. In this regard, the Group is focused on strengthening the portfolio (covering all significant colocation assets) and operational capabilities against climate change risks, as well as assessing potential opportunities the Group can capitalise on as the world endeavours to transit to a low-carbon economy.

The Taskforce on Climate-related Financial Disclosures (TCFD) has classified climate-related risks into two categories – physical risks and transition risks.

Firstly, physical risks that arise from changes in the climate can be event driven or a result of longer-term shifts. The Manager continues to maintain an appropriate level of insurance and schedule regular maintenance to ensure the resilience and durability of the building and equipment, in response to risks such as extreme precipitation and weather.

Secondly, transition risks are risks associated with societal and economic shifts in market preferences, norms and technology towards a low-carbon economy. Governments globally have been taking steps such as increasing price of carbon and imposing stricter building regulations. Examples of mitigating responses include optimising building energy consumption through the adoption of energy-efficient equipment, technologies and sustainable building designs, as well as being fully compliant with current regulations with most properties being green certified with high standards of environmental performance.

To bolster the resilience of the Group's portfolio and operations, the Manager continues to evolve its approach to ensure resilience over such climate-related risks. The Manager with the support and guidance of the Environmental, Social and Governance (ESG) Board Committee, reviews the ESG strategy, roadmaps and targets, which includes climate-related targets on emissions and energy, as well as climate change adaptation. The Manager will continue to consider and integrate ESG factors in the Group's strategy formulation and business operations and growth.

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### OTHER INFORMATION FOR THE HALF YEAR ENDED 30 JUNE 2023

#### F. DISTRIBUTIONS

(a) Current Financial Period reported on

Any distribution recommended for the current financial period reported on?

Name of distribution:	<u>20th</u> Distribution Distribution for the period from 1 January to 30 June 2023
Distribution type:	(a) Taxable Income (b) Tax-exempt Income (c) Capital Distribution
Distribution rate:	Distribution for the period from 1 January to 30 June 2023 (a) Taxable Income – 2.017 cents per Unit (b) Tax-exempt Income – 1.924 cents per Unit (c) Capital Distribution – 1.110 cents per Unit
Distribution amount (\$'000):	86,903
Tax rate:	<p>(a) <u>Taxable Income Distribution:</u></p> <p>Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distribution. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession. Such individual unitholders, i.e. to whom the exemption will not apply, must declare the distribution received as income in their tax returns.</p> <p>Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax-exempt.</p> <p>Subject to meeting certain conditions, qualifying foreign non-individual investors and qualifying non-resident funds will receive their distributions after deduction of tax at the rate of 10%.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 17%.</p> <p>(b) <u>Tax-exempt Income Distribution</u></p> <p>Tax-exempt income distribution is exempt from tax in the hands of all Unitholders. Tax-exempt income relates to net taxed income, exempt dividend income and interest income received by Keppel DC REIT.</p> <p>(c) <u>Capital Distribution</u></p> <p>Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of Keppel DC REIT Units, the amount of capital distribution will be applied to reduce the cost base of their Keppel DC REIT Units for Singapore income tax purposes.</p>

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### OTHER INFORMATION FOR THE HALF YEAR ENDED 30 JUNE 2023

#### (b) Corresponding Period of the Immediately Preceding Financial Year

Any distribution declared for the corresponding period of the immediately preceding financial year?

Name of distribution:	<u>18th</u> Distribution Distribution for the period from 1 January to 30 June 2022
Distribution type:	(a) Taxable Income (b) Tax-exempt Income (c) Capital Distribution
Distribution rate:	Distribution for the period from 1 January to 30 June 2022 (a) Taxable Income – 1.851 cents per Unit (b) Tax-exempt Income – 2.089 cents per Unit (c) Capital Distribution – 1.109 cents per Unit
Distribution amount (\$'000):	86,729
Tax rate:	<p>(a) <u>Taxable Income Distribution:</u></p> <p>Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distribution. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession. Such individual unitholders, i.e. to whom the exemption will not apply, must declare the distribution received as income in their tax returns.</p> <p>Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax-exempt.</p> <p>Subject to meeting certain conditions, qualifying foreign non-individual investors and qualifying non-resident funds will receive their distributions after deduction of tax at the rate of 10%.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 17%.</p> <p>(b) <u>Tax-exempt Income Distribution</u></p> <p>Tax-exempt income distribution is exempt from tax in the hands of all Unitholders. Tax-exempt income relates to net taxed income, exempt dividend income and interest income received by Keppel DC REIT.</p> <p>(c) <u>Capital Distribution</u></p> <p>Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of Keppel DC REIT Units, the amount of capital distribution will be applied to reduce the cost base of their Keppel DC REIT Units for Singapore income tax purposes.</p>

#### (c) Record date

The Transfer Books and Register of Unitholders of Keppel DC REIT for the 20th Distribution will be closed at 5.00 p.m. on 1 August 2023 for the purposes of determining each Unitholder's entitlement to the REIT's distribution.

#### (d) Date payable

The date the distribution is payable: 14 September 2023



## KEPPEL DC REIT AND ITS SUBSIDIARIES

### OTHER INFORMATION FOR THE HALF YEAR ENDED 30 JUNE 2023

#### G. DISTRIBUTION STATEMENT

If no distribution has been declared / recommended, a statement to that effect.

Other than as disclosed in Paragraph F - Distributions, no distribution has been declared / recommended.

#### H. INTERESTED PERSON TRANSACTIONS

Name of Interested Persons	Aggregate value of all interested person transaction during the financial period under review (excluding transactions less than \$100,000)	
	1H 2023 \$'000	1H 2022 \$'000
<b>Temasek Holdings Group</b>		
- Rental income	9,217	9,142
<b>Keppel Corporation Limited and its subsidiaries</b>		
- Variable rental income	42,381	42,509
- Facility management and property management fees	1,712	6,680
- Manager's management fees	13,551	12,939
- Manager's acquisition and development management fees	-	1,078
- Project management fees	-	102
- Support services fees	1,472	309
<b>Perpetual (Asia) Limited</b>		
- Trustee fees	232	224

Keppel DC REIT has not obtained a general mandate from Unitholders for Interested Person Transactions for the financial period under review.

#### I. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS UNDER RULE 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### OTHER INFORMATION FOR THE HALF YEAR ENDED 30 JUNE 2023

The past performance of Keppel DC REIT is not necessarily indicative of its future performance. Certain statements made in this announcement may not be based on historical information or facts and may be “forward-looking” statements due to a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes, and the continued availability of financing in the amounts and terms necessary to support future business.

Prospective investors and unitholders of Keppel DC REIT (“Unitholders”) are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel DC REIT Management Pte. Ltd., as manager of Keppel DC REIT (the “Manager”) on future events. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained in this announcement. None of the Manager, the trustee of Keppel DC REIT or any of their respective advisors, representatives or agents shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection with this announcement. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. The value of units in Keppel DC REIT (“Units”) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (“SGX-ST”). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.

**By Order of the Board**  
**Keppel DC REIT Management Pte. Ltd.**  
**(Company Registration Number: 199508930C)**  
**As Manager of Keppel DC REIT**

Chiam Yee Sheng / Darren Tan

Company Secretaries  
24 July 2023

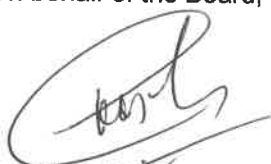
**KEPPEL DC REIT AND ITS SUBSIDIARIES**

**OTHER INFORMATION  
FOR THE HALF YEAR ENDED 30 JUNE 2023**

**CONFIRMATION BY THE BOARD  
Pursuant to Rule 705(5) of the Listing Manual**

We, Christina Tan Hua Mui and Lee Chiang Huat, being two Directors of Keppel DC REIT Management Pte. Ltd. (the "Company"), as manager of Keppel DC REIT, do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements of Keppel DC REIT for the financial period from 1 January 2023 to 30 June 2023 to be false or misleading in any material respects.

On behalf of the Board,



Christina Tan Hua Mui  
Chairman



Lee Chiang Huat  
Director

24 July 2023