Keppel DC REIT

BUILDING A SUSTAINABLE FUTURE

Annual Report 2020

BUILDING A SUSTAINABLE FUTURE

We support the growth of the digital economy through our portfolio of data centres strategically located in key data centre hubs.

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.

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KEY FIGURES FOR 2020

STRONG TOTAL UNITHOLDER RETURN

38.4%

Delivered strong total Unitholder return of 38.4%[1] for FY 2020 and 311.6%[1] since Keppel DC REIT's listing in December 2014.

HIGHER DISTRIBUTABLE INCOME[2]

$156.9m

38.6% higher than 2019's $113.2 million, due mainly to full year contributions from Keppel DC Singapore 4 and DC1, as well as new acquisitions in Europe.

STEADY DPU GROWTH

9.170cts

20.5% above 2019's distribution per Unit (DPU) of 7.610 cents. This translated to a distribution yield of 3.26%, based on 2020's closing price of $2.810 per Unit.

QUALITY AND RESILIENT PORTFOLIO

$3.0b

Assets under management[3] increased by 15.4% to approximately $3.0 billion as at 31 December 2020 due mainly to the acquisitions of Kelsterbach Data Centre, the remaining 999-year leasehold land interest in Keppel DC Dublin 1 and Amsterdam Data Centre. The Manager has also completed several asset enhancement initiatives to optimise portfolio returns.

HEALTHY AGGREGATE LEVERAGE[4]

36.2%

This will provide a comfortable debt headroom to capture growth opportunities. Aggregate leverage was higher than 31 December 2019 at 30.7% due mainly to bank borrowings to fund the new acquisitions in Europe. Interest coverage ratio remained high at 13.3 times as at 31 December 2020.

HIGH PORTFOLIO OCCUPANCY

97.8%

Keppel DC REIT's high portfolio occupancy and long portfolio weighted average lease expiry of 6.8 years will provide income stability to Unitholders.

INCLUSION IN KEY INDICES

Straits Times Index

A key milestone that will enhance Keppel DC REIT's trading liquidity and increase its visibility among global investors. The REIT is also a constituent of the FTSE EPRA Nareit Global Developed Index, MSCI Singapore Small Cap Index and the GPR 250 Index Series.

UPHOLDING STRONG GOVERNANCE

2nd in GIFT

Keppel DC REIT ranked second in the Governance Index for Trusts (GIFT) and 15th in the Singapore Governance and Transparency Index under the REITs and Business Trusts category.

1 Source: Bloomberg
2 Distributable income includes capital expenditure set aside for certain properties.
3 Based on latest valuations by independent valuers for Keppel DC REIT's interests in the properties, excluding lease liabilities pertaining to land rent commitments and options. Includes Intellicentre 3 East Data Centre which is under development.
4 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 2020, the REIT had a portfolio valued at approximately $3.0 billion, comprising 19[1] data centres strategically located in key data centre hubs. With an aggregate lettable area of 2,089,085 sq ft, the portfolio spans 12 cities in eight countries across Asia Pacific and Europe.

Keppel Telecommunications & Transportation Ltd (Keppel T&T), the Sponsor of the REIT, has granted the 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 a diversified portfolio in real estate, infrastructure, data centres and alternative assets in key global markets.

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

1 Excludes Intellicentre 3 East Data Centre, which is currently under development and is expected to be completed in 1H 2021.

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 colocation assets, which are diversified in terms of client profile and lease terms, as well as fully-fitted and shell and core assets with stable long-term leases.

PROACTIVE ASSET MANAGEMENT

- Optimise portfolio returns by proactively managing existing leases and engaging prospective clients on new opportunities.
- Manage property expenses prudently for operational efficiency.
- Deliver quality offerings that meet the evolving needs and 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.

BUILDING A SUSTAINABLE FUTURE

We provide high quality data centres in key hubs around the world to create value for our stakeholders.

GROWING FOOTPRINT, DRIVING ASSET PERFORMANCE

- Strengthened foothold in Europe with acquisitions of:
  - remaining 999-year leasehold land interest in Keppel DC Dublin 1 in Ireland
  - Kelsterbach Data Centre in Germany
  - Amsterdam Data Centre in the Netherlands
- Enhanced portfolio returns with completion of value enhancing works at Keppel DC Dublin 1, Keppel DC Singapore 5 and DC1
- Continued progress on the development of Intellicentre 3 East Data Centre in Sydney, Australia, and conversion of unutilised space to a new data hall at Keppel DC Dublin 2

DEAR UNITHOLDERS,

On behalf of the Board and management, I am pleased to present Keppel DC REIT's annual report for the financial year ended 31 December 2020 (FY 2020).

2020 was an unprecedented year, with the COVID-19 pandemic disrupting economies and causing significant uncertainties around the world. To keep our employees safe and ensure business continuity, we implemented extensive measures at our offices and facilities at the onset of the pandemic.

While the COVID-19 pandemic presented many challenges, it also brought about new opportunities. The pandemic accelerated digitalisation trends including the migration of workloads to cloud, meetings and lessons being conducted virtually, as well as purchases and services being fulfilled through online platforms. As an essential service provider supporting the digital economy, the data centre industry remained resilient throughout the COVID-19 pandemic.

LEVERAGING GLOBAL NETWORK FOR GROWTH

While Keppel DC REIT's operations remained resilient, business development activities were affected as travel and site access remained restricted. Against this backdrop, we modified our execution strategy for due diligence processes and leveraged our network to seek accretive growth opportunities.

In the first half of 2020, we completed the acquisitions of the remaining 999-year leasehold land interest at Keppel DC Dublin 1 in Ireland and Kelsterbach Data Centre in Germany. In end-December 2020, we also acquired Amsterdam Data Centre, Keppel DC REIT's second data centre in the Netherlands and its ninth in Europe. These acquisitions strengthened Keppel DC REIT's foothold in Europe. As at 31 December 2020, Keppel DC REIT's assets under management was approximately $3.0 billion, an increase from $2.6 billion as at 31 December 2019 (FY 2019).

CHRISTINA TAN Chairman

AS AN ESSENTIAL SERVICE PROVIDER SUPPORTING THE DIGITAL ECONOMY, THE DATA CENTRE INDUSTRY REMAINED RESILIENT THROUGHOUT THE COVID-19 PANDEMIC.

The full year contributions from Keppel DC Singapore 4 and DC1, together with the new acquisitions, contributed to Keppel DC REIT's strong performance in FY 2020. Distributable income for FY 2020 was $156.9 million, 38.6% above FY 2019's $113.2 million. DPU was also higher at 9.170 cents for FY 2020, a 20.5% increase over FY 2019's 7.610 cents.

As at 31 December 2020, Keppel DC REIT has delivered total Unitholder return of 38.4%[1] for FY 2020, and 311.6%[1] since its listing in December 2014. As a testament to the REIT's growth, we were included in the benchmark Straits Times Index (STI) in October 2020. This is a significant milestone that will enhance the REIT's trading liquidity and increase its visibility among global investors.

DRIVING ASSET PERFORMANCE

Capitalising on the strong demand for data storage requirements, we continued to drive portfolio performance through proactive asset enhancement initiatives.

In Singapore, we completed the fit-out works at Keppel DC Singapore 5, which brought the asset occupancy to 100% as at end-December 2020. Over at DC1, fit-out works have been completed in February 2021, and with this, the asset is fully leased to 1-Net Singapore on a fully-fitted basis.

In Australia, the development of Intellicentre 3 East Data Centre (IC3 East DC) in Sydney is expected to be completed in 1H 2021. When completed, both Intellicentre 2 Data Centre and IC3 East DC will commence their 20-year leases with Macquarie Data Centres.

Keppel DC Dublin 1 saw an improvement in occupancy following the completion of asset enhancement works to increase the energy efficiency and power capacity at the facility. The Manager is also converting some unutilised space at Keppel DC Dublin 2 into a data hall for a client expansion, which is expected to be completed in 1H 2021.

[1] Source: Bloomberg

The data centre industry is expected to remain a bright spot, supporting the macrotrend of growing digitalisation and the emergence of new technologies.

Keppel DC REIT ended 2020 with a high portfolio occupancy of 97.8% and a long weighted average lease expiry of 6.8 years, which will provide strong income visibility to Unitholders.

MAINTAINING FINANCIAL FLEXIBILITY

To finance the ongoing asset enhancement works in Singapore and other operational needs, the Manager obtained a $150 million six-year revolving credit facility in FY 2020. We also refinanced a Euro-denominated loan and an Australian-dollar denominated loan to 2024 at favourable margins.

In January 2021, we expanded our $500 million Medium Term Note Programme to a $2 billion Debt Issuance Programme, which will provide the REIT with greater flexibility to tap the market for additional funds, either through the issuance of medium-term notes, or through perpetual securities.

As at 31 December 2020, the REIT maintained a well-staggered debt maturity profile with a debt tenor of 3.2 years. Keppel DC REIT maintained a low average cost of debt at 1.6% per annum, while interest coverage ratio remained high at 13.3 times. Meanwhile, the REIT's aggregate leverage of 36.2% will continue to provide comfortable debt headroom to capture further growth opportunities.

To manage currency risk exposure, approximately 63% of the REIT's borrowings have been hedged through floating-to-fixed interest rate swaps. The unhedged borrowings are mostly Euro-denominated, which are trading in the negative region. The REIT's forecasted foreign-sourced distributions have also been hedged with foreign currency forward contracts till 1H 2022 to enhance the stability of distributions to Unitholders.

DRIVING ESG EFFORTS

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.

As part of Keppel DC REIT's efforts to drive sustainability performance, we continue to improve energy efficiency at our colocation facilities in Singapore and Ireland. All of the REIT's colocation facilities in Singapore attained certifications in energy and water management systems. In 2020, the Building and Construction Authority (BCA) conferred Keppel DC Singapore 5 with the highest Green Mark Platinum Award and re-certified Keppel DC Singapore 2 with the BCA Green Mark Gold^{PLUS} Award.

In Ireland, the REIT continues to power its Dublin assets with renewable energy, thus averting about 31,600 tCO$_2$e of greenhouse gas emissions that would have resulted from non-renewable sources.

Keppel DC REIT was also recognised for its commitment towards upholding strong corporate governance and transparency, ranking second in the Governance Index for Trusts (GIFT) in 2020 among Singapore REITs and Trusts.

To improve our sustainability disclosures, we expanded our environmental reporting scope to include Scope 3 emissions for business travel, and obtained assurance for the reporting of community engagement efforts in 2020.

Keppel Capital is a signatory of the United Nations (UN) Global Compact, and Keppel DC REIT supports the Global Compact's Ten Principles on human rights, labour, environment and anti-corruption. In addition, Keppel DC REIT has incorporated eight of the UN Sustainable Development Goals as a supporting framework to guide our sustainability strategy. These initiatives are shared in greater detail in Keppel DC REIT's Sustainability Report, which is published in accordance with the internationally-recognised Global Reporting Initiative Standards.

As part of its strategic oversight, the Board has considered Keppel DC REIT's material Environmental, Social and Governance (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.

BUILDING A SUSTAINABLE FUTURE

The COVID-19 pandemic has radically altered the business and social landscape. Against this backdrop, the data centre industry is expected to remain a bright spot, supporting the macrotrend of growing digitalisation and the emergence of new technologies which will require more data to be stored and processed in a data centre.

While demand for data centres remains strong, the growth and resilience of the sector have attracted new entrants, competing for capital and quality assets. Going forward, the competitive landscape could intensify further.

Amsterdam Data Centre is located in the Schiphol-Rijk business park where the Amsterdam Internet Exchange has a point of presence.

Keppel DC REIT's colocation facilities in Singapore, such as Keppel DC Singapore 4 (pictured), have attained certifications in energy and water management systems.

We remain confident of Keppel DC REIT's unique value proposition. We will continue to leverage our extensive network and strong industry track record, to continue to deliver quality data centres that meet the evolving requirements of a global clientele.

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, we will continue to pursue strategic growth opportunities that complement Keppel DC REIT's portfolio, as well as strengthen its presence across key data centre hubs globally and drive long-term growth.

ACKNOWLEDGEMENTS

On behalf of my fellow Board members, I would like to convey my appreciation to our Unitholders, business partners and valued clients for your long-term support and confidence in Keppel DC REIT.

I am grateful to the management team and staff for their dedication, adapting to changes amid the pandemic, and ensuring business continuity. I would also like to thank my fellow directors for their valuable counsel over the past year.

Continuing our commitment towards adopting best practices, we welcomed the appointment of Mr Kenny Kwan as the Lead Independent Director (LID) in November 2020. As LID, Mr Kwan will play a key role in enhancing the objectivity and independence of the Board.

I would also like to take this opportunity to congratulate Mr Chua Hsien Yang on his new appointment at Keppel Corporation, and thank him for his effective leadership as Chief Executive Officer (CEO) over the past six years since the REIT's listing in 2014.

Taking over the helm is Ms Anthea Lee, who has been part of the senior management team since April 2015 and has been actively involved in the REIT's business as Deputy CEO and Head of Investment. The Board looks forward to working with Anthea and the management team to continue to execute the REIT's strategy.

While the global outlook in 2021 remains uncertain, we will continue to strive ahead, harnessing the strengths of the Keppel Group to deliver sustainable value to our Unitholders.

Yours sincerely,

Christina Tan

CHRISTINA TAN
Chairman
18 February 2021

INCLUSION IN GLOBAL INDICES

- Straits Times Index
- FTSE EPRA Nareit Global Developed Index
- MSCI Singapore Small Cap Index
- GPR 250 Index Series

GROUP FINANCIAL HIGHLIGHTS

RESULTS HIGHLIGHTS AND RATIOS
for the financial year ended 31 December

	2020 $'000	2019 $'000	Change %
Gross revenue	**265,571**	194,826	36.3
Net property income	**244,166**	177,283	37.7
Distributable income[1]	**156,915**	113,245	38.6
Distribution per Unit (DPU)[2] (cents)	**9.170**	7.610	20.5
Distribution yield[2,3] (%)	**3.26**	2.71	55 bps
Adjusted DPU[2] (cents)	**9.170**	7.710	18.9
Weighted average all-in interest rate (% per annum)	**1.6**	1.7	(10 bps)
Interest coverage ratio (times)	**13.3**	13.3	Nm

BALANCE SHEET HIGHLIGHTS AND RATIOS
as at 31 December

	2020 $'000	2019 $'000	Change %
Investment properties[4]	**3,005,038**	2,637,026	14.0
Total assets[4,5]	**3,349,828**	2,927,994	14.4
Gross borrowings[5,6]	**(1,165,756)**	(870,388)	33.9
Deferred payments[5]	**(24,676)**	–	Nm
Lease liabilities[4,5]	**(24,155)**	(51,848)	(53.4)
Total liabilities	**(1,367,586)**	(1,025,446)	33.4
Unitholders' funds	**1,944,652**	1,868,018	4.1
Units in issue ('000)	**1,633,121**	1,632,395	–
Net asset value (NAV) per Unit ($)	**1.19**	1.14	4.4
Adjusted NAV per Unit, excluding distribution ($)	**1.14**	1.12	1.8
Aggregate leverage[5] (%)	**36.2**	30.7	550 bps

1 Distributable income includes capital expenditure set aside for certain properties (Capex Reserves).
2 Excluding the impact of the 141,989,617 new Units listed on 15 October 2019 pursuant to the pro-rata preferential offering, 2019's adjusted DPU would have been 7.710 cents.
3 Based on the closing price of $2.810 on the last trading day of 2020.
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) 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 36.7% (31 December 2019: 31.9%).
6 Gross borrowings relate 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									
2020	**60,272**	**23%**	**63,678**	**24%**	**67,666**	**25%**	**73,955**	**28%**	**265,571**
2019	48,033	25%	47,460	24%	46,352	24%	52,981	27%	194,826
Net Property Income									
2020	**55,443**	**23%**	**58,774**	**24%**	**62,370**	**25%**	**67,579**	**28%**	**244,166**
2019	43,230	24%	43,260	24%	42,267	24%	48,526	28%	177,283
Distributable Income[1]									
2020	**35,781**	**23%**	**39,199**	**25%**	**40,482**	**26%**	**41,453**	**26%**	**156,915**
2019	27,109	24%	27,246	24%	27,426	24%	31,464	28%	113,245
DPU (cents)									
2020	**2.085**	**22%**	**2.290**	**25%**	**2.357**	**25%**	**2.438**	**28%**	**9.170**
2019	1.920	25%	1.930	25%	1.930	25%	1.830[2]	25%	7.610[2]

1 Distributable income includes Capex Reserves.
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 1.930 cents and 7.710 cents respectively.

TRUST AND ORGANISATION STRUCTURE

UNITHOLDERS

Holding of Units ↓ / ↑ Distributions

PERPETUAL (ASIA) LIMITED *(THE TRUSTEE)*

Acting on Behalf of Unitholders →
← Trustee Fees

Keppel DC REIT

← Management Services
Management Fees →

KEPPEL DC REIT MANAGEMENT PTE. LTD. *(THE MANAGER)*

Ownership of Assets ↓ / ↑ Income Contribution

PROPERTIES

Asia Pacific

Singapore
- **Keppel DC Singapore 1** – FM[1]: Keppel DC Singapore 1 Ltd.
- **Keppel DC Singapore 2** – FM[1]: Keppel DC Singapore 2 Pte. Ltd.
- **Keppel DC Singapore 3** – FM[1]: Keppel DCS3 Services Pte. Ltd.
- **Keppel DC Singapore 4** – FM[1]: Keppel DC Singapore 2 Pte. Ltd.
- **Keppel DC Singapore 5** – FM[1]: Keppel DCS3 Services Pte. Ltd.
- **DC1**

Malaysia
- **Basis Bay Data Centre** – FM[1]: Basis Bay Services MSC Sdn Bhd

Australia
- **Gore Hill Data Centre** – FM[1]: iseek-KDC Services Pty Ltd
- **Intellicentre 2 Data Centre**
- **Intellicentre 3 East Data Centre** *(Under development)*
- **iseek Data Centre**

Europe

United Kingdom
- **Cardiff Data Centre**
- **GV7 Data Centre**

Ireland
- **Keppel DC Dublin 1**
- **Keppel DC Dublin 2**

The Netherlands
- **Almere Data Centre**
- **Amsterdam Data Centre** – FM[1]: FRIS Investment Care B.V.

Italy
- **Milan Data Centre**

Germany
- **maincubes Data Centre**
- **Kelsterbach Data Centre**

BOARD OF DIRECTORS
- **Nominating and Remuneration Committee**
- **Audit and Risk Committee**
  - **Risk and Compliance**
- **Chief Executive Officer**
  - **Finance**
  - **Investment**
  - **Asset Management**
  - **Investor Relations**

[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 55

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 2020):
4 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 2021):
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 2016 to 31 December 2020):
Various subsidiaries and associated companies of Alpha Investment Partners Limited and funds managed by Alpha Investment Partners Limited

Others:
Nil

KENNY KWAN | AGE 51

Lead Independent Director

N

Date of first appointment as a director:
28 February 2019

Length of service as a director (as at 31 December 2020):
1 year 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 2021):
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 2016 to 31 December 2020):
Nil

Others:
Nil

LEE CHIANG HUAT | AGE 71

Independent Director

A

Date of first appointment as a director:
18 November 2014

Length of service as a director (as at 31 December 2020):
6 years 2 months

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

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

Present Directorships (as at 1 January 2021):
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 2016 to 31 December 2020):
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 59

Independent Director

N

Date of first appointment as a director:
18 November 2014

Length of service as a director (as at 31 December 2020):
6 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 2021):
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 2016 to 31 December 2020):
Asia Pacific Bioinformatics Network Limited; 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 70

Independent Director

A N

Date of first appointment as a director:
18 November 2014

Length of service as a director (as at 31 December 2020):
6 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 2021):
Listed companies
Thakral Corporation Ltd; Singapore Reinsurance Corporation Limited

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 2016 to 31 December 2020):
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

LOW HUAN PING | AGE 64

Independent Director

A

Date of first appointment as a director:
28 February 2019

Length of service as a director (as at 31 December 2020):
1 year 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 2021):
Listed companies
Nil

Other principal directorships
Nil

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):
iFast Corporation Ltd.; Magzter Inc; Shareinvestor.com Holdings Pte Ltd; MediaCorp Press Pte. Ltd.; M1 Limited

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

THOMAS PANG THIENG HWI | AGE 56

Non-Executive Director

Date of first appointment as a director:
18 November 2014

Length of service as a director (as at 31 December 2020):
6 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 2021):
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 2016 to 31 December 2020):
Various subsidiaries and associated companies of Keppel Telecommunications & Transportation Ltd and Keppel DC REIT

Others:
Nil

ANTHEA LEE | AGE 47

Chief Executive Officer
(w.e.f. 15 February 2021)

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

She joined the Manager in 2015 as Head of Investment and Asset Management and has been instrumental in growing Keppel DC REIT through various accretive acquisitions. She was appointed Deputy CEO and Head of Investment in 2018, and has been actively involved in all aspects of Keppel DC REIT's business.

Prior to joining the Manager, Ms Lee was Vice President, Investment, at Keppel REIT Management Limited, managing regional investments and divestments. Before joining the Keppel Group in 2006, 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 2021):
Various subsidiaries and associated companies of Keppel DC REIT

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):
Nil

CHUA HSIEN YANG | AGE 43

Chief Executive Officer
(till 14 February 2021)

Mr Chua served as CEO of Keppel DC REIT Management since the listing of the REIT in 2014 till 14 February 2021. With effect from 15 February 2021, he assumed the role of Director of Group Mergers & Acquisitions at Keppel Corporation Limited.

Mr Chua has extensive experience in the real estate fund management and hospitality industries, including Mergers & Acquisitions, real estate investments, business development and asset management globally. Prior to joining the Keppel DC REIT Management, Mr Chua was Senior Vice President of Keppel REIT Management Limited, the manager of Keppel REIT, where he headed the investment team. From 2006 to 2008, Mr Chua was Director of Business Development and Asset Management at Ascott Residence Trust Management Limited, the manager of Ascott Residence Trust, and before that, he was with Hotel Plaza Limited (now known as Pan Pacific Hotels Group Limited) as Assistant Vice President of Asset Management, where 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 2021):
KBS US Prime Property Management Pte. Ltd.; various subsidiaries and associated companies of Keppel DC REIT

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):
Nil

ADAM LEE | AGE 36

Chief Financial Officer

Mr Lee has more than 12 years of experience in 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 2021):
Various subsidiaries and associated companies of Keppel DC REIT

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):
Lakson Technology Pte. Ltd.

CHARMAINE CAI | AGE 39

Head of Investment

Ms Cai has over 16 years of experience in the real estate and financial services industries.

Before joining Keppel DC REIT, she was Head of Acquisitions at Rockworth Capital Partners Pte Ltd, where she was primarily responsible for the origination and execution of direct property deals and was also involved in several indirect investment-related transactions.

Before joining Rockworth, she held senior investment positions in a private European fund management company for 10 years, seeing through full cycles of acquisition, asset management and divestment of assets across Asia Pacific, including Australia, China, Japan and Korea. She was also involved in strategic planning and investor relations matters.

Her prior experience includes portfolio allocation, investment advisory, risk management and corporate finance at Morgan Stanley and CapitaLand.

Ms Cai holds a Bachelor of Business Management with First Class Honours from the Singapore Management University, majoring in Finance and Law, and spent half a year at the Wharton School of the University of Pennsylvania during her undergraduate years.

Present Directorships (as at 1 January 2021):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):
AM alpha (Singapore) Pte. Ltd.;
AM alpha (HK) Limited

EDWIN CHENG | AGE 48

Head of Asset Management

Mr Cheng has over 22 years of experience in the property and asset management industry.

As Head of Asset Management, he is responsible for developing plans and strategies to maximise asset returns and performance. Prior to joining Keppel DC REIT, he was with Mercatus Co-operative Limited where he formulated and executed strategies to maximise asset returns and performance through active leasing, asset enhancements, property and asset management for commercial, retail and industrial properties for NTUC Income Insurance Co-operative Limited.

Before joining NTUC Income, he was involved in the management and maintenance of mission-critical facilities in hospitals for Keppel FMO from 2009 to 2011. His main responsibilities included meeting stringent key performance indicators and service level agreements prescribed by SingHealth when maintaining their hospital facilities.

Mr Cheng holds a Bachelor of Arts (Architectural Studies) with Second Upper Honours from the University of Nottingham and a Master of Science (Real Estate) from the National University of Singapore.

Present Directorships (as at 1 January 2021):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):
Nil

EMMULIN WEE | AGE 35

Senior Manager, Investor Relations

Ms Wee has over 12 years of experience in investor relations and financial communications.

She joined the investor relations team at Keppel Land in 2010 where she facilitated dialogues with the investment community and provided timely disclosures of key developments that helped investors make informed decisions on whether to invest in the company. In 2014, she joined Bell Pottinger as a Senior Consultant, specialising in financial communications for transactions, including IPOs and Merger & Acquisitions.

She was also the Projects and Investor Relations Manager at Rickmers Trust Management, where she was responsible for investor relations as well as the execution of asset divestments and the restructuring of Rickmers Maritime.

Ms Wee graduated with a Bachelor of Arts in Communications from the Oklahoma City University.

Present Directorships (as at 1 January 2021):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):
Nil

SIGNIFICANT EVENTS

Q1 2020

Completed the acquisition of the remaining 999-year leasehold land interest in Keppel DC Dublin 1

Mr Adam Lee appointed as Chief Financial Officer

Q2 2020

Completed the acquisition of Kelsterbach Data Centre in Germany

Obtained tax transparency status for Keppel DC Singapore 4

Q3 2020

Included as a constituent of the benchmark Straits Times Index

Ranked 15th in the Singapore Governance and Transparency Index under the REIT and Business Trust Category

Included in SGX's top 20 best performing stocks

Q4 2020

Ranked 2nd in the Governance Index for Trusts

Mr Kenny Kwan appointed as Lead Independent Director of the Board

Deepened European presence with the acquisition of Amsterdam Data Centre in the Netherlands

Received the Best Returns to Shareholders Award and Overall Sector Winner under the REITs category at The Edge's Billion Dollar Club Awards

Q1 2021

Ms Anthea Lee appointed as Chief Executive Officer

Completion of fit-out works at DC1 in Singapore

In 2020, Keppel DC Singapore 5 (pictured) achieved the BCA Green Mark Platinum Award, while Keppel DC Singapore 2 was re-certified with the BCA Green Mark Gold^{PLUS} Award.

INVESTOR RELATIONS

THE MANAGER CONTINUED TO PROACTIVELY ENGAGE THE INVESTMENT COMMUNITY THROUGH DIGITAL PLATFORMS.

The COVID-19 pandemic and the resultant restrictions have forced companies to rethink the way businesses are conducted.

The move of workloads to cloud for business continuity reinforces the importance of high quality and well-operated data centres in meeting the needs of a growing digital economy.

Notwithstanding travel restrictions and disruptions arising from the pandemic, the Manager took its outreach efforts online to engage with the investment community. At these virtual meetings and webinars, the Manager reinforced the message that data centres provide essential services, serving as critical infrastructure behind telecommuting arrangements, e-commerce, roll-out of smart technologies and social media platforms.

Guided by its Investor Relations (IR) policy, which is available on the REIT's website and reviewed regularly to ensure its relevance and effectiveness, the Manager maintained regular dialogues with analysts, existing and potential investors, as well as key stakeholders.

Keppel Capital 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) in its initiatives to empower the investment community through investor education.

PROACTIVE ENGAGEMENTS

In 2020, the Manager engaged approximately 800 investors and analysts in Singapore, Thailand, Hong Kong, Korea, Japan, Europe and North America, as well as in the new markets of Taiwan and Australia through virtual conferences, meetings, roadshows and webinars.

Pursuant to the amendments to Rule 705 of the Listing Manual of the Singapore Exchange (SGX), the Manager announced on 18 March 2020, the adoption of half-yearly announcements of its financial statements with effect from the financial year ending 31 December 2020. In lieu of announcing the quarterly financial statements, the Manager continued to engage Unitholders, analysts, investors and other stakeholders through interim business updates.

The Manager also continued to partner brokers to organise post-results engagements with investors to address queries relating to the REIT's performance and operating outlook.

In compliance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and the

As part of COVID-19 precautionary measures, Keppel DC REIT's AGM was convened virtually on 1 June 2020.

INVESTOR RELATIONS CALENDAR

Financial Year ended 31 December 2020

Q1

- FY 2019 results announcement and analysts' teleconference
- FY 2019 post-results investors' luncheon hosted by DBS
- Virtual roadshow for global investors hosted by Credit Suisse
- Virtual roadshow for Malaysia investors hosted by Maybank
- Virtual roadshow for Thailand investors hosted by Credit Suisse

Q2

- 1Q 2020 operational updates and analysts' teleconference
- 1Q 2020 post-updates virtual group investor meeting hosted by CGS-CIMB
- Keppel DC REIT's fifth AGM which was convened virtually
- SGX-NH Virtual S-REITs Corporate Day for Korea investors
- Virtual roadshows for Taiwan and Japan investors hosted by RHB
- Citi Pan-Asia Regional Investor Virtual Conference
- SGX-CITIC Virtual Corporate Access Day
- Citi Asia-Pacific Virtual Property Conference
- Morgan Stanley Virtual ASEAN Best Conference

Q3

- 1H 2020 results announcement and analysts' teleconference
- 1H 2020 post-results virtual group investor meeting hosted by HSBC
- Presentation at the SGX-UBS Webinar: Challenges and Opportunities in Post-COVID-19 Singapore
- Citi-REITAS-SGX C-Suite Singapore REITs and Sponsors Virtual Forum
- Virtual REITs Symposium
- Presentation at the DBS-SGX-REITAS Future of Real Estate Series webinar
- Daiwa Pan-Asian REIT Virtual Conference
- Bank of America Securities Virtual Global Real Estate Conference
- SGX-Credit Suisse Real Estate Virtual Corporate Day

Q4

- SGX-Macquarie Singapore Access Virtual Corporate Day
- 3Q 2020 operational updates and analysts' teleconference
- 3Q 2020 post-updates virtual group investor meeting hosted by JP Morgan
- Yuanta Securities Virtual Corporate Day for Taiwan investors
- SGX-JP Morgan Virtual Corporate Day for Japan investors
- JP Morgan Global TMT Virtual Conference
- SGX-NH Virtual Corporate Day for Korea investors
- SGX-UBS SREITs and Infrastructure Virtual Corporate Day for Australia investors
- Bank of America Securities Global Data Centre Virtual Conference
- Presentation at the SGX-REITAS lunchtime webinar for retail investors
- UBS Global Real Estate Virtual Conference

UNITHOLDING BY TYPE (%)
as at 1 February 2021

Sponsor and related parties	21.1
Institutional	52.6
Retail	26.3
Total	**100.0**

UNITHOLDING BY GEOGRAPHY[1] (%)
as at 1 February 2021

Asia (excluding Singapore)	22.8
North America	19.1
Singapore	17.4
Europe (excluding UK)	5.7
UK	5.1
Others[2]	29.9
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.

RESEARCH COVERAGE

Keppel DC REIT is covered by 14 equity research houses:

- Bank of America
- CGS-CIMB
- Citi
- CLSA
- Credit Suisse
- DBS
- HSBC
- JP Morgan
- KGI Securities
- Macquarie
- Morgan Stanley
- Morningstar
- OCBC
- Phillip Capital

INVESTOR RELATIONS

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

joint guidance issued on the conduct of general meetings in connection with the foregoing, Keppel DC REIT's Annual General Meeting (AGM) was convened in a virtual format on 1 June 2020, ensuring that Unitholders continued to have the ability to participate, vote and pose questions to senior management. At the virtual meeting, which was attended by 65 Unitholders, the Board and senior management provided an update on Keppel DC REIT's FY 2019 performance and addressed questions and comments that Unitholders submitted in advance.

All AGM resolutions were polled ahead of the event and an independent scrutineer was appointed to count and validate the AGM's votes. Results of the AGM were announced during the meeting and minutes of the meeting, as well as responses to relevant and substantial questions from Unitholders were published on SGXNet and the REIT's website.

As part of ongoing efforts to promote retail investors' knowledge of REITs, Keppel DC REIT took part in the annual REITs Symposium that was held virtually in 2020. As part of the event, the IR team took questions posed in a live-chat session with approximately 370 participants.

To keep investors abreast of Keppel DC REIT's corporate developments and operational updates, the Manager provides up-to-date information on its corporate website. Investors can also refer to the website for publications including the factsheet, annual reports, financial and portfolio information, investor presentations and media releases that may be used to guide their investment decisions. Unitholders are also able to subscribe to email alerts for key announcements.

The IR contact is available on the corporate website and in all media releases to facilitate communications between the REIT and its investment community.

RAISING VISIBILITY AMONG GLOBAL INVESTORS

Keppel DC REIT was included in the benchmark Straits Times Index in October 2020, a significant milestone that is testament to the REIT's growth since its listing in December 2014. The REIT is also a constituent of the FTSE EPRA Nareit Global Developed Index, MSCI Singapore Small Cap Index and the GPR 250 Index Series. The inclusion in these globally-recognised indices will increase Keppel DC REIT's visibility among global investors and enhance its trading liquidity.

In 2020, the REIT was recognised for continually upholding strong corporate governance. Keppel DC REIT ranked second in the Governance Index for Trusts, and 15th in the Singapore Governance and Transparency Index under the REITs and Business Trusts category.

In addition, Keppel DC REIT received the Best Returns to Shareholders Award and Overall Sector Winner under the REITs category at The Edge's Billion Dollar Club Awards in 2020.

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

Telephone:
+65 6803 1857

Email:
investor.relations@keppeldcreit.com

Website:
www.keppeldcreit.com

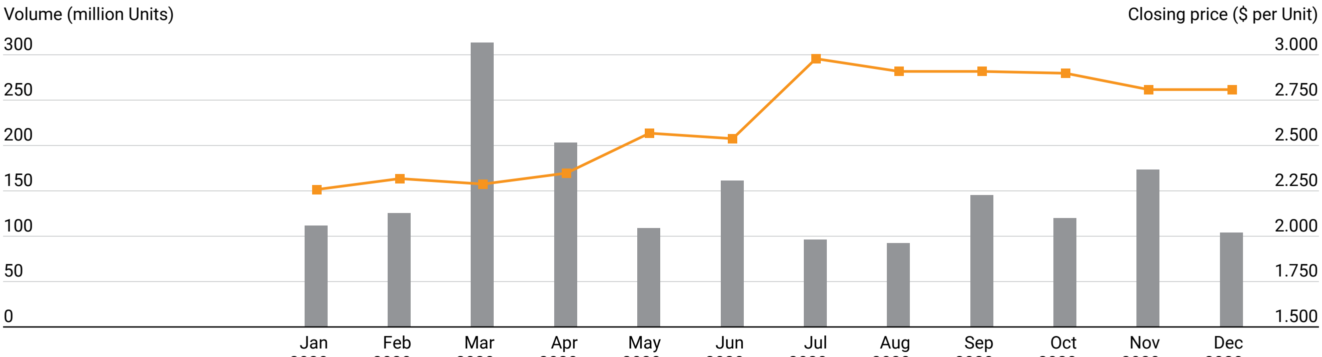
UNIT PRICE PERFORMANCE

Keppel DC REIT's market closing price was $2.810 per Unit as at 31 December 2020. Approximately 1.8 billion Keppel DC REIT Units were traded in FY 2020.

Distribution per Unit (DPU) was 9.170 cents for the financial year ended 31 December 2020 (FY 2020), which translated to a distribution yield of 3.3%.

As at 31 December 2020, Keppel DC REIT delivered total Unitholder return of 38.4%[1] for FY 2020 and 311.6%[1] since listing in December 2014.

MONTHLY TRADING PERFORMANCE



	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020
Closing Unit price month-end ($ per Unit)	2.260	2.320	2.290	2.350	2.570	2.540	2.980	2.910	2.910	2.900	2.810	2.810
Monthly trading volume (million Units)	112.1	125.6	313.3	203.4	109.2	161.5	96.7	92.5	145.6	120.5	173.4	104.3

UNIT PRICE PERFORMANCE ($ per Unit)

	2020	2019
Highest closing price	**3.060**	2.110
Lowest closing price	**1.760**	1.360
Average closing price	**2.608**	1.693
Closing price on last trading day of the year	**2.810**	2.080
Trading volume (million Units)	**1,758**	1,250

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 9.170 cents for FY 2020 and the market closing price of $2.810 per Unit as at 31 December 2020.

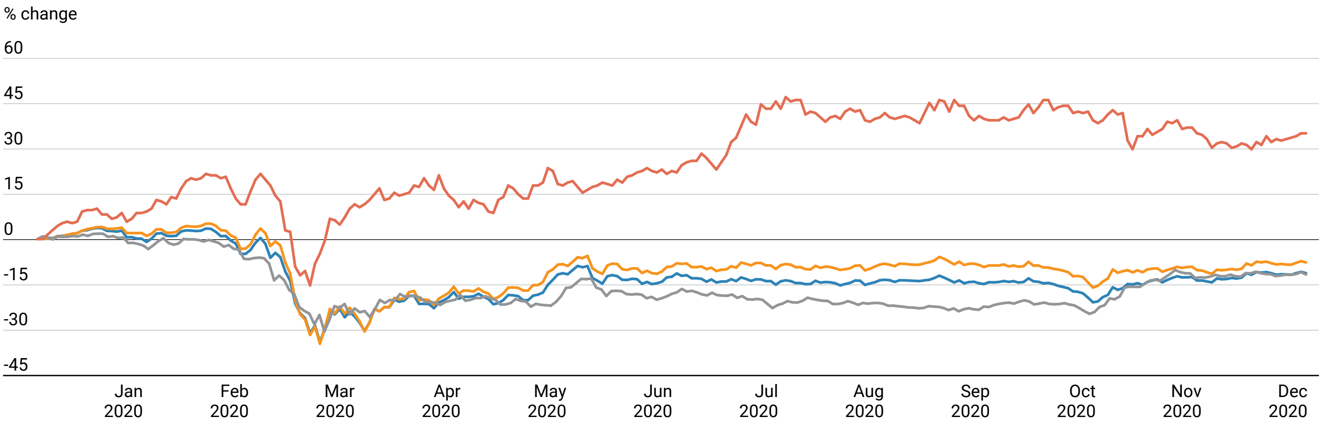
COMPARATIVE YIELDS (%)

as at 31 December 2020

	Distribution Yield[2]
Keppel DC REIT[3]	3.3
STI	3.7
FTSE ST REIT Index	4.2
FTSE ST RE Index	4.1
CPF Ordinary Account	2.5
10-year SG Govt Bond	0.8
5-year SG Govt Bond	0.5
Bank Savings Deposit Rate	0.1

UNIT PRICE PERFORMANCE AGAINST INDICES (%)

for the period from 1 January 2020 to 31 December 2020



Keppel DC REIT	35.1
STI	-11.8
FTSE ST REIT Index	-7.7
FTSE ST RE Index	-11.3

KEPPEL DC REIT AROUND THE WORLD

ASSETS UNDER MANAGEMENT

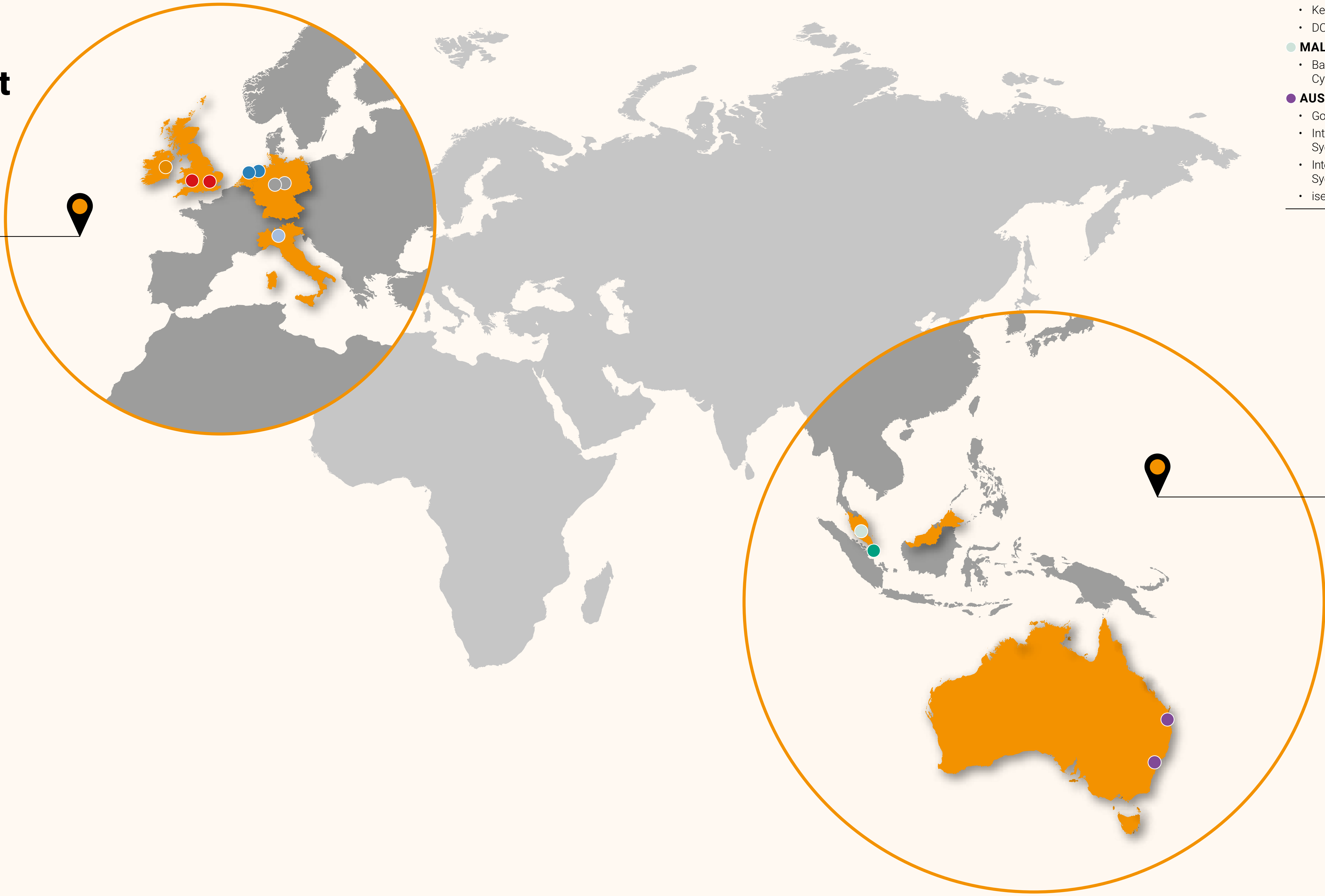
$3.0b

15.4% higher than $2.6 billion as at 31 December 2019

TOTAL ATTRIBUTABLE LETTABLE AREA[1]

2,089,085 sq ft

19[1] data centres across eight countries



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
- Amsterdam Data Centre, Amsterdam

ITALY
- Milan Data Centre, Milan

GERMANY
- maincubes Data Centre, Offenbach am Main
- Kelsterbach Data Centre, Kelsterbach

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

Note:
[1] Excludes Intellicentre 3 East Data Centre, which is currently under development and is expected to be completed in 1H 2021.

INDEPENDENT MARKET REVIEW

BY DANSEB CONSULTING

GLOBAL LOCKDOWN MEASURES HAVE LED TO GREATER RELIANCE ON TECHNOLOGY FOR BUSINESSES AND INDIVIDUALS, SPURRING INVESTMENTS IN DIGITAL INFRASTRUCTURE.

INCREASED HYPERSCALE SPENDING ON COLOCATION DATA CENTRES IN 2020

25%

Higher than 2019's 23% growth.

The report is prepared at end-2020 by Danseb Consulting, formerly known as 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 can be provided to single or multiple clients, through large wholesale colocation leases or smaller retail colocation offerings.

INDUSTRY OVERVIEW

In 2020, the global data centre market continued its strong growth trajectory despite the COVID-19 pandemic.

Global lockdown measures have led to a greater reliance on technology for businesses and individuals. In addition, governments around the world have stepped up digitalisation efforts to support their administration and the healthcare sector amid the pandemic. As such, more investments have been poured into digital infrastructure to improve connectivity and support demand for data storage and processing.

Driven by the rapid adoption of cloud technology, enterprise spending on cloud infrastructure has grown by over 30% in 2020, 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, hyperscale operator capital expenditure set a new record, totalling over US$120 billion, exceeding the US$104 billion in 2019. Hyperscale spending on colocation data centres increased by 25% year-on-year in 2020 alone, higher than 2019's 23% growth. Danseb Consulting believes that around 70% of new hyperscale demand in 2020 was met by colocation providers, compared to approximately 66% in 2019 and 40% in 2018.

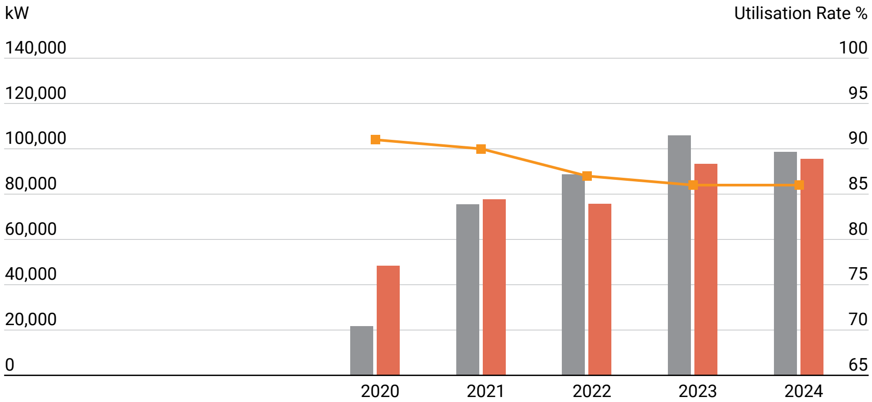
The resilience and attractiveness of the data centre market have attracted new entrants, especially for shell and core facilities which do not require operational track record. While competition continues to build up in the shell and core segment, and to a certain extent the fully-fitted segment, the colocation market remains dominated by data centre operators with proven track record and established network. Supported by strong hyperscale demand, the global colocation market is expected to grow by 16% in 2021, largely spurred by growth in Asia Pacific and Europe.

Data centre spending in Asia Pacific is set to surpass US$35 billion by 2024 to account for over 35% of the global data centre market. The European market, despite challenges such as the lack of power, is set to surpass US$25 billion by 2024, led by hyperscale demand.

On the environmental front, climate change concerns will have an increasing impact on the data centre market. The industry has been embracing climate change initiatives such as the Climate Neutral Data Centre Operator Pact, which seeks to ensure that European data centres are carbon neutral by 2030. In addition, data centre developers and operators have been stepping up their efforts to improve energy efficiency for data centres.

Looking ahead, demand for data centres is expected to remain robust in the coming years. As a sector that supports mission-critical operations, the data centre market is expected to be resilient throughout the business cycle.

DATA CENTRE SUPPLY/DEMAND/UTILISATION IN SINGAPORE



	2020	2021	2022	2023	2024
Supply Added (kW)	21,567	75,200	88,500	105,600	98,400
New Demand (kW)	48,300	77,400	75,500	93,200	95,400
Utilisation Rate (%)	91	90	87	86	86

SINGAPORE

Singapore ranks among the top ten largest data centre hubs globally, and is one of the major data centre hubs in Asia Pacific alongside Tokyo, Sydney, Shanghai and Hong Kong.

Singapore is a choice location for multinational organisations due to its robust fibre network, pro-business climate and competitive power market.

Singapore also benefits from its sustained innovation in the use of technology, as illustrated by the Smart Nation initiatives and the issuance of digital banking licenses.

Singapore's geopolitical stability makes it ideal for regional headquarters of US and Chinese technology firms. As the Southeast Asian data centre hub, demand in the country has been driven by hyperscale cloud providers, who are looking to support growing cloud deployments in Asia.

The government's moratorium on new data centre developments to meet the nation's carbon emissions target has led to a tightening of supply in the market, which is expected to result in higher utilisation rates at existing facilities in the face of strong demand. Colocation rate is estimated to have risen by approximately 5% in 2020.

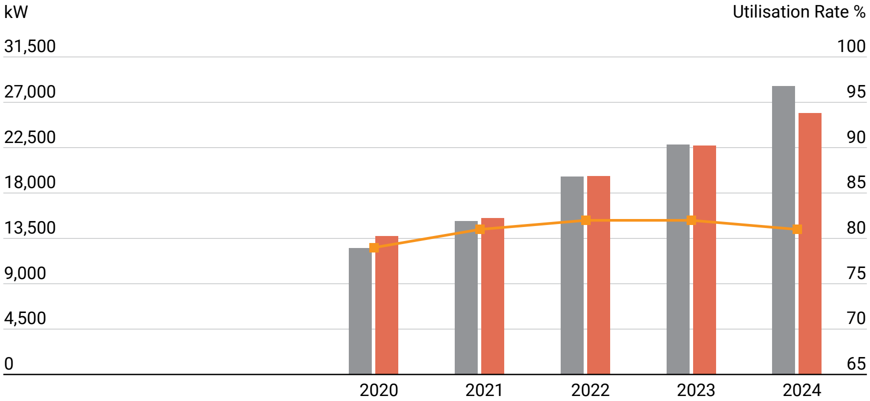
New demand in Singapore is estimated to grow at a CAGR of 18.5% between 2020 and 2024. The average utilisation rate was 91% as at end-2020.

Singapore is a choice location for multinational organisations due to its robust fibre network, pro-business climate and competitive power market.

INDEPENDENT MARKET REVIEW
BY DANSEB CONSULTING

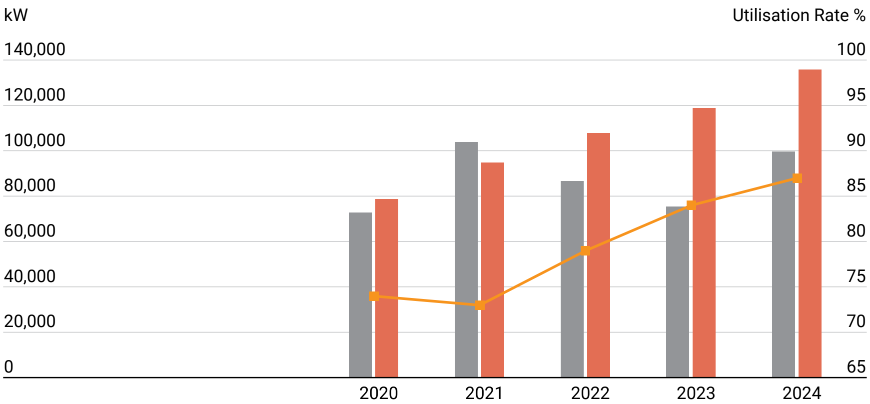
Basis Bay Data Centre in Cyberjaya, Malaysia.

DATA CENTRE SUPPLY/DEMAND/UTILISATION IN CYBERJAYA



	2020	2021	2022	2023	2024
Supply Added (kW)	12,500	15,200	19,600	22,750	28,540
New Demand (kW)	13,700	15,500	19,624	22,655	25,872
Utilisation Rate (%)	79	81	82	82	81

DATA CENTRE SUPPLY/DEMAND/UTILISATION IN SYDNEY



	2020	2021	2022	2023	2024
Supply Added (kW)	72,500	103,600	86,500	75,200	99,400
New Demand (kW)	78,400	94,500	107,500	118,600	135,600
Utilisation Rate (%)	74	73	79	84	87

CYBERJAYA, MALAYSIA

Cyberjaya is a purpose-built technology business park located approximately 30km south of Kuala Lumpur and spans an area of $28km^2$. 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 has not developed as quickly as its neighbouring countries due to the political changes in recent years. The market also faces competition from neighbouring Singapore and other Southeast Asian markets such as Indonesia, Thailand and Vietnam which are seeking to develop strong data centre markets.

There are plans for Malaysia to further boost its technology and digital industries. Several Malaysian and Chinese enterprises have announced plans to establish an Artificial Intelligence park at a cost of US$1 billion. 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 17.2% between 2020 and 2024, albeit from a smaller base. The average utilisation rate was 79% as at end-2020.

SYDNEY, AUSTRALIA

Sydney remains the key data centre hub in Australia, attracting multinational organisations and financial institutions due to its conducive business environment and excellent telecommunications infrastructure.

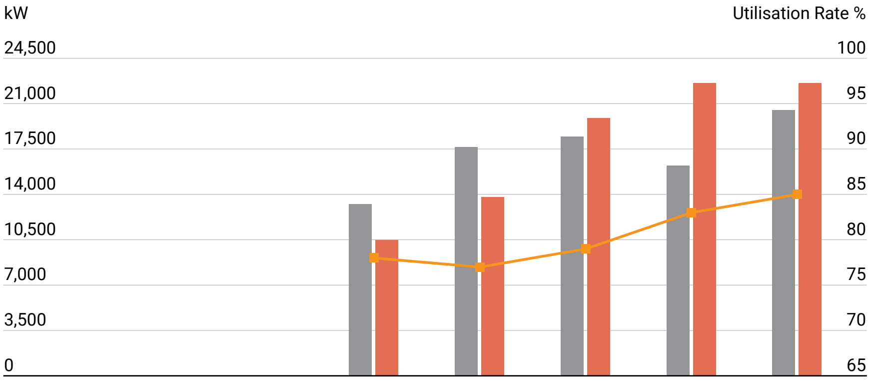
Sydney is developing into a strong technology hub, with the Artificial Intelligence and Internet of Things sectors forecasted to grow at a CAGR of over 40% over the next five years, contributing to 2% of the Sydney economy by 2024.

In 2020, demand was led by hyperscale cloud providers, as well as the financial and IT services sectors. The Australian cloud computing market grew by approximately 45% in 2020 alone, driven by major deployments from Alibaba, Google and Microsoft.

Sydney has seen some consolidation in the data centre market which could intensify in 2021, as strong domestic players with good track record could be acquired by global operators and financial buyers.

Supply growth in Sydney remains tight due to the lack of suitable sites, high land costs and limited power availability. This could lead to further developments in other Australian cities, such as Melbourne and Perth.

DATA CENTRE SUPPLY/DEMAND/UTILISATION IN BRISBANE



	2020	2021	2022	2023	2024
Supply Added (kW)	13,200	17,600	18,400	16,200	20,455
New Demand (kW)	10,455	13,750	19,842	22,533	22,555
Utilisation Rate (%)	78	77	79	83	85

Intellicentre 3 East Data Centre in Sydney, Australia, is on track for completion in 1H 2021.

New demand in Sydney is estimated to grow at a CAGR of 14.7% between 2020 and 2024. The average utilisation rate was 74% as at end-2020.

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 backup sites and lower cost alternatives to Sydney.

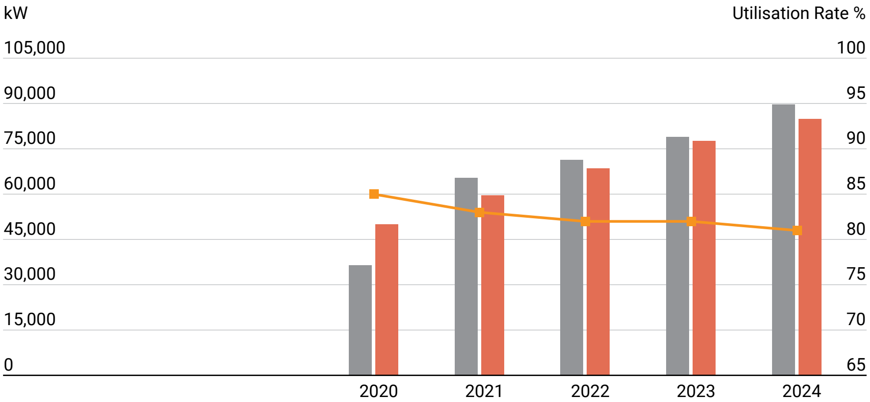
It is also home to growing key life sciences and clean technology hubs that attract research investments which often require large computing resources, a change from the city's traditional growth sectors of mining and tourism.

The Brisbane market is well-equipped for the adoption of new digital technology, with the 5G network available to more than 50% of Brisbane residents. According to Telstra, the Brisbane Central Business District has the second highest 5G data consumption rate among Australian cities.

New demand in Brisbane is estimated to grow at a CAGR of 21.2% between 2020 and 2024. The average utilisation rate was 78% as at end-2020.

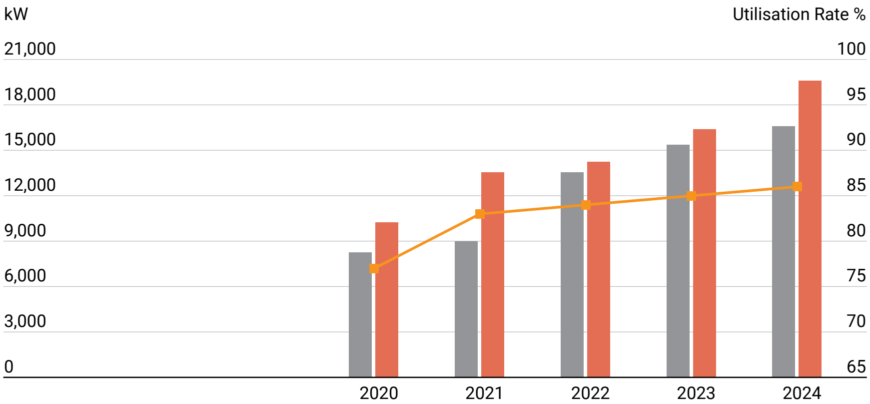
INDEPENDENT MARKET REVIEW
BY DANSEB CONSULTING

DATA CENTRE SUPPLY/DEMAND/UTILISATION IN LONDON



	2020	2021	2022	2023	2024
Supply Added (kW)	36,308	65,279	71,218	78,755	89,455
New Demand (kW)	49,800	59,489	68,421	77,432	84,677
Utilisation Rate (%)	85	83	82	82	81

DATA CENTRE SUPPLY/DEMAND/UTILISATION IN CARDIFF



	2020	2021	2022	2023	2024
Supply Added (kW)	8,250	8,950	13,510	15,350	16,550
New Demand (kW)	10,200	13,507	14,210	16,355	19,570
Utilisation Rate (%)	77	83	84	85	86

LONDON, UNITED KINGDOM

London is one of the five main European data centre markets alongside Frankfurt, Amsterdam, Dublin and Paris. While London was severely affected by COVID-19, its data centre demand remained strong in 2020.

London has the highest cloud adoption rate in Europe. Large deployments in 2020 included Google and Microsoft. Demand was also supported by the financial services sector, driven by the fintech market which grew 30% in market size in 2020.

Brexit has led to an increase in demand from hyperscale cloud providers to house their data centres both in the UK and in key European cities due to uncertainties surrounding data sovereignty regulations.

Supply of new data centres was limited in 2020 due to COVID-19 restrictions affecting construction activities. The lack of suitable sites and power availability in London has also resulted in a demand spill over to locations outside of central London.

New demand in London is estimated to grow at a CAGR of 14.2% between 2020 and 2024. The average utilisation rate was 85% as at end-2020.

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 is set to be one of the key technology hubs in the UK. The city is projected to be one of the UK's fastest growing cities, with population growth of 26% over the next 20 years, according to Invest In Cardiff.

Cardiff offers lower costs and easier access to power availability, which are suitable for high performance computing and big data analytics. Following significant deployments from Microsoft, the Cardiff market has attracted systems integrators, and in recent years, medical technology firms setting up in Wales. In addition, many large companies are establishing new call and distribution centres in Cardiff, which in turn supports its digital economy.

New demand in Cardiff is estimated to grow at a CAGR of 17.7% between 2020 and 2024. The average utilisation rate was 77% as at end-2020.

AMSTERDAM, THE NETHERLANDS

Amsterdam remains a highly attractive data centre market that benefits from its central location between the UK, Germany and the Scandinavian region. The city is an international trade hub, and is home to the headquarters of numerous multinational corporations and European companies.

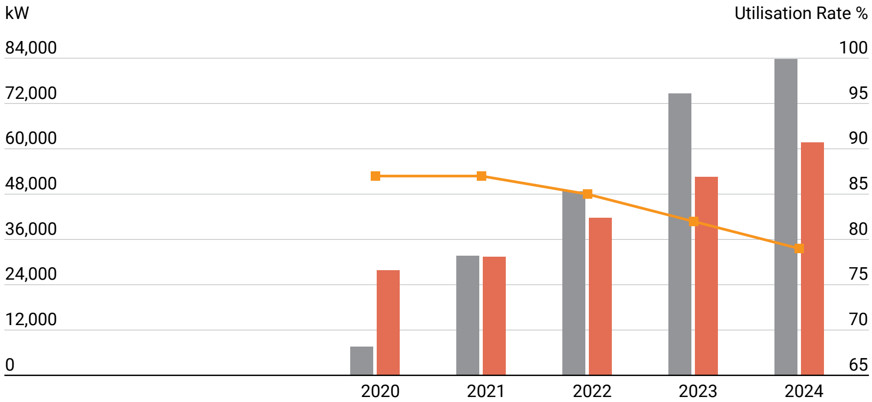
Amsterdam's moratorium on new data centre developments has resulted in higher demand in the larger Amsterdam Metropolitan Area such as Almere and Eemshaven. When the moratorium is lifted, more legislations might be put in place to ensure that new facilities are more energy efficient with lower carbon footprint to meet the country's carbon emissions target.

Demand in 2020 remained strong, driven by large deployments from hyperscale cloud providers such as Apple, Google and Microsoft.

Also known as the digital media hub of Europe, Amsterdam has a well-established data centre sector that is supported by its superior connectivity. The local Internet Exchange, AMS-IX, saw a 35% year-on-year growth in internet data volume in 2020.

New demand in Amsterdam is estimated to grow at a CAGR of 22.1% between 2020 and 2024. The average utilisation rate was 87% as at end-2020.

DATA CENTRE SUPPLY/DEMAND/UTILISATION IN AMSTERDAM

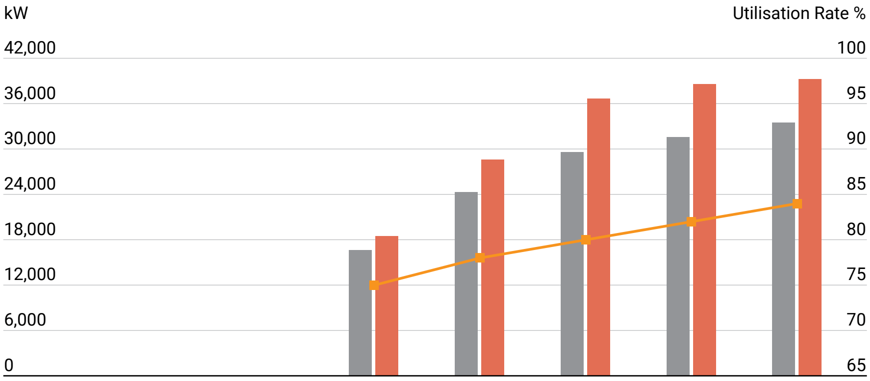


	2020	2021	2022	2023	2024
Supply Added (kW)	7,500	31,555	48,650	74,500	83,554
New Demand (kW)	27,700	31,300	41,655	52,458	61,544
Utilisation Rate (%)	87	87	85	82	79

GV7 Data Centre is located in Greenwich View Place in London.

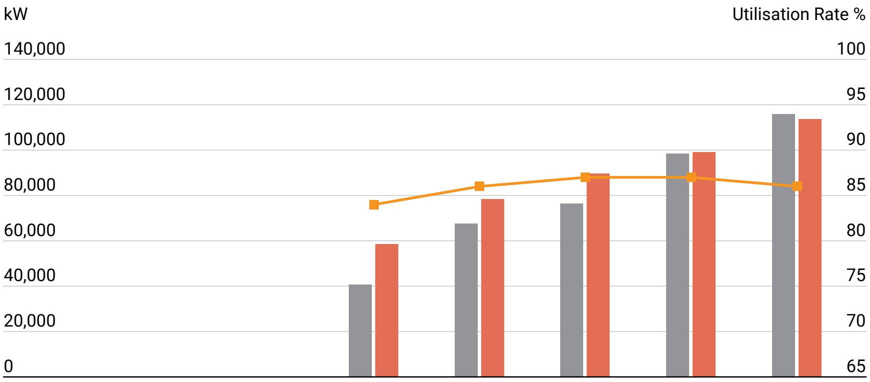
INDEPENDENT MARKET REVIEW
BY DANSEB CONSULTING

DATA CENTRE SUPPLY/DEMAND/UTILISATION IN DUBLIN



	2020	2021	2022	2023	2024
Supply Added (kW)	16,555	24,267	29,555	31,500	33,450
New Demand (kW)	18,400	28,550	36,600	38,500	39,200
Utilisation Rate (%)	75	78	80	82	84

DATA CENTRE SUPPLY/DEMAND/UTILISATION IN FRANKFURT



	2020	2021	2022	2023	2024
Supply Added (kW)	40,567	67,543	76,345	98,250	115,655
New Demand (kW)	58,355	78,223	89,555	98,950	113,450
Utilisation Rate (%)	84	86	87	87	86

DUBLIN, IRELAND

Dublin is one of Europe's largest data centre markets, led by strong hyperscale demand due to its supportive tax regime and strong trading links to the US. The city has emerged as a cloud computing hub, with the strong presence of major cloud providers including Amazon Web Services, Google and Microsoft.

Demand in Dublin has been spurred by Brexit concerns, with more companies moving their colocation facilities from London to Dublin to ensure seamless trading within Europe post-Brexit.

Power availability remains a concern in Dublin with data centre usage estimated at over 14% of total power consumption in Ireland in 2020. This figure could jump to 29% by 2028, prompting significant investments in renewable energy by the electricity suppliers to help meet Ireland's carbon emissions target. Increasingly, hyperscale cloud players are securing power from Ireland's wind farms for their data centres.

Demand in 2020 and beyond will continue to be led by international customers. Despite competition from the Nordic region, Dublin will continue to be attractive to hyperscale cloud providers and benefit from its growing importance as a financial hub. Ireland also benefits from strong international connectivity with subsea cables connecting to the United States and Scandinavian region.

New demand in Dublin is estimated to grow at a CAGR of 20.8% between 2020 and 2024. The average utilisation rate was 75% as at end-2020.

FRANKFURT, GERMANY

Frankfurt is one of the most established data centre markets in Europe with significant investments from hyperscale cloud providers and multinational organisations.

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. Frankfurt also sees strong domestic demand, led by its automotive, manufacturing and financial sectors.

As the world's automotive hub, Germany is recognised for its excellence in engineering and outstanding innovations such as connected cars. IHS Automotive estimated that 152 million actively connected cars will be on the roads by 2025 around the world,

Kelsterbach Data Centre is located near the Frankfurt airport and approximately 18km from the Frankfurt city centre.

and an average car could produce up to 30 terabytes of data each day. 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 18.1% between 2020 and 2024. The average utilisation rate was 84% as at end-2020.

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.

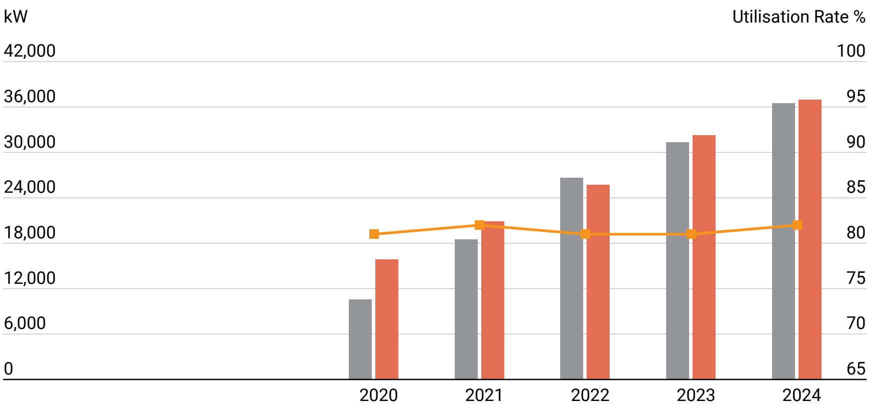
While the Milan data centre market has not developed as quickly as other European cities, this is changing with large new colocation sites being developed. Amazon Web Services launched its cloud region in 2020, and Microsoft also announced its US$1.5 billion investment plans to accelerate digital transformation in Italy.

COVID-19 has contributed to a significant acceleration in the digital transformation initiatives of companies. The country saw a spike in e-commerce platform registrations by Italian businesses in 2020, as more companies were forced to shut down their traditional operations and embrace digital platforms to retain their customers.

As part of its pandemic containment efforts, the Italian government launched the "digital solidarity" campaign, promoting the use of cloud and video conferencing platforms as well as providing access to online courses to enhance digital skills. These digitalisation efforts could pave the way for a growing data centre market.

New demand in Milan is estimated to grow at a CAGR of 23.5% between 2020 and 2024. The average utilisation rate was 81% as at end-2020.

DATA CENTRE SUPPLY/DEMAND/UTILISATION IN MILAN



	2020	2021	2022	2023	2024
Supply Added (kW)	10,555	18,452	26,558	31,278	36,450
New Demand (kW)	15,850	20,875	25,677	32,215	36,877
Utilisation Rate (%)	81	82	81	81	82

PORTFOLIO REVIEW

THE MANAGER IS COMMITTED TO CONTINUE GROWING AND STRENGTHENING KEPPEL DC REIT'S PORTFOLIO THROUGH DPU-ACCRETIVE ACQUISITIONS AND VALUE ENHANCEMENT INITIATIVES.

HIGH PORTFOLIO OCCUPANCY

97.8%

Of the REIT's 19[1] assets, 13 are fully leased

LONG WEIGHTED AVERAGE LEASE EXPIRY (WALE)

6.8 years

Provides income stability for Unitholders

1 Excludes IC3 East DC, which is currently under development and is expected to be completed in 1H 2021.

STEADY GROWTH

In 2020, the Manager completed three acquisitions in Europe, namely the remaining 999-year leasehold land interest at KDC DUB 1 in Ireland, Kelsterbach DC in Germany and Amsterdam DC in the Netherlands. The REIT's assets under management increased from approximately $2.6 billion as at end-2019 to approximately $3.0 billion as at end-2020.

KDC DUB 1 is a two-storey facility built in 2000, and was part of the REIT's initial portfolio during its listing in 2014. In March 2020, the Manager completed the acquisition of the asset's remaining leasehold interest, extending the asset's land lease title from April 2041 to December 2998. Acquired from Dali Properties Limited at an agreed value of €30.0 million, arrived at on a willing-buyer and willing-seller basis, the acquisition was supported by the €30.0 million independent valuation dated 1 February 2018 by Jones Lang LaSalle Limited, an independent valuer appointed by the Trustee, using the income capitalisation, discounted cash flow and direct comparison methods.

Over in Germany, the Manager completed the acquisition of the 100% freehold interest in Kelsterbach DC from Maena KG at an agreed value of €81.8 million, which was below the €86.0 million valuation as at 31 October 2019 by Jones Lang LaSalle SE, an independent valuation firm appointed by the Trustee, using both the income capitalisation and discounted cash flow methods. Located near the Frankfurt Airport, Kelsterbach DC is approximately 18km from Frankfurt's city centre. Frankfurt is an established international connectivity hub with significant investments from hyperscale cloud providers.

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	DC1
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
Amsterdam Data Centre	Amsterdam DC
maincubes Data Centre	maincubes DC
Kelsterbach Data Centre	Kelsterbach DC
Milan Data Centre	Milan DC

In December 2020, the Manager acquired Amsterdam DC, which is its second asset in the Netherlands and its ninth in Europe. The asset comprises a shell and core data centre and office property located in the Schiphol-Rijk business park in the Amsterdam Metropolitan Area, and was acquired from Penta Datacenter Holding B.V. for €30.0 million. Amsterdam DC is the only property in the Schiphol area where the Amsterdam Internet Exchange, one of the world's largest in terms of connection and traffic, has a point of presence.

The Schiphol-Rijk business park, housing over 200 international companies and data centres, is also an ideal location for the head offices of IT and high-tech companies. The asset was valued at €28.0 million by CBRE Limited as at 23 November 2020, using the income capitalisation, discounted cash flow and direct comparison methods.

These acquisitions strengthened the REIT's foothold in Europe's key data centre hubs. These hubs see strong demand from hyperscale cloud providers due to their strong connectivity and favourable business climate, yet have limited new data centre supply due to power constraints in the cities.

LEVERAGING STRONG DEMAND FOR DATA CENTRES

The data centre industry remained resilient throughout the COVID-19 pandemic with strong growth from hyperscale cloud players. In 2020, the Manager saw good take-ups across the REIT's colocation facilities in Singapore and Dublin on the back of strong leasing momentum.

In Singapore, the Manager secured new take-ups in KDC SGP 1 and 2. At KDC SGP 5, the fit-out of a new data hall has also been completed and handed over to the client in 4Q 2020, increasing the asset occupancy from 84.2% as at end-2019 to 100% as at end-2020. This demonstrates the Manager's ability to capitalise on strong demand for quality data centres by converting unutilised spaces at its facilities to improve portfolio returns. At DC1, fit-out works have also been completed in February 2021, and with this, the asset is fully leased to 1-Net Singapore on a fully-fitted basis. Following the acquisition of KDC SGP 4 in November 2019, the Manager has also obtained tax transparency treatment for its share of taxable income from the asset and its land lease was granted extension for 30 years to June 2050.

Over in Ireland, the Manager secured two new take-ups at KDC DUB 1 following the practical completion of asset enhancement works to improve energy efficiency and increase power capacity at the facility. Following these new take-ups, the occupancy at KDC DUB 1 increased from 65.7% as at

RENTAL INCOME BREAKDOWN BY LEASE TYPE (%)
for December 2020

Colocation	72.7
Fully-fitted	16.9
Shell and core	10.4
Total	**100.0**

PORTFOLIO AUM BY GEOGRAPHY (%)
as at 31 December 2020

Singapore	56.0
Malaysia	0.8
Australia	10.9
United Kingdom (UK)	4.4
Ireland	9.9
The Netherlands	6.6
Germany	9.3
Italy	2.1
Total	**100.0**

TOTAL ATTRIBUTABLE LETTABLE AREA BY GEOGRAPHY (%)
as at 31 December 2020

Singapore	28.1
Malaysia	2.3
Australia	9.2
United Kingdom (UK)	5.0
Ireland	4.5
The Netherlands	12.5
Germany	30.5
Italy	7.9
Total	**100.0**

PORTFOLIO STATISTICS

	As at 31 December 2020	**As at 31 December 2019**
Total Attributable Lettable Area[1]	**2,089,085 sq ft**	1,411,411 sq ft
Valuation[1,2]	**$2.95 billion**	$2.56 billion
Number of Clients	**77**	61
Occupancy	**97.8%**	94.9%
WALE	**6.8 years**	8.6 years

1 Based on respective ownership interests of assets.
2 Excludes IC3 East DC, which is currently under development and is expected to be completed in 1H 2021.

PORTFOLIO REVIEW

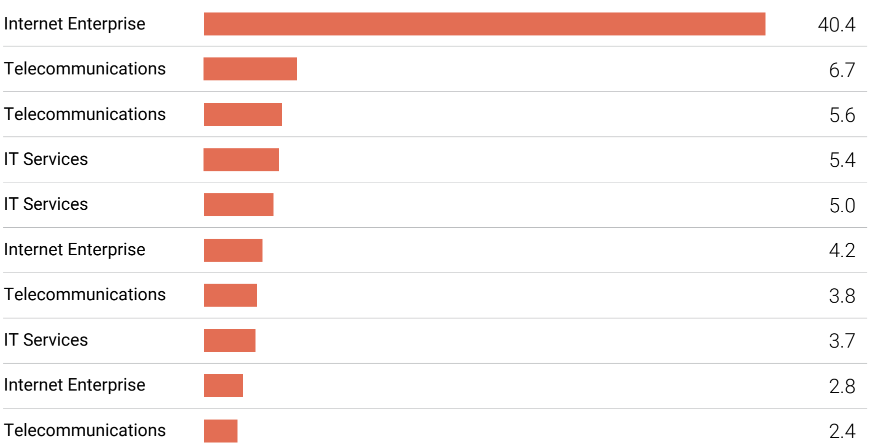
Keppel DC REIT's portfolio of data centres caters to the stringent requirements of clients from the internet enterprise, telecommunications, information technology services, financial services and corporate sectors.

end-2019 to 81.2% as at end-2020. Meanwhile, the ongoing works at KDC DUB 2 to convert some unutilised space into a data hall for a client expansion is expected to be completed in 1H 2021.

In Australia, the Manager secured an early renewal at the REIT's master leased asset, iseek DC in Brisbane, lengthening its weighted average lease expiry from 6.5 years as at end-2019 to 10.5 years as at end-2020. In Sydney, the development of IC3 East DC is expected to be completed in 1H 2021. Upon completion, both IC2 DC and IC3 East DC will commence their 20-year leases with Macquarie Data Centres, enhancing the resilience of the REIT's income stream.

Amid the COVID-19 pandemic, the Manager will continue to put in place measures based on guidelines advised by local authorities to ensure a safe work environment at the assets.

TOP 10 CLIENTS[1,2] BY RENTAL INCOME (%)
for December 2020



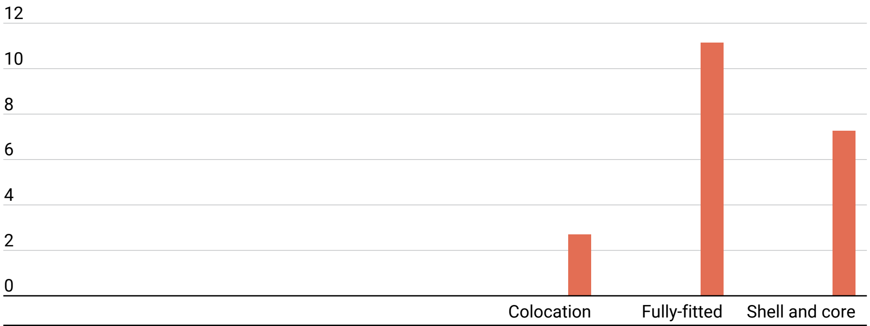
1 The names of the clients cannot be identified and matched to the information set out above as many of the lease arrangements and colocation arrangements contain confidentiality provisions. Furthermore, there are commercial sensitivities involved due to the mission-critical nature of data centre operations 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 2020

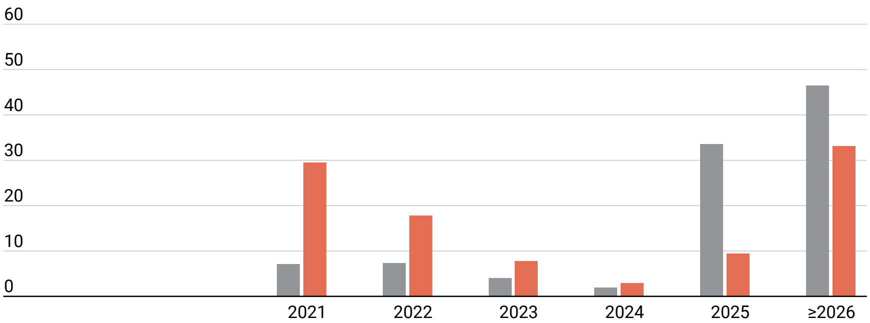
Internet Enterprise	47.7
Telecommunications	23.4
IT Services	21.2
Financial Services	5.8
Corporate	1.9
Total	**100.0**

WEIGHTED AVERAGE LEASE EXPIRY BY LEASE TYPE (years)
as at 31 December 2020



	Colocation	Fully-fitted	Shell and core
Weighted Average Lease Expiry	2.7	11.2	7.3

PORTFOLIO LEASE EXPIRY PROFILE (%)
as at 31 December 2020



	2021	2022	2023	2024	2025	≥2026
Portfolio Lease Expiry by Attributable Lettable Area	7.0	7.3	4.0	1.9	33.5	46.3
Portfolio Lease Expiry by Rental Income	29.4	17.7	7.7	2.9	9.3	33.0

OCCUPANCY RATES (%)
as at 31 December 2020

Portfolio	**97.8**
KDC SGP 1	91.1
KDC SGP 2	98.2
KDC SGP 3	100.0
KDC SGP 4	95.7
KDC SGP 5	100.0
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	81.2
KDC DUB 2	100.0
Almere DC	100.0
Amsterdam DC	99.1
maincubes DC	100.0
Kelsterbach DC	100.0
Milan DC	100.0

BALANCED AND DIVERSIFIED PORTFOLIO

As at 31 December 2020, the REIT's portfolio comprises 19[1] data centres with a total attributable lettable area of 2,089,085 sq ft spanning 12 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 longer leases.

In December 2020, colocation assets contributed approximately 72.7% of Keppel DC REIT's rental income, while its fully-fitted and shell and core assets accounted for the remaining 27.3%.

As at 31 December 2020, 67.7% of Keppel DC REIT's AUM is located in Asia Pacific while 32.3% 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 services, financial services and corporate sectors.

HEALTHY PORTFOLIO OCCUPANCY

As at 31 December 2020, Keppel DC REIT's portfolio occupancy rate remained healthy at 97.8%. Out of the 19 assets in the REIT's portfolio, 13 assets were fully leased, while the occupancy of the remaining assets were above 90%, with the exception of KDC DUB 1 which had just completed its asset enhancement works in 3Q 2020, and Basis Bay DC which is the REIT's smallest asset by valuation.

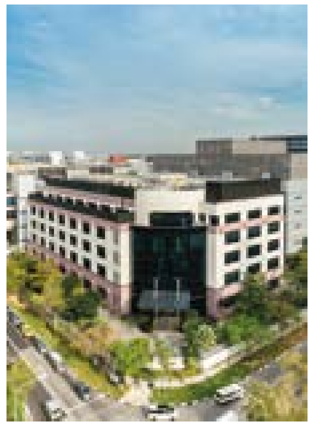
Portfolio WALE remained long at 6.8 years by leased area, providing strong income stability for the REIT. In 2020, the WALE of new leases including those from Kelsterbach DC and Amsterdam DC which were acquired in May and December 2020 respectively, was 4.9 years. These leases contributed 5.3% of Keppel DC REIT's rental income as at end December 2020.

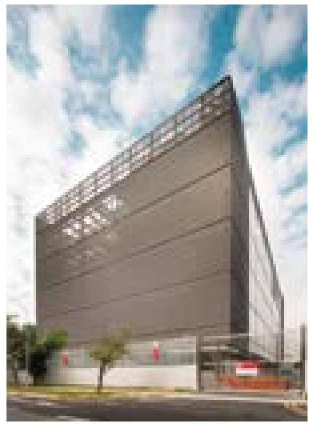
Keppel DC REIT's lease expiry profile was also well-staggered. As at 31 December 2020, approximately 46.3% of the REIT's occupied lettable area had more than five years to its expiry, exceeding the typical three-year lease term of colocation assets that contributed approximately 73% of the REIT's rental income as at end December 2020.

[1] Excludes IC3 East DC, which is currently under development and is expected to be completed in 1H 2021.

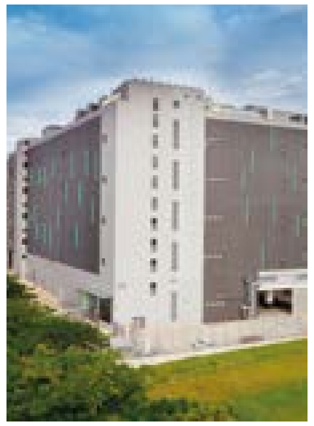
PORTFOLIO REVIEW
AT A GLANCE

ASIA PACIFIC



	Keppel DC Singapore 1	Keppel DC Singapore 2	Keppel DC Singapore 3	Keppel DC Singapore 4
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
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 2050)
Ownership Interest	100%	100%	90%	99%
Land Area (sq ft)	78,928	53,821	53,815	73,248
Gross Floor Area (sq ft)	225,945	106,726	133,878	181,734
Attributable Lettable Area (sq ft)	109,721	38,480	49,433[5]	83,698[5]
Number of Clients[1]	23	5	2	6
Lease Type	Keppel lease/Colocation	Keppel lease/Colocation	Keppel lease/Colocation	Keppel lease/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]
Occupancy Rate	91.1%	98.2%	100%	95.7%
Valuation[3] ($ million)	298.0	174.0	238.5	386.1



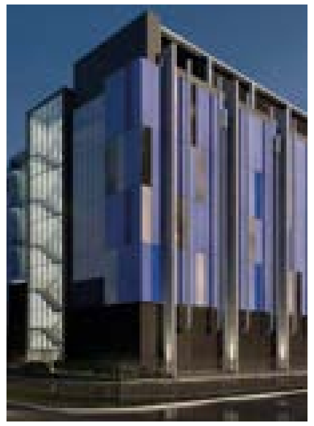

	Keppel DC Singapore 5	DC1	Basis Bay Data Centre	Gore Hill Data Centre
Location	13 Sunview Way, Singapore 627541	18 Riverside Road, Singapore 739088	No. 4710, Jalan Cyber Point 5, Zone Flagship Cyberjaya 63000 Cyberjaya, Selangor Darul Ehsan, Malaysia	5 Broadcast Way (South Gate) Artarmon, New South Wales 2064, Australia
Title	Leasehold (Expiring 31 August 2041)	Leasehold (Expiring 31 July 2044)	Freehold	Freehold
Ownership Interest	99%	100%	99%	100%
Land Area (sq ft)	83,331	91,902	64,809	72,032
Gross Floor Area (sq ft)	208,096	–	88,600	127,283
Attributable Lettable Area (sq ft)	92,889[5]	213,815	48,193[5]	90,955
Number of Clients[1]	3	1	1	3
Lease Type	Keppel lease/Colocation	Triple-net lease (Fully-fitted, Shell and core)	Colocation	Triple-net lease (Shell and core) and Colocation
Facility Manager	Keppel DCS3 Services Pte. Ltd.[6]	–	Basis Bay Services MSC Sdn Bhd	iseek-KDC Services Pty Limited[7]
Occupancy Rate	100%	100%	63.1%	100%
Valuation[3] ($ million)	356.4	212.0	23.4	205.8

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 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.
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 2020, unless otherwise stated. Based on exchange rates of $1.00 = A$1.013, $1.00 = £0.561, $1.00 = RM3.047, $1.00 = €0.624 as at 31 December 2020.
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 KDC SGP 4, KDC SGP 5 and Basis Bay Data Centre 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.
7 Keppel DC REIT outsources facilities management to iseek-KDC Services Pty Limited in respect of the colocation space at Gore Hill DC which is used by two end-clients. iseek-KDC Services Pty Limited is 60% owned by Keppel T&T and 40% owned by iseek Pty Ltd.

PORTFOLIO REVIEW
AT A GLANCE

ASIA PACIFIC

EUROPE

	Intellicentre 2 Data Centre	Intellicentre 3 East Data Centre *(Under development)*	iseek Data Centre	Cardiff Data Centre
Location	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	Ty Cynnal, Dunleavy Drive, Celtic Gateway, Cardiff CF110SW, United Kingdom
Title	Freehold	Freehold	Leasehold (Expiring 29 June 2040, with an option to extend by 7 years)	Freehold
Ownership Interest	100%	100%	100%	100%
Land Area (sq ft)	215,612	–	41,559	279,864
Gross Floor Area (sq ft)	–	–	28,955	–
Attributable Lettable Area (sq ft)	87,930	Min. 86,000	12,389	79,439
Number of Clients	1	1	1	1
Lease Type	Triple-net lease (Shell and core)	Triple-net lease (Shell and core)	Double-net lease (Fully-fitted)	Triple-net lease (Shell and core)
Facility Manager	–	–	–	–
Occupancy Rate	100%	100%[3]	100%	100%
Valuation[1] ($ million)	58.2	25.7-35.5[1] (Development costs)	34.5	65.1

[1] Based on respective ownership interest and independent valuations as at 31 December 2020, unless otherwise stated. Based on exchange rates of $1.00 = A$1.013, $1.00 = £0.561, $1.00 = RM3.047, $1.00 = €0.624 as at 31 December 2020.
[2] For GV7 DC, neither the lease nor the registered title of the Property refers, nor are they required to refer, to the land area of the Property.
[3] Facility will be fully leased to Macquarie Data Centres upon completion.




	GV7 Data Centre	Keppel DC Dublin 1	Keppel DC Dublin 2	Almere Data Centre
Location	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	Rondebeltweg 62 'Sallandsekant' Business Park, Almere, the Netherlands
Title	Leasehold (Expiring 28 September 2183)	Leasehold (Expiring 31 December 2998)	Leasehold (Expiring 31 December 2997)	Freehold
Ownership Interest	100%	100%	100%	100%
Land Area (sq ft)	N.A.[2]	218,236	149,620	85,358
Gross Floor Area (sq ft)	34,848	125,044	76,747	–
Attributable Lettable Area (sq ft)	24,972	68,118	25,652	118,403
Number of Clients	1	27	4	1
Lease Type	Triple-net lease (Fully-fitted)	Colocation	Colocation	Double-net lease (Fully-fitted)
Facility Manager	–	–	–	–
Occupancy Rate	100%	81.2%	100%	100%
Valuation[1] ($ million)	66.3	153.7	143.0	150.9

PORTFOLIO REVIEW
AT A GLANCE

EUROPE




	Amsterdam Data Centre	maincubes Data Centre	Kelsterbach Data Centre	Milan Data Centre
Location	Tupolevlaan 101-109, Schiphol-Rijk (1119 PA), the Netherlands	Goethering 29, Offenbach am Main, Germany	Am Weiher 24, 65451 Kelsterbach, Germany	Via Bisceglie 71, 73 and 75, Milan, Italy
Title	Freehold	Freehold	Freehold	Freehold
Ownership Interest	100%	100%	100%	100%
Land Area (sq ft)	167,725	60,235	499,116	128,791
Gross Floor Area (sq ft)	–	–	–	–
Attributable Lettable Area (sq ft)	141,698	97,043	540,869	165,389
Number of Clients	10	1	1	1
Lease Type	Double-net Lease (Shell and core)	Triple-net lease (Fully-fitted)	Triple-net lease (Shell and core)	Double-net lease (Shell and core)
Facility Manager	FRIS Investment Care B.V.	–	–	–
Occupancy Rate	99.1%	100%	100%	100%
Valuation[1] ($ million)	44.9	150.7	126.6	61.2

[1] Based on respective ownership interest and independent valuations as at 23 November 2020 for Amsterdam Data Centre and 31 December 2020 for maincubes Data Centre, Kelsterbach Data Centre and Milan Data Centre, unless otherwise stated. Based on exchange rates of $1.00 = A$1.013, $1.00 = £0.561, $1.00 = RM3.047, $1.00 = €0.624 as at 31 December 2020.

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 arterial roads as well as to expressways such as the Central Expressway and Kallang-Paya Lebar Expressway, providing accessibility to the city centre, Changi 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. It went through major retrofitting works between 2011 and 2013 to further upgrade the data centre specifications.

KEY STATISTICS
as at 31 December 2020

Location 25 Serangoon North Avenue 5, Singapore 554914	**Number of Clients** 23[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** 91.1%
Attributable Lettable Area (sq ft) 109,721	**Valuation ($ million)** 298.0

1 Based on the number of underlying clients which have entered into colocation arrangements with Keppel DC Singapore 1 Ltd.. Keppel DC REIT has in place the Keppel lease with Keppel DC Singapore 1 Ltd. pursuant to which the 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 the REIT and Keppel DC Singapore 1 Ltd..

2 Due to the pass-through nature of the Keppel lease, Keppel DC REIT will substantially enjoy the benefits and assume the liabilities of the underlying colocation arrangements between Keppel DC Singapore 1 Ltd. and the underlying clients.

KEPPEL DC SINGAPORE 2

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

The property is well connected to major roads and expressways such as the Pan-Island Expressway, Tampines Expressway and East Coast Parkway, which provide good accessibility to the city centre, Changi 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 into a data centre. KDC SGP 2 has been certified with the BCA Green Mark Gold^{PLUS} Award since 2015.

KEY STATISTICS
as at 31 December 2020

Location 25 Tampines Street 92, Singapore 528877	**Number of Clients** 5[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** 98.2%
Attributable Lettable Area (sq ft) 38,480	**Valuation ($ million)** 174.0

1 Based on the number of underlying clients which have entered into colocation arrangements with Keppel DC Singapore 2 Pte. Ltd.. Keppel DC REIT has in place the Keppel lease with Keppel DC Singapore 2 Pte. Ltd. pursuant to which the 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 the REIT and Keppel DC Singapore 2 Pte. Ltd..

2 Due to the pass-through nature of the Keppel lease, Keppel DC REIT will substantially enjoy the benefit and assume the liabilities of the colocation arrangements entered into by Keppel DC Singapore 2 Pte. Ltd. and the underlying clients.

PORTFOLIO REVIEW
ASIA PACIFIC

KEPPEL DC SINGAPORE 3

Keppel DC Singapore 3 (KDC SGP 3) is adjacent to KDC SGP 2 in Tampines.

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. KDC SGP 3 has been certified with the BCA-IMDA Green Mark for Data Centres Platinum Award since 2014.

KEY STATISTICS
as at 31 December 2020

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. 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 Due to the pass-through nature of the Keppel lease, Keppel DC Singapore 3 LLP will substantially enjoy the benefit and assume the liabilities of the colocation arrangements entered into by Keppel DCS3 Services Pte. Ltd. and the underlying clients.

KEPPEL DC SINGAPORE 4

Keppel DC Singapore 4 (KDC SGP 4) is also located in the Tampines Industrial Park A, within walking distance from KDC SGP 2 and KDC SGP 3.

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

KDC SGP 4 was designed and constructed with environmentally-friendly features. The facility has been certified with the BCA Green Mark Platinum Award for New Data Centres, BCA Green Mark Platinum Award for New Building for Non-Residential Buildings and Leadership in Energy & Environmental Design (LEED) Gold Award since 2017.

KEY STATISTICS
as at 31 December 2020

Location 20 Tampines Street 92, Singapore 528875	**Number of Clients** 6[2]
Land Title Leasehold (Expiring 30 June 2050)	**Lease Type** Keppel lease[3]/Colocation
Ownership Interest 99%	**Occupancy Rate** 95.7%
Attributable Lettable Area (sq ft) 83,698[1]	**Valuation ($ million)** 386.1

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. Keppel DC Singapore 4 LLP 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 LLP and Keppel DC Singapore 2 Pte. Ltd..
3 Due to the pass-through nature of the Keppel lease, Keppel DC Singapore 4 LLP 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 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, 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, Changi 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. In 2020, KDC SGP 5 was conferred the BCA Green Mark Platinum Award.

KEY STATISTICS
as at 31 December 2020

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** 100%
Attributable Lettable Area (sq ft) 92,889[1]	**Valuation ($ million)** 356.4

1 Attributable lettable area of KDC SGP 5 is 99% of total building net lettable area.
2 Based on the number of underlying clients which have entered into colocation arrangements with Keppel DCS3 Services Pte. Ltd.. 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 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.

DC1

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

Completed in 2016, DC1 is a purpose-built five-storey data centre facility that is well connected to major roads and expressways such as the Bukit Timah Expressway and Seletar Expressway, providing efficient linkages to the city centre, Changi Airport and other parts of the island.

KEY STATISTICS
as at 31 December 2020

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)[1]
Ownership Interest 100%	**Occupancy Rate** 100.0%
Attributable Lettable Area (sq ft) 213,815	**Valuation ($ million)** 212.0

1 Following the completion of fit-out works in February 2021, the asset is fully leased to 1-Net Singapore on a fully-fitted basis.

PORTFOLIO REVIEW
ASIA PACIFIC

BASIS BAY DATA CENTRE

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

Cyberjaya is well-equipped with network and supporting infrastructure. It also features a science park which forms a key part of the 750km^2 Multimedia Super Corridor in Malaysia.

It is well connected with major roads and expressways, as well as the Express Rail Link service between Cyberjaya and KLIA, providing accessibility to other key 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.

KEY STATISTICS
as at 31 December 2020

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)** 23.4[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 = RM3.047 as at 31 December 2020.

GORE HILL DATA CENTRE

Gore Hill Data Centre (Gore Hill DC) is located within the 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 Gore Hill Technology Park features a mix of data centres, Grade A offices, retail and community sports facilities, and is situated along one of Sydney's main power and data arteries, allowing access to large, secure power sources, as well as multiple carrier networks.

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

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.

KEY STATISTICS
as at 31 December 2020

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)** 205.8[1]

1 Based on an exchange rate of $1.00 = A$1.013 as at 31 December 2020.

INTELLICENTRE 2 DATA CENTRE

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

Located at Talavera Road, the asset is well-served by major telecommunication carriers, with ample network capacity.

Macquarie Park is a research and business park in Sydney with a high 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 CBD.

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

KEY STATISTICS
as at 31 December 2020

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)** 58.2[1]

1 Based on an exchange rate of $1.00 = A$1.013 as at 31 December 2020.

INTELLICENTRE 3 EAST DATA CENTRE

(Under development)

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

IC3 East DC has topped out in October 2020, and is targeted for completion in 1H 2021. When completed, IC3 East DC will commence its 20-year lease with Macquarie Data Centres.

KEY STATISTICS
as at 31 December 2020

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%[2]
Attributable Lettable Area (sq ft) Minimum 86,000	**Development Cost ($ million)** 25.7-35.5[1]

1 Based on an exchange rate of $1.00 = A$1.013 as at 31 December 2020.
2 Facility will be fully leased to Macquarie Data Centres upon completion.

PORTFOLIO REVIEW
ASIA PACIFIC

iSEEK DATA CENTRE

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

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

iseek DC is a two-storey energy efficient facility built in 2010. In 2012, it clinched the 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 2020

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)** 34.5[1]

[1] Based on an exchange rate of $1.00 = A$1.013 as at 31 December 2020.

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.

Completed in 2003, the facility comprises a two-storey data centre connected to a three-storey office block.

KEY STATISTICS
as at 31 December 2020

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)** 65.1[1]

[1] Based on an exchange rate of $1.00 = £0.561 as at 31 December 2020.

GV7 DATA CENTRE

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

The facility is located approximately 750m south of Canary Wharf, East London, within a secure estate that primarily houses data centres and office accommodation services.

With its excellent fibre optic connectivity, Greenwich View Place has established itself as a data centre hub with many 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 2020

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)** 66.3[1]

[1] Based on an exchange rate of $1.00 = £0.561 as at 31 December 2020.

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, many of which have a technology focus. In recent years, the area has secured multiple new occupiers. The Citywest Business Campus comprises 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.

In October 2020, the Manager completed the asset enhancement works at KDC DUB 1 to improve energy efficiency and increase power capacity at the facility.

KEY STATISTICS
as at 31 December 2020

Location Unit 4033-4035 Citywest Business Campus, Naas Road, Dublin 24, Ireland	**Number of Clients** 27
Land Title Leasehold (Expiring 31 December 2998)	**Lease Type** Colocation
Ownership Interest 100%	**Occupancy Rate** 81.2%
Attributable Lettable Area (sq ft) 68,118	**Valuation ($ million)** 153.7[1]

[1] Based on an exchange rate of $1.00 = €0.624 as at 31 December 2020.

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.

KEY STATISTICS
as at 31 December 2020

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)** 143.0[1]

[1] Based on an exchange rate of $1.00 = €0.624 as at 31 December 2020.

ALMERE DATA CENTRE

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

The Sallandsekant Business Park is targeted at users of logistics properties. Several distribution centres of well-known brands have established a presence there.

The property is well connected to a network of motorways including the A1, A6 and A27 which are linked to other cities. 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 2020

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)** 150.9[1]

1 Based on an exchange rate of $1.00 = €0.624 as at 31 December 2020.

AMSTERDAM DATA CENTRE

Amsterdam Data Centre is located in the Amsterdam Metropolitan Area, which is approximately 27km from the Amsterdam city.

The asset is located within the Schiphol-Rijk business park where the Amsterdam Internet Exchange, one of the world's largest in terms of connection and traffic, has a point of presence. The business park houses over 200 international companies and data centres, making it an ideal location for the head offices of IT and high-tech companies.

Built in 2001, the facility comprises a two-storey data centre connected to a three-storey office block.

The data centre is on a double-net lease while the majority of the office space is leased to data centre and IT services firms.

KEY STATISTICS
as at 31 December 2020

Location Tupolevlaan 101-109, Schiphol-Rijk (1119 PA), the Netherlands	**Number of Clients** 10
Land Title Freehold	**Lease Type** Double-net Lease (Shell and core)
Ownership Interest 100%	**Occupancy Rate** 99.1%
Attributable Lettable Area (sq ft) 141,698	**Valuation ($ million)** 44.9[1]

1 Based on independent valuations as at 23 November 2020. Based on an exchange rate of $1.00 = €0.624 as at 31 December 2020.

MAINCUBES DATA CENTRE

maincubes Data Centre (maincubes DC) is located in Offenbach am Main, Germany. It is approximately 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 approximately 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.

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 2020

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)** 150.7[1]

1 Based on an exchange rate of $1.00 = €0.624 as at 31 December 2020.

KELSTERBACH DATA CENTRE

Kelsterbach Data Centre (Kelsterbach DC) is located near the Frankfurt Airport and approximately 18km from the Frankfurt city centre.

Kelsterbach DC is a campus comprising a 5-storey data centre connected to a 6-storey office block.

KEY STATISTICS
as at 31 December 2020

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	**Valuation ($ million)** 126.6[1]

1 Based on an exchange rate of $1.00 = €0.624 as at 31 December 2020.

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 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 2020

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)** 61.2[1]

[1] Based on an exchange rate of $1.00 = €0.624 as at 31 December 2020.

FINANCIAL REVIEW

THE MANAGER SEEKS TO MAINTAIN AN OPTIMAL COMBINATION OF DEBT AND EQUITY TO BALANCE THE COST OF CAPITAL AND THE RETURNS TO UNITHOLDERS.

DISTRIBUTABLE INCOME

$156.9m

38.6% higher than $113.2 million in FY 2019

DISTRIBUTION PER UNIT (DPU)

9.170cts

20.5% higher than 7.610 cents in FY 2019

GROUP OVERVIEW

Keppel DC REIT is a Singapore-domiciled real estate investment trust (REIT) listed on the Singapore Exchange Securities Trading Limited (SGX-ST) on 12 December 2014. This review is for the financial year ended 31 December 2020 (FY 2020).

Keppel DC REIT completed the acquisitions of the remaining 999-year leasehold land interest (Long Leasehold Interest) in Keppel DC Dublin 1 (KDC DUB 1) on 31 March 2020, Kelsterbach Data Centre (Kelsterbach DC) on 1 May 2020 and Amsterdam Data Centre (Amsterdam DC) on 24 December 2020.

Distributable income for FY 2020 was $156.9 million, 38.6% higher than the distributable income of $113.2 million for FY 2019. This was mainly contributed by the full year contributions from Keppel DC Singapore 4 (KDC SGP 4) and DC1, as well as the REIT's new acquisition of Kelsterbach DC, partially offset by higher Manager's fees and finance costs.

Distribution per Unit (DPU) for FY 2020 was 9.170 cents, 20.5% higher than FY 2019's 7.610 cents. Excluding the impact of the pro-rata preferential offering in October 2019, FY 2020 DPU would be 18.9% higher than FY 2019's adjusted DPU of 7.710 cents.

Based on the market closing price of $2.810 per Unit as at 31 December 2020, Keppel DC REIT's distribution yield was 3.26% for FY 2020.

REVENUE AND EXPENSES

Keppel DC REIT recorded gross revenue of $265.6 million in FY 2020, which was $70.8 million or 36.3% higher than that of FY 2019.

Gross rental income for FY 2020 was $257.6 million, an increase of $68.3 million or 36.1% from $189.3 million in FY 2019. This was mainly contributed by the REIT's acquisitions of KDC SGP 4 and DC1 in 2019 and Kelsterbach DC in 2020.

Other income increased by $2.4 million from $5.5 million in FY 2019 to $7.9 million in FY 2020, mainly due to higher rental top up provided by the relevant vendors. Rental top up income for FY 2020 translated to an effect on the DPU by approximately 0.344 cents.

Property operating expenses for FY 2020, which included facility management costs of $10.5 million, was $21.4 million, an increase of $3.9 million or 22.0% from $17.5 million for FY 2019. The increase was largely due to full year expenses from KDC SGP 4 as well as higher property-related expenses recorded at the assets in Dublin.

As a result, net property income of $244.2 million for FY 2020 was $66.9 million or 37.7% higher than that of FY 2019.

GROUP FINANCIAL OVERVIEW

	2020 $'000	2019 $'000	Change %
Gross rental income	257,642	189,315	36.1
Other income[1]	7,929	5,511	43.9
Gross revenue	265,571	194,826	36.3
Property operating expenses	(21,405)	(17,543)	22.0
Net property income	244,166	177,283	37.7
Finance income	445	1,182	(62.4)
Finance costs	(18,730)	(16,560)	13.1
Trustees' fees	(416)	(386)	7.8
Manager's base fee	(13,741)	(10,218)	34.5
Manager's performance fee	(7,936)	(5,794)	37.0
Audit fees	(383)	(256)	49.6
Valuation fees	(408)	(387)	5.4
Net (losses)/gains on derivatives	(1,092)	2,642	Nm
Other trust expenses	(9,800)	(7,858)	24.7
Profit before tax and fair value change in investment properties	192,105	139,648	37.6
Net change in fair value of investment properties	645	(15,948)	Nm
Profit for the year before tax	192,750	123,700	55.8
Tax expenses	(21,022)	(12,592)	66.9
Profit for the year after tax	171,728	111,108	54.6
Profit after tax attributable to:			
Unitholders	168,152	106,502	57.9
Non-controlling interests	3,576	4,606	(22.4)
Profit after tax for the year	171,728	111,108	54.6
Profit attributable to Unitholders	168,152	106,502	57.9
Net tax and other adjustments to profit after tax attributable to Unitholders	(11,237)	6,743	Nm
Distributable income[2]	156,915	113,245	38.6

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).

Keppel DC REIT completed the acquisition of the remaining 999-year leasehold land interest in Keppel DC Dublin 1.

FINANCIAL REVIEW

PROFIT ATTRIBUTABLE TO UNITHOLDERS

Profit after tax for FY 2020 was $171.7 million, after taking into account the net fair value gain of $0.6 million (2019: net fair value loss of $15.9 million) and deferred tax expense of $6.2 million (2019: deferred tax expense of $2.2 million) provided on the fair value movement for the portfolio.

Excluding these fair value changes and related deferred tax impact, the profit after tax for FY 2020 would be $177.3 million, an increase of $48.1 million or 37.2% as compared to $129.2 million in FY 2019. The year-on-year increase in profit after tax was mainly due to higher net property income, partially offset by higher Manager's fees, finance costs and tax expenses as compared to FY 2019.

Profit attributable to Unitholders was $168.2 million for FY 2020, $61.7 million or 57.9% higher than the $106.5 million recorded in FY 2019.

DISTRIBUTION POLICY

Keppel DC REIT's distribution policy is to distribute, on a half-yearly basis, at least 90.0% of its distributable income for each financial year, with the actual level of distribution to be determined at the Manager's discretion. Distributions will be in Singapore Dollars and are generally paid within 90 days after the end of each distribution period.

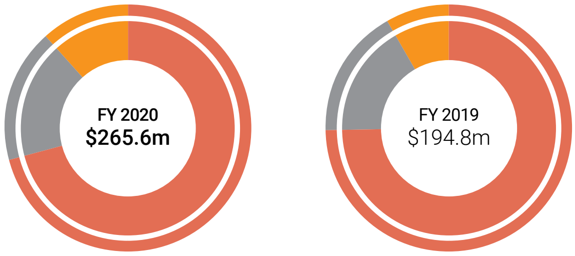
INVESTMENT PROPERTIES

The carrying value of investment properties was $3,005.0 million as at 31 December 2020 as compared to $2,637.0 million as at 31 December 2019. This included lease liabilities capitalised pertaining to land rent commitments and options of $24.2 million (31 December 2019: $51.8 million) along with the adoption of *SFRS(I) 16 Leases*. The increase of $368.0 million or 14.0% in carrying value was mainly due to the additions of Kelsterbach DC and Amsterdam DC to the portfolio, capital expenditures, net fair value gains from the revaluation of the Group's investment properties as well as foreign exchange translation gains.

PROPERTY UNDER DEVELOPMENT

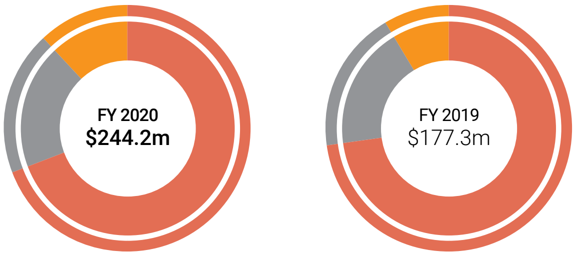
The Group's property under development of $24.7 million pertained to costs capitalised for the development of Intellicentre 3 East Data Centre in accordance to the construction progress as at 31 December 2020. The completion of the development is expected in 1H 2021.

GROSS REVENUE ($m)



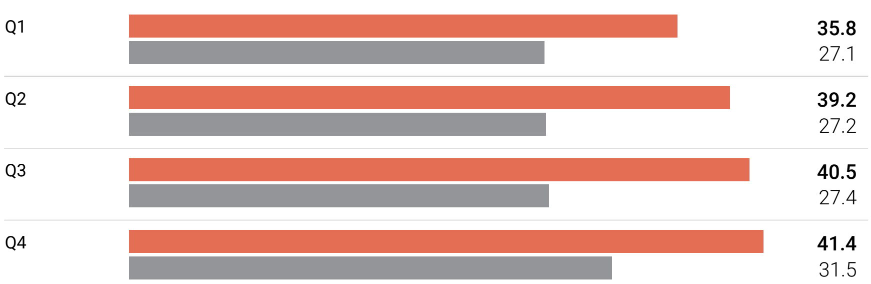
	2020	2019
Colocation	**188.5**	145.7
Fully-fitted	**46.8**	33.4
Shell and core	**30.3**	15.7
Total	**265.6**	194.8

NET PROPERTY INCOME ($m)



	2020	2019
Colocation	**169.0**	129.4
Fully-fitted	**46.1**	33.1
Shell and core	**29.1**	14.8
Total	**244.2**	177.3

DISTRIBUTABLE INCOME[1] ($m)



2020 Total **156.9**
2019 Total 113.2

1 Distributable income includes Capex Reserves.

NET ASSET VALUE (NAV) PER UNIT

NAV per Unit as at 31 December 2020 was $1.19 (31 December 2019: $1.14). Excluding the distributable income for 2H 2020, the adjusted NAV per Unit would have been $1.14 (31 December 2019: $1.12).

CASH FLOWS AND LIQUIDITY

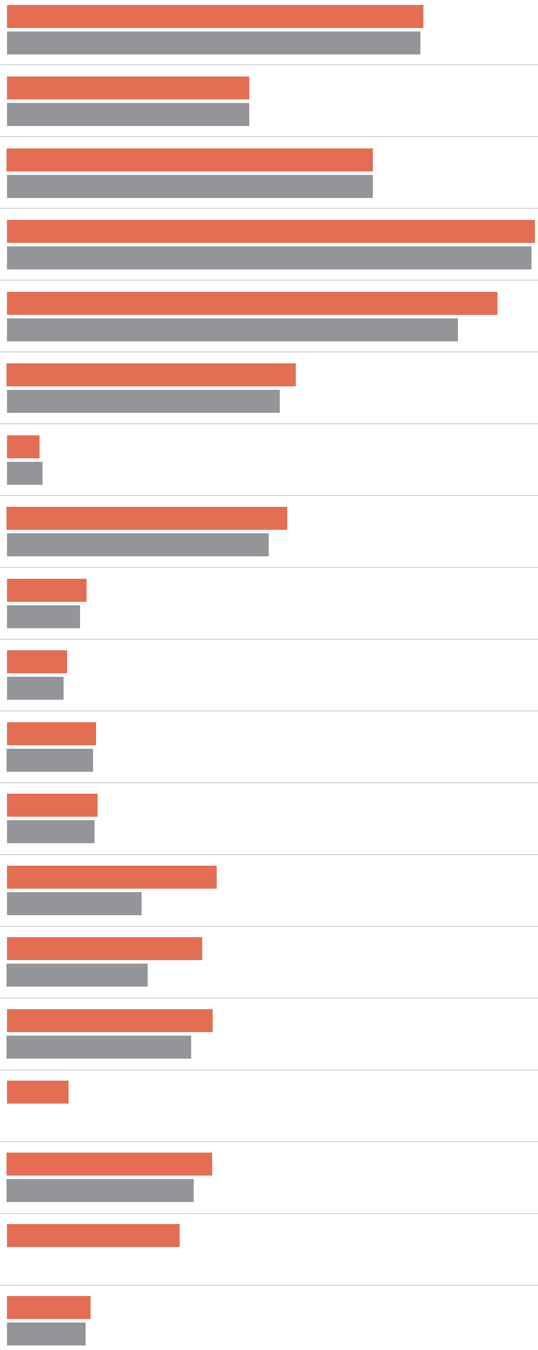
As at 31 December 2020, Keppel DC REIT's cash and cash equivalents were $244.4 million (31 December 2019: $155.9 million).

Cash generated from operating activities for FY 2020 amounted to $235.0 million, $79.7 million higher than the $155.3 million for FY 2019. This was mainly due to higher operational cash inflow and lower net tax paid during the year.

Net cash used in investing activities for FY 2020 was $208.8 million, comprising mainly the acquisitions of the Long Leasehold Interest in KDC DUB 1, Kelsterbach DC and Amsterdam DC, as well as capital expenditures. Net cash used in investing activities for FY 2019 was $669.2 million, comprising the acquisitions of KDC SGP 4 and DC1, as well as a deposit paid to the vendor for the acquisition of Kelsterbach DC and capital expenditures.

The Group recorded net cash generated from financing activities of $66.9 million in FY 2020 as compared to net cash generated from financing activities of $543.2 million in FY 2019. Net cash generated in FY 2020 was mainly from bank borrowings. These were partially offset by distributions paid to Unitholders, payment of lease liabilities and repayment of borrowings and finance costs. Net cash generated from financing activities for FY 2019 comprised mainly the issuance of equity, bank borrowings and medium term notes, partially offset by distributions paid to Unitholders, repayment of borrowings and finance costs.

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



	2020	2019
Keppel DC Singapore 1	305.5	303.3
Keppel DC Singapore 2	177.7	177.6
Keppel DC Singapore 3	268.6	268.5
Keppel DC Singapore 4	387.3	384.9
Keppel DC Singapore 5	360.0	331.0
DC1	212.0	200.2
Basis Bay Data Centre	23.6	25.8
Gore Hill Data Centre	205.8	192.1
Intellicentre 2 Data Centre	58.2	53.4
iseek Data Centre	43.9	41.3
Cardiff Data Centre	65.1	63.2
GV7 Data Centre	66.3	64.0
Keppel DC Dublin 1	153.7	98.7
Keppel DC Dublin 2	143.0	103.3
Almere Data Centre	150.9	135.2
Amsterdam Data Centre	44.9	–
maincubes Data Centre	150.7	137.1
Kelsterbach Data Centre	126.6	–
Milan Data Centre	61.2	57.4
2020 Total / 2019 Total	**3,005.0**	2,637.0

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

FUNDING AND BORROWINGS

The Group's total borrowings as at 31 December 2020 was $1,165.8 million (31 December 2019: $870.4 million). The increase was mainly due to borrowings drawn to fund the acquisitions of Kelsterbach DC, Amsterdam DC and the Long Leasehold Interest in KDC DUB 1.

As at 31 December 2020, there was $402.3 million of unutilised facilities (31 December 2019: $190.6 million) for the Group to meet its future obligations. The Group had a weighted average debt tenor of 3.2 years as at 31 December 2020 and the all-in weighted average cost of debt was 1.6%, with an interest coverage ratio of 13.3 times.

In January 2021, the Manager expanded the $500 million Multicurrency Medium Term Note Programme to a $2 billion Multicurrency Debt Issuance Programme to diversify the REIT's sources of funding.

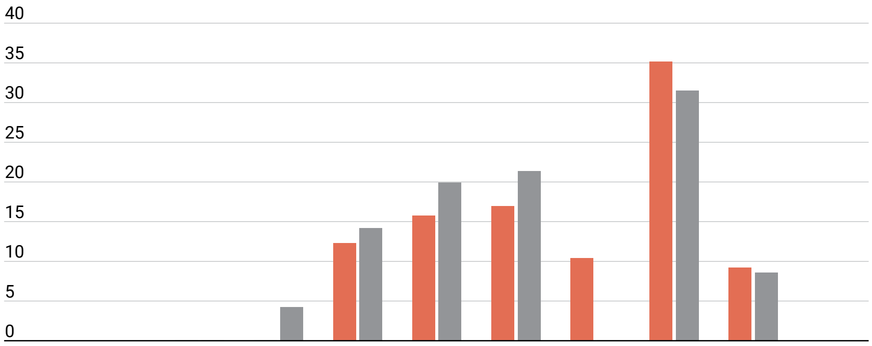
In arriving at the aggregate leverage, in line with the Property Fund Appendix in the Code on Collective Investment Schemes (CIS Code) issued by the Monetary Authority of Singapore (MAS), $24.2 million of lease liabilities pertaining to land rent commitments and options were excluded. The higher aggregate leverage of 36.2% as at 31 December 2020 as compared to 30.7% a year ago is not expected to have a material impact on the risk profile of Keppel DC REIT.

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

In 2019, Keppel DC REIT raised approximately $472.3 million of proceeds net of transaction costs from the private placement of 135,000,000 new Units and the pro-rata preferential offering of 141,989,617 new Units. There was a reallocation of intended transaction costs of approximately $2.7 million to other uses in 2020, which includes potential capital expenditures or acquisitions. As at 31 December 2020, the net proceeds have been utilised as follows:

1. $455.2 million for the acquisitions of 99% interest in KDC SGP 4 and 100% interest in DC1;
2. $2.8 million for the funding of capital expenditure and acquisitions.

DEBT MATURITY PROFILE (%)
as at 31 December



	2020	2021	2022	2023	2024	2025	2026	Total
2020	**–**	**12.3**	**15.8**	**17.0**	**10.4**	**35.3**	**9.2**	**100.0**
2019	4.2	14.2	20.0	21.4	–	31.6	8.6	100.0

There was approximately $14.3 million of unutilised proceeds as at 31 December 2020.

CAPITAL MANAGEMENT

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

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

Under the Property Funds Appendix of the CIS Code, the aggregate leverage should not exceed 50.0% of the Group's deposited properties. The Group has complied with this requirement for the financial year ended 31 December 2020.

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 greater detail in the notes to the financial statements.

The Manager has been adopting appropriate hedging strategies to manage interest rate and foreign currency exposure for the Group. Interest rate swaps have been entered into to hedge interest rate exposure of long-term loans. The Manager manages its foreign currency exposure through foreign currency forward contracts. Natural hedging is in place with borrowings in currencies that match the corresponding investments. As at 31 December 2020, the Manager has hedged the REIT's forecasted foreign-sourced distributions till 1H 2022.

ACCOUNTING POLICIES

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

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

The 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.

KEY STATISTICS
as at 31 December

	2020	2019
Aggregate leverage[1] (%)	**36.2**	30.7
Interest coverage ratio	**13.3 times**	13.3 times
Weighted average debt tenor (years)	**3.2**	3.9
Percentage of assets unencumbered[2] (%)	**98.7**	100.0

1 Aggregate leverage is computed based on gross borrowings and deferred payments over total deposited properties (the Group's total assets) as stipulated in the Property Funds Appendix in the Code on Collective Investment Schemes issued by MAS, without considering 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 36.7% (31 December 2019: 31.9%).

2 As at 31 December 2020, investment property amounting to 1.3% of the assets were pledged as security for bank borrowings taken over as part of an acquisition. In early January 2021, these secured bank borrowings have been fully repaid and accordingly, 100% of the assets were unencumbered.

Distribution income for FY 2020 included full year contributions from Keppel DC Singapore 4 and DC1 (pictured), as well as the REIT's new acquisition of Kelsterbach Data Centre.

ENVIRONMENTAL STEWARDSHIP

In line with Keppel's Vision 2030, 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 66 to 68

RESPONSIBLE BUSINESS

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

For more information,
go to: pages 69 to 71

PEOPLE AND COMMUNITY

People are the cornerstone of our business. 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 72 to 75

SUSTAINABILITY REPORT

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.

LETTER TO STAKEHOLDERS

GRI 102-14

As we continue to pursue growth, we also strive to build a responsible business that upholds strong corporate governance, embraces green initiatives, and looks out for the best interests of our stakeholders.

DEAR STAKEHOLDERS,

The COVID-19 pandemic has disrupted global economies and impacted communities, changing the way businesses and individuals live, work, learn and play. The rapid shift to online platforms accelerated many digital trends, including enterprise cloud adoption, e-commerce and smart technologies, all of which require data to be stored safely and processed in a data centre, reinforcing the resilience of this sector.

Despite the pandemic, we are pleased that Keppel DC REIT has continued to deliver strong financial and operational performance in 2020. We implemented additional measures at our offices and facilities to keep our employees safe and ensure business continuity. These efforts bear testament to our robust risk management framework.

ADVANCING SUSTAINABILITY EFFORTS

Data centres are mission-critical facilities that operate round-the-clock with zero downtime. They require high power consumption to sustain the IT equipment and cooling infrastructure. Committed to sustainability, we continued to step up efforts to improve the resource efficiency of our colocation facilities while ensuring operational excellence in 2020.

In Singapore, all of Keppel DC REIT's colocation facilities attained certification in energy and water management systems. In recognition of the environmentally-friendly features and systems in place, the Building and Construction Authority (BCA) conferred Keppel DC Singapore 5 with the BCA Green Mark Platinum Award, while Keppel DC Singapore 2 was re-certified with the BCA Green Mark Gold^{PLUS} Award.

Over in Ireland, the asset enhancement works to improve energy efficiency at Keppel DC Dublin 1 (KDC DUB 1) have been completed. KDC DUB 1 and Keppel DC Dublin 2 continued to be fully powered by wind energy. As such, in 2020, 12.5% of Keppel DC REIT's total electricity consumed was powered by wind; thus averting about 31,600 tonnes of carbon dioxide equivalent (tCO_2e) of Greenhouse Gas (GHG) emissions that would have resulted if non-renewable energy was used.

During the year, we were also recognised for our continuous efforts to uphold strong governance practices. Keppel DC REIT was ranked second in the Governance Index for Trusts, an improvement from the third place in 2019. The REIT also came in 15th in the Singapore Governance and Transparency Index in 2020. In addition, Mr Kenny Kwan was appointed as Lead Independent Director of the Board in November 2020, further enhancing the objectivity and independence of the Board.

With safety as one of our core values, we continue to provide our employees a healthy and safe work environment. In 2020, Keppel DC REIT recorded zero fatalities at our colocation facilities. To support the physical and mental well-being of our employees during the pandemic, care packages were distributed, and employees were provided access to licensed counsellors.

We believe in doing our part for the community – be it in good or challenging times. Together with volunteers from Keppel Capital, we dedicated about 790 volunteer hours in the year to support various community efforts, including virtual engagements with members from the Muscular Dystrophy Association (Singapore), as well as the New Life Children and Student Care Centre.

STEPPING UP SUSTAINABILITY DISCLOSURE

In this report, we expanded our environmental reporting scope to include Scope 3 carbon emissions from business air travel. We also took guidance from the Business for Societal Impact (B4SI) Framework (formerly known as LBG), which is the global standard for measuring and reporting on corporate community investment, and obtained assurance for the reporting of our community outreach efforts.

Keppel Capital is a signatory of the United Nations (UN) Global Compact, and the Manager supports the Global Compact's Ten Principles on human rights, labour, environment and anti-corruption. In addition, we have incorporated eight of the UN Sustainable Development Goals as a supporting framework to guide our sustainability strategy.

Sustainability is an ongoing and long-term journey. As we continue to pursue growth, we also strive to build a responsible business that upholds strong corporate governance, embraces green initiatives, and looks out for the best interests of our stakeholders.

As always, we welcome any constructive feedback that will help us improve our sustainability efforts.

Yours sincerely,

ANTHEA LEE
Chief Executive Officer
18 February 2021

ABOUT THIS REPORT

GLOBAL REPORTING INITIATIVE (GRI) STANDARDS

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

This is Keppel DC REIT's fifth annual sustainability report and is prepared in accordance with the GRI Standards: Core option. The report details the REIT's Environmental, Social and Governance (ESG) strategy, management approach, initiatives and performance metrics for the period from 1 January 2020 to 31 December 2020.

PERFORMANCE DATA

	2020	2019	Page
Total Energy Consumption (GJ)	**1,728,068**	1,233,647	68
Total Water Consumption (m^3)	**520,396**	361,256	68
Training Hours per Employee	**23.6**	27.4	73
Accident Frequency Rate[1] (reportable accidents per million man-hours)	**1.04**	0	74
Accident Severity Rate[1] (man-day lost per million man-hours)	**3.12**	0	74

1 According to Ministry of Manpower guidelines. The injury involved a staff from a facility manager.

REPORTING 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 performance periodically.

The content and topic boundaries in this report are guided by the GRI's principles for defining report content: Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness. This report focuses on the key ESG aspects that are relevant to the REIT's business. The GRI Content Index on pages 76 to 78 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, namely:

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 4 (KDC SGP 4)
5. Keppel DC Singapore 5 (KDC SGP 5)

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

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

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

Keppel DC Dublin 1 and Keppel DC Dublin 2 continue to be fully powered by wind energy.

The scope of this report has been expanded to include KDC SGP 4, which was acquired in November 2019.

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 from 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 and Kelsterbach Data Centre in Germany, Milan Data Centre in Italy as well as Almere Data Centre and Amsterdam Data Centre in the Netherlands.

This report uses standard units of measurements and conversion factors which are explained in the respective sections, where necessary. All dollar values expressed herein are in Singapore Dollar.

This report has been reviewed by an external sustainability reporting consultant and has undergone a detailed internal review. This report has not been externally assured and the Manager will review the need for external assurance as it continues to develop its sustainability framework.

As part of Keppel Capital, the Manager references the Business for Societal Impact (B4SI) Framework (formerly known as LBG). Corporate Citizenship, as managers of the Business for Societal Impact, has assured the data in the community development section of this report, and the assurance statement can be found on page 79.

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 103-1 | 103-2

SUSTAINABILITY ISSUES ARE CONSIDERED IN THE MANAGER'S DECISION-MAKING PROCESS AND THROUGHOUT THE REIT'S BUSINESS OPERATIONS.

Sustainability management is a key consideration in the Manager's strategy to position Keppel DC REIT as the preferred data centre provider globally. Building a sustainable business supports operational resilience in today's rapidly 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 adopts and adheres to policies and practices outlined in the Singapore 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 to consider sustainability issues in its business decisions. The Manager is pleased to share that Keppel DC REIT has complied with the principles of the Code and complied in all material aspects with the provisions and practices in the Code. Where there are deviations from the provisions of the Code, appropriate explanations will be provided in this report.

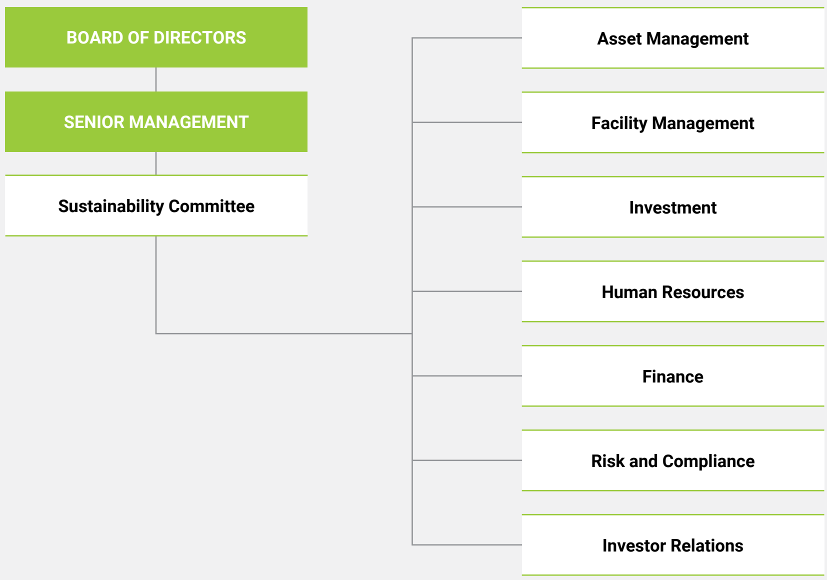
Sustainability issues and ESG risks are also considered in the evaluation of all investment opportunities. The Manager considers the cost and impact of carbon emissions in all major investment decisions, where applicable.

The Manager's scorecard also incorporates sustainability aspects in support of the Keppel Group's commitment to sustainability.

To ensure the alignment of sustainable best practices across the organisation, a Sustainability Committee, which involves all relevant functions, including Asset Management, Facility Management, Investment, Human Resources, Finance, Risk and Compliance and Investor Relations, supports and implements the Manager's sustainability strategy and goals. The committee is also responsible for monitoring the REIT's performance against the identified material ESG issues, which are reviewed periodically.

The Manager actively engages with the investment community to communicate its ESG strategy and seek valuable feedback to improve its sustainability performance.

SUSTAINABILITY MANAGEMENT STRUCTURE



More details on Keppel DC REIT's corporate governance guidelines and practices can be found on pages 145 to 166.

EXTERNAL STANDARDS AND STRATEGIC MEMBERSHIPS

GRI 102-12 | 102-13

Together with the Keppel Group, the Manager supports several initiatives and organisations that promote sustainable best practices and strong corporate governance.

Keppel Capital is a signatory of the United Nations (UN) Global Compact and the Manager is committed to the Compact's Ten universal principles, which include human rights, labour, environment and anti-corruption. Furthermore, the Manager supports the UN's 2030 Agenda and has aligned its sustainability approach with the UN Sustainable Development Goals (SDGs) to address crucial sustainability issues facing humanity at large. See pages 62 to 63 below for more information on alignment with the SDGs.

Keppel DC REIT is a member of the REIT Association of Singapore (REITAS), which strives to advance the operating and regulatory environment of the Singapore REIT industry.

Mr Chua Hsien Yang, the former Chief Executive Officer of the Manager who took on a new role at Keppel Corporation on 15 February 2021, serves as the Vice President of REITAS, and is also the Chairman of its Regulatory sub-committee.

The Manager, through Keppel Capital, also supports the Investor Relations Professionals Association of Singapore, which champions investor relations best practices through professional development and networking initiatives. The Keppel Group supports the Securities Investors Association (Singapore) in its initiatives to empower the investment community through ongoing 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 member companies collaborate 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.

MANAGING SUSTAINABILITY

SUSTAINABLE DEVELOPMENT GOALS

We are committed to the international sustainable development agenda and will leverage collaboration and partnership to support the United Nations' (UN) Sustainable Development Goals (SDGs). We have incorporated eight SDGs as a supporting framework to guide our sustainability strategy.

STRATEGIC PILLARS	MATERIAL ISSUES	SDGs	APPROACH	HIGHLIGHTS
ENVIRONMENTAL STEWARDSHIP	Climate Action	11 SUSTAINABLE CITIES AND COMMUNITIES	We are committed to optimise our energy consumption and thereby minimise our carbon footprint.	We support the use of renewable energy, where available and feasible. The REIT's data centres in Dublin are fully powered by wind energy, thereby averting about 31,600 tCO_2e of GHG emissions that would have resulted from non-renewable sources. With this, 12.5% of the REIT's total energy consumption of 1,728,068 GJ was derived from renewable sources.
	Environmental Management	6 CLEAN WATER AND SANITATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	We frequently monitor our electricity, water and fuel consumption through utility bills and onsite meter readings. We adopt energy and water conservation measures to improve energy and water efficiency.	We have undertaken asset enhancement initiatives to improve the energy efficiency of the REIT's assets. These include the upgrading and replacement of chillers, cooling towers and other equipment. We have expanded our reporting to include Scope 3 emissions from business air travel in this report in 2020.
RESPONSIBLE BUSINESS	Economic Sustainability	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	We regard sustainability as a corporate responsibility and a source of business opportunities. We are committed to apply our knowledge, skills and technology to drive innovation and support economic development and the well-being of communities.	Our business operations generate employment, opportunities for suppliers and tax revenues for governments. The REIT's sponsor, Keppel Telecommunications & Transportation Ltd, continues to innovate and explore ways to reduce the carbon footprint of the data centres. These include studies to develop a near-shore Floating Data Centre Park in Singapore, as well as various projects to explore the use of liquefied natural gas and hydrogen to power and cool data centres.
	Corporate Governance & Risk Management	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Sound corporate governance and robust risk management are central to business excellence and resilience. We will conduct ourselves according to the highest ethical standards and comply with all applicable laws and regulations wherever we operate. Our tone on regulatory compliance is clear and consistently reiterated from the top of the organisation. We have zero tolerance for fraud, bribery, corruption and violation of laws and regulations.	As part of the Keppel Group, all employees are required to participate in an annual e-training and assessment exercise covering key policies, including the Keppel's Code of Conduct. The Keppel's Code of Conduct is also available on Keppel DC REIT's website. We have put in place a robust Enterprise Risk Management framework that is designed to identify and consider material risks in the decision-making process.
	Supply Chain & Responsible Procurement	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	We assess the track record, quality and reputation of potential suppliers and business partners to ensure that responsible best practices are upheld.	All our suppliers are qualified in accordance with our requisition and purchasing policies, and key suppliers are expected to sign and abide by the Keppel Supplier Code of Conduct. Our preference is to procure locally-sourced products and work with local suppliers to contribute to the local economy and facilitate logistical efficiency. There were zero known instances of non-compliance with any applicable regulations regarding human rights and labour practices throughout the supply chain in 2020.
	Product Quality & Safety	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	We exercise due care and diligence in the operations of our facilities to ensure that they do not pose hazard to customers, our staff and our contractors. We provide robust round-the-clock physical security systems. All IT equipment are routinely tested and repaired to ensure peak performance.	We received higher scores for physical security and service quality in our 2020 customer satisfaction survey and recorded zero cases of contractual breaches of customer privacy and non-compliance. The Manager has complied with applicable regulations and standards across its operations.

STRATEGIC PILLARS	MATERIAL ISSUES	SDGs	APPROACH	HIGHLIGHTS
PEOPLE AND COMMUNITY	Occupational Health & Safety	3 GOOD HEALTH AND WELL-BEING	Provide a safe and healthy working environment for all stakeholders is fundamental to our commitment to conduct business responsibly. We are strong advocates for safety and health in the broader community, and champion national and industry initiatives to raise standards and drive innovation in these aspects.	We work closely with the facility managers to implement industry best practices at our colocation data centres. Periodic inspections by qualified personnel, maintenance of facilities and equipment and state-of-the-art fire protection systems are implemented to ensure compliance with relevant safety standards. We regularly conduct health and safety exercises such as providing health screenings, health talks and healthy snacks. There were no fatalities across Keppel DC REIT's colocation data centres in 2020.
	Labour Practices, Talent Management & Human Rights	8 DECENT WORK AND ECONOMIC GROWTH	Our businesses promote economic growth and productivity, as well as create jobs. Our hiring policies ensure equal employment opportunities, and we are committed to invest in nurturing human capital. We uphold and respect the fundamental principles set out in the UN Universal Declaration of Human Rights and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work.	The Manager is an equal opportunity employer with a zero-tolerance policy for discrimination based on race, religion, gender, marital status or age. In 2020, there were no reported incidences of discrimination raised by the Manager's employees. Amid the COVID-19 pandemic, we implemented several initiatives, such as the provision of care packages and access to licensed counsellors to help our staff cope with the challenges of working from home and juggling family responsibilities.
	Community Development	17 PARTNERSHIPS FOR THE GOALS	We believe in doing well by doing good. The Manager works with Keppel Capital to support initiatives that engage and uplift the community.	Together with Keppel Capital, we dedicated about 790 hours to community service in 2020, including virtual engagements with the Muscular Dystrophy Association (Singapore) and New Life Children and Student Care Centre. In addition, the Manager contributed approximately $40,300 to Keppel Care Foundation to support various philanthropic programmes.

COMMITMENT TO STAKEHOLDERS

GRI 102-42 | 102-43

An in-depth materiality assessment was conducted to establish the foundation of Keppel DC REIT's sustainability reporting framework. As part of the materiality assessment, key stakeholder groups were identified based on their ability to affect or be affected by the REIT's business practices and sustainability performance. This process ensures that all material issues as well as the concerns and perspectives of key stakeholders are addressed.

The Manager maintains regular dialogues with stakeholders to address their queries and concerns, as well as obtain valuable feedback for improvement. The Manager is also committed to the timely and accurate disclosure of material ESG information to the REIT's stakeholders in a transparent manner.

This ongoing and open stakeholder engagement process allows the Manager to adapt to emerging ESG risks, capitalise on new opportunities and refine its sustainability framework as the business environment continues to evolve.

MATERIALITY ASSESSMENT

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

The Manager aligns its materiality framework with the principles of the Singapore Exchange (SGX) Sustainability Reporting Guide and the GRI Reporting Principles for defining report content. This report addresses the economic and sustainability issues that are relevant and significant to Keppel DC REIT and its key stakeholders.

The materiality assessment framework is designed to identify and balance ESG issues based on the best interests and needs of its key stakeholders, as well as the potential impact on the value and success of the REIT.

The Materiality Matrix is shown on page 65 of this report. External stakeholders' perspectives are obtained from feedback and responses to information requests received from stakeholders including investors, clients and business partners. The materiality assessment demonstrates the strong alignment between the interests of Keppel DC REIT and its stakeholders. Issues relating to labour practices as well as safety and health were considered more significant to internal stakeholders than external stakeholders.

MANAGING SUSTAINABILITY

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.

Modes of Engagement

Involvement in different employee interest groups; dialogue sessions with senior leaders; employee engagement surveys; appreciation month; physical wellness month; monthly updates and staff communication sessions; leadership programmes; team building activities.

Frequency of Engagement

Ongoing regular engagements

CLIENTS

Objectives

Build deeper relationships with existing and prospective clients.

Key Topics

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

Modes of Engagement

Annual survey; onsite audits and meetings.

Frequency of Engagement

Ongoing regular engagements

INVESTORS

Objectives

Ensure timely and accurate disclosure of information.

Key Topics

Business strategy and corporate developments; financial performance.

Modes of Engagement

Annual reports; media releases; investor presentations; SGX announcements; general meetings; local and overseas investor roadshows; quarterly teleconferences or webcasts; corporate website; email feedback; meetings and conference calls.

Frequency of Engagement

Ongoing regular engagements

BUSINESS PARTNERS

Objectives

Align suppliers to our values to enhance operational resilience.

Key Topics

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

Modes of Engagement

Safety and operations workshops; annual reviews and feedback sessions.

Frequency of Engagement

Ongoing regular engagements

GOVERNMENTS

Objectives

Collaborate and work alongside on issues of mutual interest.

Key Topics

Feedback on new guidelines; opportunities for business collaborations.

Modes of Engagement

Meetings and site visits.

Frequency of Engagement

Ongoing regular engagements

Each material issue is categorised as Highly Critical, Critical or Important. This report focuses on the Highly Critical and Critical issues, which are reported in greater detail and given specific targets to ensure performance improvements and long-term sustainability. 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, as well as transparency are significant throughout the business, while aspects relating to 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.

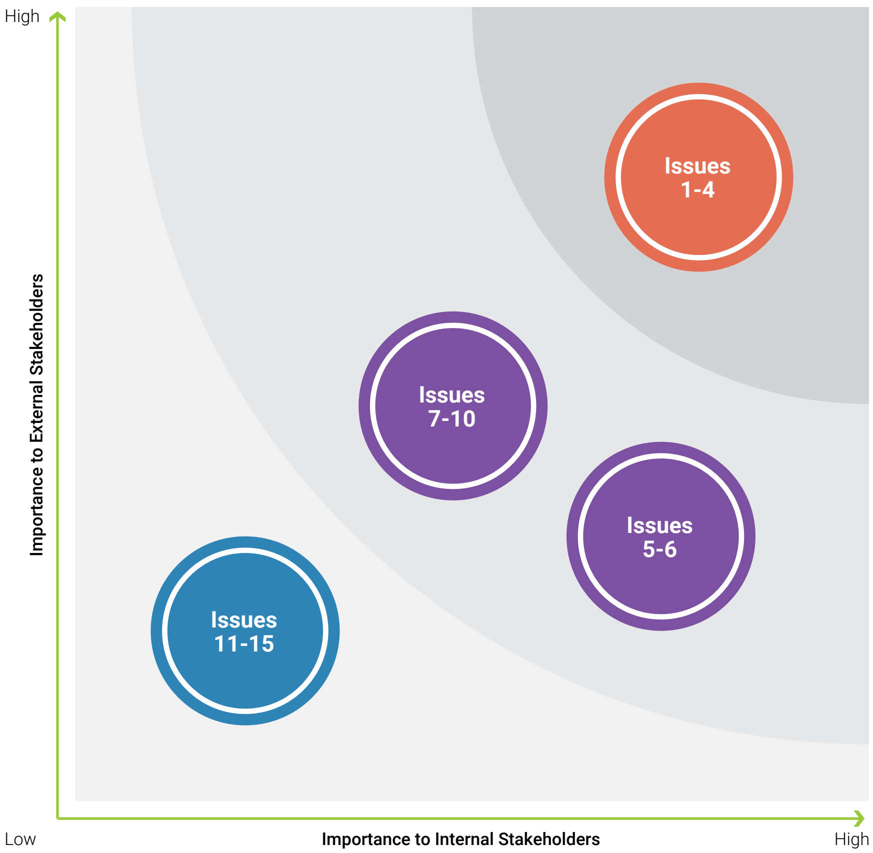
Keppel DC REIT's performance in its materiality issues are periodically monitored by the Manager. Should an emerging issue gain relevance, or an existing issue become less material, the management and reporting scope will be adjusted accordingly. This process is guided by feedback from stakeholder engagements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

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

Key Material Issues

Disclosure Number	Page Reference	Targets
Economic Performance	52 to 57	Maximise returns while maintaining financial flexibility and long-term sustainability
Building and Service Quality (including Client Privacy and Physical Security)	70 to 71	Obtain satisfactory score and above from key accounts during annual feedback
Compliance	70	Zero violation of laws and regulations in the countries of operations
Energy Efficiency	66 to 68	Enhance operational efficiency to optimise water and energy consumption; as well as embed green initiatives to enhance energy and water efficiency
Water Management	66 to 68	
Labour Practices and Employment	72 to 74	Raise the level of employee engagement and increase average training hours
Safety and Health	74	Zero-incident workplace
Business Ethics	69 to 70	Zero corruption
Transparency	61	Utilise multiple platforms to enhance stakeholder outreach and communication
Sustainable Procurement	70	Full compliance with local laws among 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. Water Management
8. Business Ethics
9. Transparency
10. Sustainable Procurement

Important Issues

11. Material Use
12. Effluent 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.

ENVIRONMENTAL STEWARDSHIP

The Manager proactively manages the environmental impact of Keppel DC REIT's data centres to improve resource efficiency and support the global climate change agenda.

THROUGH THE ADOPTION OF NEW TECHNOLOGIES AND ENERGY CONSERVATION BEST PRACTICES, THE MANAGER OPTIMISES ENERGY AND WATER EFFICIENCY AND MINIMISES GREENHOUSE GAS EMISSIONS.

CLIMATE ACTION

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

Data centres are mission-critical facilities that operate round-the-clock to provide uninterrupted power services through redundancy, ensuring that businesses operate with zero downtime.

The need for resiliency and high performance typically sees these facilities as being energy-intensive. Power is required to sustain IT equipment, while water is needed for the cooling infrastructure that maintains the optimal environmental conditions in accordance with the clients' service level requirements.

The Manager recognises that it plays a part in addressing climate change concerns. With an increasing focus on the green economy, the Manager is committed to address climate change as part of its sustainability efforts, through the use of clean technology and energy management systems.

EMISSIONS[1]

GRI 305-1 | 305-2 | 305-3

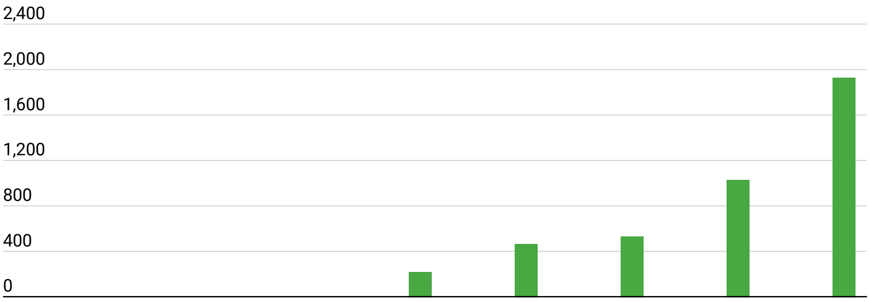
Greenhouse Gas (GHG) emissions consist primarily of Scope 1 direct emissions from fuel consumption and Scope 2 indirect emissions from purchased electricity.

Emissions are calculated in accordance with GHG Protocol standards[2], the widely accepted international GHG standard. 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 2020, Scope 1 GHG emissions totalled approximately 1,927 tCO_2e while Scope 2

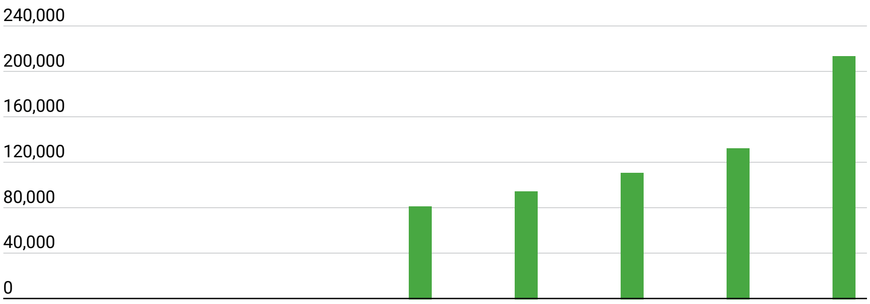
1 The GHG emission Scopes 1 and 2 are defined by the GHG Protocol. Scope 1 refers to emissions from company owned and operated facilities, machines, vehicles, etc. Scope 2 refers to emissions from sources external to the company, but which provide the company with a service such as power plants and other utilities.
2 The GHG emission calculation methodology is aligned with the requirements of operational control approach under the GHG protocol.

CARBON EMISSIONS PER ANNUM (Scope 1) (tCO_2e)



	2016	2017	2018	2019	**2020**
Scope 1	222	468	533	1,033	**1,927**

CARBON EMISSIONS PER ANNUM (Scope 2) (tCO_2e)



	2016	2017	2018	2019	**2020**
Scope 2	81,701	94,661	110,895	132,431	**213,571**

GHG emissions[3] totalled 213,571 tCO_2e. Together, the GHG emissions for Scopes 1 and 2 were 215,498 tCO_2e in 2020, an increase from 2019's 133,464 tCO_2e, due primarily to the addition of KDC SGP 4 to the REIT's portfolio. The majority of Keppel DC REIT's electricity is supplied from the grid, and fuel consumption is mostly diesel from backup generators.

In 2020, the Manager also expanded its reporting to include Scope 3 emissions[4] from business air travel, which totalled 4.9 tCO_2e. The emissions are exceptionally low due to travel restrictions amid the COVID-19 pandemic.

The Manager minimises GHG emissions through the implementation of advanced energy management practices as well as the use of clean energy sources. The electricity purchased for KDC DUB 1 and KDC DUB 2 is 100% renewable, generated by wind energy. This has prevented about 31,600 tCO_2e of GHG emissions that would have otherwise been generated from the use of non-renewable sources.

ENVIRONMENTAL MANAGEMENT

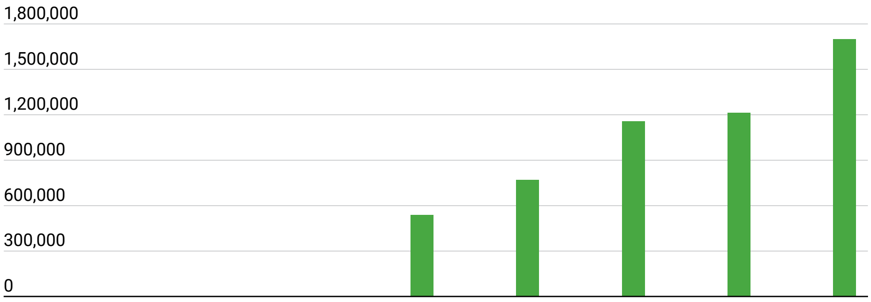
The Manager believes that the sustainable management of data centres will promote the growth of business value into the future with the increasing focus on environmental performance.

All of Keppel DC REIT's colocation facilities in Singapore attained certification in energy and water management systems.

3 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, National Greenhouse Accounts Factors and Sustainable Energy Authority of Ireland.

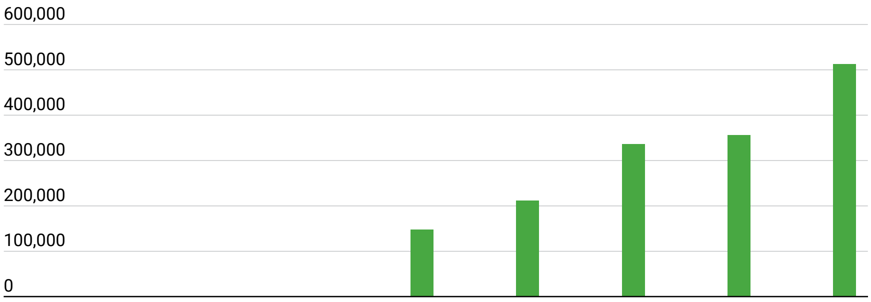
4 Scope 3 emission factors are referenced from International Civil Aviation Organisation (ICAO).

ENERGY CONSUMPTION PER ANNUM (GJ)



	2016	2017	2018	2019	**2020**
Total	545,833	781,299	1,176,143	1,233,647	**1,728,068**

WATER CONSUMPTION PER ANNUM (m^3)



	2016	2017	2018	2019	**2020**
Total	149,478	214,367	341,126	361,256	**520,396**

Electricity and water data are compiled from utility bills while fuel data is compiled from onsite meter readings. Consumption data are analysed regularly to guide investment and business decisions.

ENERGY CONSUMPTION

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

In 2020, Keppel DC REIT's colocation facilities consumed 1,700,343 GJ of electricity and 27,725 GJ of diesel fuel, bringing the REIT's total energy consumption to 1,728,068 GJ. Out of the total electricity consumed, about 215,646 GJ or 12.5% of electricity was sourced from renewable sources.

The Manager is committed to the improvement of energy efficiency over time. While the total energy consumption is expected to increase as the REIT's asset base grows, the Manager will continue to identify and implement new measures to optimise energy efficiency where practicable.

WATER CONSUMPTION

GRI 103-1 | 103-2 | 103-3 | 303-1 | 303-2 | 303-5

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

In 2020, the REIT consumed a total of 520,396 m^3 of water, which was measured through direct metering. All water consumed was from municipal sources. This represents a 44.1% increase from 2019's total consumption of 361,256 m^3, due primarily to the addition of KDC SGP 4 to the REIT's portfolio.

Water consumption is continuously monitored, and conservation technologies and strategies are implemented to improve water efficiency. These include the use of low flow water conservation sanitary appliances and reclaimed stormwater as part of the water recycling efforts at Gore Hill DC.

CONSERVATION EFFORTS

The Manager and its facility managers, including Keppel Data Centres Holding, the data centre division of its sponsor Keppel Telecommunications & Transportation (Keppel T&T), collaborate to identify and implement initiatives that reduce environmental impact. The Manager is always exploring initiatives with the Keppel Group to reduce environmental impact through energy conservation measures for the data centres it manages.

All of Keppel DC REIT's colocation facilities in Singapore attained certification in energy and water management systems to drive sustainability performance.

Energy and water conservation measures implemented at Keppel DC REIT's colocation assets include:

- Overhaul of cooling infrastructure, such as the cooling towers, chillers and computer room air-conditioning units, to improve energy efficiency.
- Lighting enhancements, including the replacement of movement sensors, LED lightings and controls, to reduce energy consumption.
- Fit-out of low flow sanitary appliances and the use of reclaimed stormwater as part of water recycling efforts to reduce water consumption at Gore Hill DC.
- Energy Management System at KDC DUB 2 to measure and monitor electrical usage in the facility.

ENVIRONMENTAL COMPLIANCE

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

The Manager is committed to minimise environmental impact, optimise resource consumption and ensure compliance with all applicable national and international environmental regulations and guidelines across its operations.

There were no instances of non-compliance with any environmental laws and regulations in 2020.

THE MANAGER IS COMMITTED TO UPHOLD STRONG CORPORATE GOVERNANCE, MAINTAIN A ROBUST RISK MANAGEMENT AND SAFEGUARD RESPONSIBLE BUSINESS PRACTICES.

ECONOMIC SUSTAINABILITY

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

The Manager's primary responsibilities are to grow and improve the value of Keppel DC REIT and provide Unitholders with regular and stable distributions while maintaining an optimal capital structure.

Material ESG considerations are integrated into the business strategy and are managed as financially material risks and opportunities.

The Manager understands that ESG aspects 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 2020. The financial performance highlights can be found on page 8 and 9. More information on Keppel DC REIT's economic strategies and asset enhancement initiatives can be found on page 3, as well as pages 32 to 35 respectively.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

GRI 102-16 | 102-11

The Manager believes that sound corporate governance and robust risk management are prerequisites for business excellence, resilience and business continuity.

The majority of Keppel DC REIT's Board consists of independent directors to ensure objectivity and safeguard the rights and best interests of Unitholders. On 13 November 2020, Mr Kenny Kwan was appointed as Lead Independent Director to further enhance the objectivity and independence of the board.

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, as well as investor relations efforts, is available on pages 145 to 166 and 18 to 20 respectively.

The Manager adopts a holistic and systematic risk management framework that identifies, evaluates and manages risks throughout its decision-making processes. Material ESG risks are key considerations when evaluating investment and business operations.

Sustainability is key to business continuity. The monitoring of material ESG risks is integrated into Keppel DC REIT's Risk Management Framework, which is designed to safeguard long-term value and ensure that the Manager and the facility managers are equipped with the knowledge and capacity to adapt to any potential threats or disruptions to business. External risks, such as interest rate fluctuation and foreign currency exposure are also closely monitored and mitigated, where appropriate.

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 167 to 168.

The Manager believes that sound corporate governance and robust risk management are important to operational excellence and business continuity.

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. Anti-bribery and anti-corruption measures are implemented to protect the REIT's reputation and ensure business continuity. The Manager regularly communicates key policy requirements to all directors and employees.

As part of the onboarding process, new employees are required to declare conflicts of interest and are informed of the Keppel's Code of Conduct, anti-bribery and whistle-blower policies. 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 the Keppel Group policies.

These policies are readily available to employees through an online portal. Internal and external audits are also conducted to ensure compliance with all relevant regulations on 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 167 to 168.

All Board members and employees receive regular communication and training on conflicts of interests, anti-bribery and anti-corruption policies and procedures, among others. Employees are also reminded to be vigilant and to avoid business dealings which may be viewed as unethical, illegal or otherwise inconsistent with applicable policies.

The Manager complies with all applicable laws and regulations where it operates. In 2020, there were zero incidents of corruption as well as zero violations of laws, regulations and voluntary standards related to ESG issues. The Manager's approach to responsible business also includes policies and regulations related to anti-competitive behaviour, anti-corruption as well as socioeconomic and environmental compliance.

There were also no reportable instances of non-compliance, corruption or violations of laws, regulations and voluntary standards pertaining to any of Keppel DC REIT's operations.

SUPPLY CHAIN AND RESPONSIBLE PROCUREMENT

GRI 102-9 | 102-10

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 procures locally-sourced products and works with local suppliers and partners, contributing to local economies and facilitating logistical efficiency.

Responsible supply chain management helps to optimise operations and safeguards business continuity. The Manager assesses the track record, quality and reputation of potential suppliers and partners to ensure that best practices are upheld. In addition, sustainability policies, performance, procedures, accreditations and certifications are considered in the assessment to ensure that suppliers share the Manager's focus in ensuring sustainable operations.

In 2020, 86 new suppliers were added to the supply chain.

The Keppel Supplier Code of Conduct encourages the adoption of Keppel's sustainability values across the REIT's supply chain. Key suppliers are required to abide by the code, which outlines expectations relating 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 suppliers and partners.

There were no known instances of non-compliance with any applicable regulations regarding human rights and labour practices throughout Keppel DC REIT's supply chain. 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

The Manager aligns its practices with international standards to achieve high technical specifications and operational resilience for its data centres. Keppel DC REIT's global clientele includes internet enterprises, telecommunications, information technology and financial services firms, as well as corporations with strict service-level

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, KDC SGP 4 and KDC SGP 5	SS 564 Part-1:2013 Energy & Environment Management System
KDC SGP 1, KDC SGP 2, KDC SGP 3, KDC SGP 4 and KDC SGP 5	ISO 50001:2011 Energy Management System
KDC SGP 1, KDC SGP 2, KDC SGP 3, KDC SGP 4 and KDC SGP 5	SS 507:2015 Provision of Business Continuity and Disaster Recovery Facilities Services
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, KDC SGP 4 and KDC SGP 5	ISO 46001:2019 – Water Efficiency Management Systems (WEMS)
KDC SGP 1, KDC SGP 2, KDC SGP 3, KDC SGP 4 and KDC SGP 5	Biz Safe Level Star
KDC SGP 2	BCA Green Mark Gold^{PLUS} Award
KDC SGP 3, KDC SGP 4 and KDC SGP 5	BCA Green Mark Platinum Award
KDC SGP 1, KDC SGP 2, KDC SGP 3, KDC SGP 4 and KDC SGP 5	ANSI/TIA-942-B:2017 – Rated 3
KDC SGP 1, KDC SGP 2, KDC SGP 3, KDC SGP 4 and KDC SGP 5	ISO 45001:2018 Occupational Health and Safety Management Systems
KDC SGP 1, KDC SGP 2, KDC SGP 3, KDC SGP 4 and KDC SGP 5	ISO 14001:2015 Environmental Management Systems
KDC SGP 1, KDC SGP 2, KDC SGP 3, KDC SGP 4, KDC SGP 5, KDC DUB 1 and KDC DUB 2	ISO 9001:2015 Quality Management System
Basis Bay DC and Gore Hill DC	ISO/IEC 27001:2013 Information Security Management System
KDC SGP 1, KDC SGP 2, KDC SGP 3, KDC SGP 4, KDC SGP 5, 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 4, KDC SGP 5, KDC DUB 1 and KDC DUB 2	ISO 37001:2016 Anti-Bribery Management System
KDC SGP 4	Leadership in Energy & Environmental Design (LEED) Gold Award

requirements for high operational resilience. A breakdown of the REIT's client profile by trade sector is available on page 34.

Data centres involve mission-critical operations where the clients' privacy and physical security as well as minimal downtime of the facilities are of utmost importance.

Keppel DC REIT's assets are well protected against unauthorised entry by robust round-the-clock physical security systems. Standard operating procedures within the facilities mandate that all visitors 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 potential risks through robust power outage scenario planning, as well as fire and influenza pandemic drills.

All IT equipment are routinely repaired and tested to ensure uninterrupted operations and optimal performance. Maintaining strict operating processes and standards for high infrastructure quality enables the Manager to support clients' needs and ensure operational excellence.

The Manager engages with its colocation clients annually to seek valuable feedback relating to the physical security, building and service standards of the facilities. In the 2020 customer satisfaction survey, the Manager received higher scores for physical security and service quality as compared to the previous year.

In addition, there were zero recorded cases of contractual breaches of customer privacy and zero non-compliance with applicable regulations and standards across the portfolio.

PEOPLE AND COMMUNITY

THE MANAGER IS COMMITTED TO NURTURE ITS WORKFORCE AND UPLIFT COMMUNITIES WHEREVER IT OPERATES.

Recognising that people are at the core of its business, the Manager invests in the capabilities and well-being of its workforce to ensure sustainable business value.

The Manager builds up its talent pool through continual investments in training and development. The Manager also seeks to foster a positive work culture and environment. Employee engagement is accomplished through five key areas:

1. Making a difference: Adapt to the future-of-work and understand the impact of their work on communities;
2. Having a voice: Engage and participate in company conversations and team projects;
3. Feeling valued: Continue to foster a culture of recognition, appreciation and promote employee well-being;
4. Growing a career: Enhance career through the acquisition of skills and mentoring; and
5. Inspiring to grow: Develop leadership 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 | 401-1

As at 31 December 2020, the Manager's workforce consisted of 19 full-time permanent employees. The dedicated Investment, Asset Management and Finance headcounts are seconded from Keppel Capital to the Manager. In 2020, the Manager hired three new employees, two were between 30-50 years old and one was under 30 years old. Of the new hires, two are male and one is female.

During the same period, four employees resigned; one was under 30 years old, two were between 30-50 years old, and another was over 50 years old. Of the employees who left, two are female and two are male. All staff were recruited locally and are based in Singapore.

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

DIVERSITY AND INCLUSION

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

The Manager believes that diversity and inclusion foster innovation and drive business value.

Recruitment, advancement and career development opportunities are provided based solely on merit and the needs of the company. The Manager is an equal opportunity employer with a zero-tolerance policy for discrimination based on race, religion, gender, marital status or age. This policy ensures the fair treatment of all candidates and that the most qualified candidates are selected to advance their careers. As at 31 December 2020, the Board consists of seven directors, one of whom is female. Please refer to pages 12 to 14 for additional details on the Board of Directors. The workforce was 26% female and 74% male.

The Manager upholds 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 fair 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
5. Abide by labour laws and adopt the Tripartite Guidelines on Fair Employment Practices

The Manager adopts the Keppel Group Statement on Diversity and Inclusion, which outlines diversity considerations that are incorporated into the Keppel's Code of Conduct, as well as put into practice in staff recruitment, retention and performance review activities, thereby fostering an inclusive and harmonious workplace. In addition, it articulates the Group's policy on non-discrimination, reinforcing Keppel's core value of 'people-focus'. The Keppel Group Statement on Diversity and Inclusion applies to all employees and is consistent with the Group's Corporate Statement on Human Rights, which is available on Keppel Corporation's website.

There were no reported incidences of discrimination raised by the Manager's employees in 2020. None of the Manager's employees are under any collective bargaining agreements.

PROVISION OF BENEFITS

The Manager complies with all applicable regulations regarding the provision of 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, which is the Central Provident Fund in Singapore.

Employees also receive competitive and sustainable compensation, paternity and maternity leave, leave for childcare, marriage, compassionate grounds and examination. Employees also receive additional benefits such as flexible credit points that can be used for expenditures such as wellness classes or healthcare services. Ensuring the well-being of its employees is just one facet of the Manager's strategy to attract and retain talent.

PERFORMANCE MANAGEMENT

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

The Manager's performance-based human resource strategy is designed to align individual and collective goals. This strategy promotes high performance, and ensures 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, which includes regular performance and career development reviews. The system encourages excellent performance by providing opportunities for advancement, promotion, recognition of achievements, compensation, training and other conditions of employment.

All employees are evaluated based on performance targets and objectives which are aligned with the Manager's scorecard. The Manager's scorecard comprises four areas, namely, Financial, Process, Customers & Stakeholders and People. All employees receive annual performance and career development reviews.

SUCCESSION PLANNING AND TALENT MANAGEMENT

Robust succession planning and talent management help to ensure business continuity. Succession plans for the CEO are discussed and reviewed with the Manager's Nominating and Remuneration Committee and the Keppel Group on an annual basis. Development plans are in place to equip potential successors and prepare them for further responsibilities. Succession planning is part of the senior management's yearly targets.

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.

The Manager's talent management efforts are supported by the Keppel Group's talent management processes and resources. Keppel Group's Human Resources manages performance data centrally to support organisational planning and ensure fair and effective review of talent across business units. In addition, it nurtures the potential of employees through various leadership and executive development platforms such as Keppel Leadership Institute and Keppel Young Leaders. These platforms identify and develop high-potential employees, catalyse innovative thinking, and harness the collective strengths of Keppel Group's various business units.

Members of Keppel Young Leaders participate in various projects and knowledge-sharing sessions to broaden their knowledge, capabilities and network.

In 2020, the Group inaugurated the Career Konductor programme, which trains employees at all levels to provide career guidance and advice to their colleagues.

The Manager's talent management strategy focuses on building up talent and capacity from within the organisation. In line with this approach, the Manager has in place a traineeship programme to attract and cultivate young talent. As a testament to the Manager's strategy to develop and advance internal candidates, Keppel DC REIT's current CEO and CFO were internal promotions and there are also other members of the team who have continued to outperform their job grades and have been promoted over the years.

EMPLOYEE ENGAGEMENT

The Manager actively engages employees to better understand their needs and improve morale.

All of the Manager's employees participated in Keppel Group's 2020 Employee Engagement Survey. Administered by an external consultant, the survey is designed to measure employee engagement and satisfaction as well as collect feedback for improvement. The results of the survey showed high levels of engagement and satisfaction among the Manager's employees. Feedback collected were used to enhance policies and practices.

As part of COVID-19 precautionary measures, the Manager's employees were deployed in split teams or work-from-home arrangements. During this period, the Manager continued to engage employees through formal and informal channels, including virtual townhalls and dialogues. The Manager also delivered pandemic care packages to employees' residences.

To recognise the contributions of employees, in Keppel Appreciation Month in August, the Manager's senior management team presented personalised gifts to staff. They also expressed their appreciation for employees on K'Kudos, a digital platform designed to foster collaboration, recognition and gratitude among employees. As part of Keppel Group's staff appreciation efforts, K'Tunes, a live-streamed singing performance was held and employees could dedicate songs to their colleagues globally.

PROMOTING EMPLOYEE WELLNESS DURING COVID-19 PANDEMIC

GRI 403-3 | 403-6

Various initiatives were implemented to help employees better adapt to remote working and promote health and wellness during the COVID-19 pandemic. These include the provision of pandemic care packages and access to licensed counsellors on a confidential basis from the Singapore Counselling Center. Employees can sign up for face-to-face or video counselling sessions to get help with managing stress and challenges due to the pandemic, working from home and juggling family responsibilities.

Keppel Capital has also dedicated October as Mental Well-being Month. Virtual talks were held to promote mindfulness. Virtual coffee catchups with colleagues were also organised.

To encourage a balanced and healthy lifestyle, the company engaged instructors for virtual exercise sessions where employees can participate from the safety of their homes. During the Physical Wellness Month in June, employees also participated in various initiatives to stay fit and healthy. Employees were encouraged to take on healthy lifestyle challenges, and prizes were awarded upon the successful completion of these challenges.

TRAINING AND DEVELOPMENT

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

The Manager invests in various training and development programmes to enhance its employees' knowledge and skills as well as keep them up-to-date on industry trends. The Manager customises the development programmes and opportunities to each employee's responsibilities, career stage, aspirations and potential.

Training and development efforts are measured based on the average hours of training that each employee receives. In 2020, employees received an average of 23.6 hours of training per employee.

Training was limited in 2020 as a number of in-person training sessions were postponed due to the COVID-19 pandemic.

AVERAGE TRAINING HOURS BY GENDER

Female	18.1
Male	25.9

AVERAGE TRAINING HOURS BY EMPLOYEE CATEGORY

Managerial	25.8
Executive	23.1

PEOPLE AND COMMUNITY

However, the Manager encouraged its employees to participate in online courses such as Agile Fundamentals, Data Visualisation, and Design Innovation, which were offered during Keppel Capital's week-long virtual learning festival held in 2020. Online courses were also organised for the Manager's appointed Monetary Authority of Singapore licenced representatives to fulfill their Continuing Professional Development training hours.

These programmes were designed to enhance skills needed to thrive in the digital economy. Efforts to prepare key business functions for digital transitions have been invaluable to the REIT's resilience and business continuity efforts.

OCCUPATIONAL HEALTH AND SAFETY

HEALTH AND SAFETY

GRI 103-1 | 103-2 | 103-3 | 403-1 | 403-2 | 403-4 | 403-5 | 403-7 | 403-9

Safety is a Keppel core value, and the Manager is committed to providing a safe work environment for all its stakeholders. Keppel DC REIT has a consistent target of zero workplace health and safety incidents. To achieve this goal, the Manager works closely with the facility managers to implement industry best practices. Our health and safety management practice focuses on the identification and elimination of hazards and minimisation of risks. Periodic inspections and maintenance of facilities and equipment are conducted by qualified specialists who help to ensure the proper implementation of all relevant safety standards.

The Manager respects the confidentiality of personal health-related information and workers' right to privacy. Hence, employees' participation in any occupational health services and the data collected from such activities are not used for any favourable or unfavourable treatment.

To ensure business continuity and protect against potential fire damages, all of Keppel DC REIT assets are equipped with state-of-the-art fire protection systems. All visitors, employees and clients are briefed on emergency evacuation routes and procedures in the event of a fire. Evacuation routes are also displayed prominently throughout the facility.

In the event that a safety incident occurs, all details are documented in an incident reporting system. Senior management and the relevant safety personnel review this information to identify root causes and corrective and preventive measures to minimise the risk of similar incidents recurring. This information is also used to evaluate the effectiveness of the Manager's health and safety management response.

There were no fatalities in 2020. However, a staff from a facility manager sustained a reportable injury.

The Manager remains committed to foster a culture of safety and uphold high safety standards and industry best practices.

To further raise awareness, a series of safety and wellness events was also conducted at the Group-level. Some of these events are listed below.

COMMUNITY DEVELOPMENT

GRI 201-1

The Manager actively supports initiatives that engage and uplift the community.

Despite the challenges of the COVID-19 pandemic, Keppel Capital continued to support its adopted charity, Muscular Dystrophy Association (Singapore) (MDAS), by taking its outreach efforts online. Keppel Capital has partnered MDAS, a self-help organisation committed to uplift the lives of people with muscular dystrophy, since 2016.

SAFETY EVENTS	
Safety Training	Safety training on incident notification and procedures are conducted annually.
Keppel Group Safety Convention	Held annually at the Group-level to raise safety awareness and recognise Keppelites who have made outstanding contributions to safety.
Global Safety Timeout	Held annually to reinforce the Group's safety culture. The theme for 2020 was #WorkSafeFromHome.
Waves of COVID-19 Pandemic Safety Messages	Keppel Capital HSE Committee members contribute to daily safety message postings on Yammer, an enterprise online social network.

“For persons with Muscular Dystrophy, the COVID-19 outbreak has taken a toll on them and their families. Even before the Circuit Breaker, many had already been confined to their homes for fear that the virus may affect their already weakened respiratory systems. An opportunity like this with our friends at Keppel Capital not only brightens our beneficiaries’ spirits, but also helps forge new friendships between people from different walks of life. We are grateful and excited to embark on this project with Keppel Capital.”

JUDY WEE, Executive Director, MDAS

Together with Keppel Capital, the Manager engaged MDAS in various virtual activities, including an Escape Room Challenge during the Keppel Community Month in August 2020.

Keppel Capital also joined MDAS in celebrating its 20th Anniversary in December 2020. More than 80 MDAS members, caregivers and volunteers commemorated the occasion virtually and at MDAS’ office. The event featured heartfelt performances and well wishes from Keppel Capital, MDAS and local celebrities. Ahead of the celebration, volunteers took time off from work to pack and deliver muffins to the homes of 40 beneficiaries.

In addition, the Manager and MDAS connected over virtual platforms for games such as Amazing Race Challenge, Pictionary, Wheel of Fortune, Taboo and Spot the Difference over the course of the year.

To celebrate Children’s Day, Keppel Capital and Keppel Corporation organised a clay art session for students at the New Life Children and the Student Care Centre.

To encourage active volunteerism, Keppel Capital employees are given two days of paid volunteer leave each year. In 2020, Keppel Capital and the Manager dedicated about 790 hours to community service. In addition, the Manager contributed approximately $40,300 to Keppel Care Foundation to support various philanthropic programmes.

In Dublin, Keppel DC REIT (Ireland) made a donation to Nursing Homes Ireland to fund the purchase of tablet computers to help nursing home residents stay connected with their families and relatives during the COVID-19 lockdown. Keppel DC REIT (Ireland) also contributed to The Simon Community, which supports people who are homeless or at risk of homelessness.

Keppel Capital references the Business for Societal Impact (B4SI) Framework (formerly known as LBG), the global standard for measuring and reporting on corporate community investment. As managers of B4SI, Corporate Citizenship has assured the data in this section. The assurance statement can be found on page 79 of this report.

“The Amazing Race Challenge was a great experience. In these challenging times, I thought we won’t be able to meet friends from Keppel Capital, so I am delighted that we are still able to see each other virtually through these interactive games.”

MUHAMMAD SAIFUDEEN BIN ABDUL SALIM, MDAS member

Volunteers from Keppel Capital joined MDAS in celebrating its 20th Anniversary, including packing and delivering muffins to its beneficiaries.

GRI CONTENT INDEX

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

GRI Standard	Disclosure Number	Disclosure Title	Page Reference and Remarks*	Connections to UN Initiatives
GENERAL DISCLOSURES				
GRI 101: Foundation 2016				
		Organisational Profile		
GRI 102: General Disclosures 2016	102-1	Name of the organisation	3	UNGC Principles 1-10; SDG 3, 6, 8, 9, 11, 12, 16, 17
	102-2	Activities, brands, products, and services	3, 32 to 51	
	102-3	Location of headquarters	Backcover	
	102-4	Location of operations	3, 22 to 23, 36 to 40, 60	
	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, 72	
	102-8	Information on employees and other workers	72	
	102-9	Supply chain	70	
	102-10	Significant changes to organisation and its supply chain	4 to 7, 17, 32 to 33	
	102-11	Precautionary Principle or approach	69, 167 to 168	
	102-12	External initiatives	61 to 63	
	102-13	Membership of associations	61	
		Strategy		
	102-14	Statement from senior decision-maker	59	
		Ethics and Integrity		
	102-16	Values, principles, standards, and norms of behaviour	Inside front cover, 3, 61, 69, 145 to 166 Our Corporate Governance policy is also available on our website.	UNGC Principles 1-10; SDG 16
		Governance		
	102-18	Governance structure	10 to 11, 61	UNGC Principles 1-10; SDG 16
		Stakeholder Engagement		
	102-40	List of stakeholder groups	64	UNGC Principle 3; SDG 8,17
	102-41	Collective bargaining agreements	72	
	102-42	Identifying and selecting stakeholders	63	
	102-43	Approach to stakeholder engagement	63	
	102-44	Key topics and concerns raised	64	
		Reporting Practice		
	102-45	Entities included in the consolidated financial statements	22 to 23, 32, 96 to 97, 114 to 115	
	102-46	Defining report content and topic Boundaries	60	
	102-47	List of material topics	65	
	102-48	Restatements of information	No restatement of information.	
	102-49	Changes in reporting	We have started reporting 305-3 and 413-1 this year onwards.	
	102-50	Reporting period	60	
	102-51	Date of most recent report	The 2019 sustainability report was published in April 2020.	
	102-52	Reporting cycle	60	
	102-53	Contact point for questions regarding the report	60	
	102-54	Claims of reporting in accordance with the GRI Standards	60	
	102-55	GRI content index	76 to 78	
	102-56	External assurance	60	

GRI Standard	Disclosure Number	Disclosure Title	Page Reference and Remarks*	Connections to UN Initiatives
TOPIC SPECIFIC DISCLOSURES				
		Climate Action		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	65, 66 to 67	UNGC Principles 7-9; SDG 7, 11, 12
	103-2	The management approach and its components	66 to 67	
	103-3	Evaluation of the management approach	66 to 67	
		Environmental Management		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	65, 67 to 68	UNGC Principles 7-9; SDG 6, 7, 11, 12
	103-2	The management approach and its components	67 to 68	
	103-3	Evaluation of the management approach	67 to 68	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	68	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	68	
	303-2	Management of water discharge-related impacts	68	
	303-5	Water consumption	68	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	66 to 67	
	305-2	Energy indirect (Scope 2) GHG emissions	66 to 67	
	305-3	Other indirect (Scope 3) GHG emissions	66 to 67	
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	68	
		Economic Sustainability		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3 to 7, 52, 65, 69	SDG 8, 9, 11,17
	103-2	The management approach and its components	3 to 7, 52 to 57, 69	
	103-3	Evaluation of the management approach	3 to 7, 52 to 57, 69	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	2, 8 to 9, 52 to 57, 69, 75, 87 to 144	
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	70	
		Corporate Governance and Risk Management		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	65, 70, 167 to 168	UNGC Principle 10; SDG 16, 17
	103-2	The management approach and its components	70, 158, 167 to 168	
	103-3	Evaluation of the management approach	70, 158, 167 to 168	
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	70	
	205-3	Confirmed incidents of corruption and actions taken	70	
GRI 206: Anti-competitive Behaviour 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	70	

GRI CONTENT INDEX

GRI Standard	Disclosure Number	Disclosure Title	Page Reference and Remarks*	Connections to UN Initiatives
TOPIC SPECIFIC DISCLOSURES				
		Product Quality and Safety		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	65, 70 to 71	SDG 9,11,17
	103-2	The management approach and its components	70 to 71	
	103-3	Evaluation of the management approach	70 to 71	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	70 to 71	
		Occupational Safety and Health		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	65, 74	UNGC Principles 1-2; SDG 3, 8, 17
	103-2	The management approach and its components	74	
	103-3	Evaluation of the management approach	74	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	74	
	403-2	Hazard identification, risk assessment, and incident investigation	74	
	403-3	Occupational health services	74	
	403-4	Worker participation, consultation, and communication on occupational health and safety	74	
	403-5	Worker training on occupational health and safety	74	
	403-6	Promotion of worker health	73	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	74	
	403-9	Work-related injuries	74	
		Labour Practices, Talent Management and Human Rights		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	65, 72 to 74	UNGC Principles 1-6; SDG 3, 8, 17
	103-2	The management approach and its components	72 to 74	
	103-3	Evaluation of the management approach	72 to 74	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	72	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	73	
	404-3	Percentage of employees receiving regular performance and career development reviews	72	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	12 to 16, 72	
		Community Development		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	65, 74 to 75	SDG 3, 17
	103-2	The management approach and its components	74 to 75	
	103-3	Evaluation of the management approach	74 to 75	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	74 to 75	

ASSURANCE STATEMENT ON KEPPEL DC REIT'S APPLICATION OF THE BUSINESS FOR SOCIETAL IMPACT (B4SI) FRAMEWORK

Corporate Citizenship is a global consulting firm which specialises in responsible and sustainable business and manages the Business for Societal Impact (B4SI) Framework (formerly known as LBG). Corporate Citizenship has been commissioned by Keppel Capital to perform independent external assurance on Keppel DC REIT's use of the B4SI Framework to measure and report on its corporate community investment (CCI) activities, occurring between 1 January to 31 December 2020.

The B4SI Framework helps businesses to measure, manage and report on their CCI activities. It moves beyond charitable donations to include the full range of contributions, or inputs, made to community causes (including time, in-kind and management costs, and cash donations). It also assesses the actual results for the community and for the business, also known as outputs and impacts. (See https://b4si.net/ for more information).

The purpose of our engagement has been to assess whether or not the B4SI Framework, and its guidance, are correctly and consistently applied by Keppel DC REIT in its reporting.

The scope of the B4SI assurance covers the information presented in the *Community Development* section of Keppel DC REIT's Sustainability Report for 2020, on pages 74 and 75. The scope of the assurance included the following data and KPIs:

- Inputs: e.g. Volunteer hours, donation amounts
- Outputs: e.g. Number of beneficiaries served

The engagement was undertaken at a limited level and involved the following activities:

- Management interviews with key persons responsible for community investment activities to understand the process for collecting, validating and consolidating the data. This also included questions to verify the internal systems and procedures for collecting, validating and consolidating the data.
- Checks on the accuracy and consistency of the data presented in this report on pages 74 and 75.

As a result of our work, we are satisfied, based on the limited scope described above, that Keppel DC REIT has sufficiently applied the guidance set out in the B4SI Manual for Corporate Community Investment. Our work has not extended to an independent audit of the data presented in this report.

Corporate Citizenship
Singapore
18th February 2021

CORPORATE INFORMATION

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(With effect from financial year ended 31 December 2017)

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Tan Weiqiang, Marc

DIRECTORS OF THE MANAGER

Christina Tan
Chairman and Non-Executive Director

Kenny Kwan
Lead Independent Director

Lee Chiang Huat
Independent Director

Dr Tan Tin Wee
Independent Director

Dileep Nair
Independent Director

Low Huan Ping
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

Kenny Kwan

Dileep Nair

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REPORT OF THE TRUSTEE

For the year ended 31 December 2020

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 144 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 2021

STATEMENT BY THE MANAGER

For the year ended 31 December 2020

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 144, comprising the Statements of Financial Position for the Group and the Trust, the Portfolio Statement of the Group as at 31 December 2020, 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 Consolidated Statement of Cash Flows and the Distribution Statement 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 and the portfolio statement of the Group, as at 31 December 2020, 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

Christina Tan
Director

Singapore, 18 February 2021

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 portfolio statement of the Group as at 31 December 2020 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 2020;
- the consolidated statement of profit and loss of the Group for the year ended 31 December 2020;
- the consolidated statement of comprehensive income of the Group for the year ended 31 December 2020;
- the statements of movements in unitholders' funds of the Group and the Trust for the year ended 31 December 2020;
- 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 portfolio statement of the Group as at 31 December 2020; 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 2020. 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 The Group owns a portfolio of investment properties stated at their fair value based on independent external valuations. Information relating to these investment properties are disclosed in Note 4 to the financial statements. As at 31 December 2020, the carrying value of the Group's investment properties of $3.0 billion accounted for about 89.7% of the Group's total assets.	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;

Key Audit Matter	How our audit addressed the key audit matter
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 valuation reports obtained from independent property valuers for selected investment properties have highlighted that with the heightened uncertainty of the Coronavirus Disease 2019 ("COVID-19") outbreak, a higher degree of caution should be exercised when relying upon the valuation. The valuations are based on the information available as at the date of valuation. Values and incomes may change more rapidly and significantly than during normal market conditions. The key inputs are disclosed in Note 29 to the accompanying financial statements.	• assessed the reasonableness of the capitalisation rates and discount rates by benchmarking these against those of comparable properties and prior year inputs; and • discussed the COVID-19 implications on the critical assumptions used by the external valuers. 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 2021

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2020

	Note	Group		Trust	
		2020 $'000	2019 $'000	2020 $'000	2019 $'000
Non-current assets					
Investment properties	4	**3,005,038**	2,637,026	**483,182**	480,898
Property under development	5	**24,676**	–	**–**	–
Investment in subsidiaries	6	**–**	–	**1,946,969**	1,421,796
Loans to subsidiaries	7	**–**	–	**332,493**	273,611
Trade and other receivables	8	**13,161**	–	**–**	–
Intangible assets	9	**–**	8,349	**–**	8,349
Derivative financial assets	10	**39**	518	**39**	485
Deferred tax assets	11	**2,353**	2,149	**–**	–
		3,045,267	2,648,042	**2,762,683**	2,185,139
Current assets					
Trade and other receivables	8	**54,381**	95,848	**45,238**	390,279
Deposits	12	**–**	25,349	**–**	–
Intangible assets	9	**2,723**	–	**2,723**	–
Derivative financial assets	10	**34**	2,879	**34**	2,879
Tax recoverable	13	**3,036**	–	**–**	–
Cash and cash equivalents	14	**244,387**	155,876	**116,711**	61,713
		304,561	279,952	**164,706**	454,871
Total assets		**3,349,828**	2,927,994	**2,927,389**	2,640,010
Current liabilities					
Loans from subsidiaries	15	**–**	–	**127,914**	36,789
Loans and borrowings	16	**144,316**	40,264	**–**	–
Trade and other payables	17	**79,951**	60,698	**19,622**	29,857
Derivative financial liabilities	10	**2,362**	137	**1,986**	–
Provision for taxation	13	**6,989**	7,058	**2,913**	3,774
		233,618	108,157	**152,435**	70,420
Non-current liabilities					
Loans from subsidiaries	15	**–**	–	**1,022,486**	833,599
Loans and borrowings	16	**1,043,604**	880,455	**11,182**	10,898
Derivative financial liabilities	10	**24,447**	7,750	**1,227**	142
Provision	18	**21,100**	–	**–**	–
Deferred tax liabilities	11	**44,817**	29,084	**8,136**	6,056
		1,133,968	917,289	**1,043,031**	850,695
Total liabilities		**1,367,586**	1,025,446	**1,195,466**	921,115
Net assets		**1,982,242**	1,902,548	**1,731,923**	1,718,895
Represented by:					
Unitholders' funds		**1,944,652**	1,868,018	**1,731,923**	1,718,895
Non-controlling interests	26	**37,590**	34,530	**–**	–
		1,982,242	1,902,548	**1,731,923**	1,718,895
Units in issue ('000)	20	**1,633,121**	1,632,395	**1,633,121**	1,632,395
Net asset value per Unit ($)		**1.19**	1.14	**1.06**	1.05

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Year ended 31 December 2020

	Note	Group 2020 $'000	Group 2019 $'000
Gross revenue	21	**265,571**	194,826
Property operating expenses	22	**(21,405)**	(17,543)
Net property income		**244,166**	177,283
Finance income		**445**	1,182
Finance costs	23	**(18,730)**	(16,560)
Trustees' fees		**(416)**	(386)
Manager's base fee		**(13,741)**	(10,218)
Manager's performance fee		**(7,936)**	(5,794)
Audit fees		**(383)**	(256)
Valuation fees		**(408)**	(387)
Net (losses)/gains on derivatives		**(1,092)**	2,642
Other trust expenses		**(9,800)**	(7,858)
Net income before tax and fair value change in investment properties		**192,105**	139,648
Net change in fair value of investment properties	24	**645**	(15,948)
Profit before tax		**192,750**	123,700
Tax expenses	25	**(21,022)**	(12,592)
Profit after tax		**171,728**	111,108
Profit attributable to:			
Unitholders		**168,152**	106,502
Non-controlling interests	26	**3,576**	4,606
		171,728	111,108
Earnings per Unit (cents)			
- Basic and diluted	27	**10.30**	7.51
- Basic and diluted (excluding net change in fair value of investment properties and their related deferred tax impact)	27	**10.64**	8.79

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2020

	Group	
	2020 $'000	2019 $'000
Profit after tax	**171,728**	111,108
Other comprehensive loss:		
Movement in fair value of cash flow hedges	**(19,105)**	(5,375)
Foreign currency translation movement	**26,596**	(28,414)
Total other comprehensive loss	**7,491**	(33,789)
Total comprehensive income	**179,219**	77,319
Attributable to:		
Unitholders	**175,626**	72,726
Non-controlling interests	**3,593**	4,593
	179,219	77,319

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

STATEMENT OF MOVEMENTS IN UNITHOLDERS' FUNDS

Year ended 31 December 2020

Group (2020)	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 2020		1,855,019	(11,985)	(4,490)	(95,751)	125,225	1,868,018	34,530	1,902,548
Operations									
Profit after tax for the period		–	–	–	–	168,152	168,152	3,576	171,728
Net increase in net assets resulting from operations		–	–	–	–	168,152	168,152	3,576	171,728
Other comprehensive loss									
Movement in hedging reserve	19(b)	–	–	(19,105)	–	–	(19,105)	–	(19,105)
Foreign currency translation movement		–	26,579	–	–	–	26,579	17	26,596
Net increase in other comprehensive loss		–	26,579	(19,105)	–	–	7,474	17	7,491
Unitholders' transactions									
Net increase in net assets resulting from Unitholders' contribution	20	2,672	–	–	–	–	2,672	–	2,672
Distributions to Unitholders		–	–	–	–	(103,272)	(103,272)	–	(103,272)
Payment of management fees in Units	20	1,608	–	–	–	–	1,608	–	1,608
Net decrease in net assets resulting from Unitholders' transactions		4,280	–	–	–	(103,272)	(98,992)	–	(98,992)
Capital contributions of non-controlling interests into subsidiaries		–	–	–	–	–	–	2,900	2,900
Dividends paid to non-controlling interests		–	–	–	–	–	–	(3,433)	(3,433)
At 31 December 2020		1,859,299	14,594	(23,595)	(95,751)	190,105	1,944,652	37,590	1,982,242

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

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	19(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	20	469,856	–	–	–	–	469,856	–	469,856
Distributions to Unitholders		–	–	–	–	(126,541)	(126,541)	–	(126,541)
Payment of management fees in Units	20	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.

STATEMENT OF MOVEMENTS IN UNITHOLDERS' FUNDS

Year ended 31 December 2020

Trust (2020)	Note	Units in Issue $'000	Hedging Reserve $'000	Other Reserve $'000	Accumulated Profits $'000	Unitholders' Funds $'000
At 1 January 2020		1,855,019	3,222	(95,751)	(43,595)	1,718,895
Operations						
Profit after tax for the period		–	–	–	115,242	115,242
Net increase in net assets resulting from operations		–	–	–	115,242	115,242
Other comprehensive loss						
Movement in hedging reserve	19(b)	–	(3,222)	–	–	(3,222)
Net decrease in other comprehensive loss		–	(3,222)	–	–	(3,222)
Unitholders' transactions						
Net increase in net assets resulting from Unitholders' contribution	20	2,672	–	–	–	2,672
Distribution to Unitholders		–	–	–	(103,272)	(103,272)
Payment of management fees in Units	20	1,608	–	–	–	1,608
Net decrease in net assets resulting from Unitholders' transactions		4,280	–	–	(103,272)	(98,992)
At 31 December 2020		1,859,299	–	(95,751)	(31,625)	1,731,923

Trust (2019)	Note	Units 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	19(b)	–	(433)	–	–	(433)
Net decrease in other comprehensive loss		–	(433)	–	–	(433)
Unitholders' transactions						
Net increase in net assets resulting from Unitholders' contribution	20	469,856	–	–	–	469,856
Distribution to Unitholders		–	–	–	(126,541)	(126,541)
Payment of management fees in Units	20	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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	Note	2020 $'000	2019 $'000
Cash flows from operating activities			
Profit after tax		171,728	111,108
Adjustments for:			
Tax expenses		21,022	12,592
Finance income		(445)	(1,182)
Finance costs		18,730	16,560
Amortisation of intangible assets	9	5,626	4,363
Net change in fair value of derivatives		3,141	–
Net change in fair value of investment properties	24	(645)	15,948
Management fees paid in Units		1,765	1,575
Unrealised translation differences		7,297	(9,144)
		228,219	151,820
Changes in working capital:			
Trade and other receivables		17,804	8,704
Trade and other payables		(1,969)	10,257
Cash generated from operations		244,054	170,781
Net income tax paid	13	(9,070)	(15,507)
Net cash from operating activities		234,984	155,274
Cash flows from investing activities			
Acquisitions of interests in investment properties (Note A)		(133,709)	(585,653)
Acquisition of a subsidiary, net of cash acquired	6	7,920	–
Acquisition of an intangible asset		–	(8,712)
Rental top up received		–	8,712
Additions to investment properties		(23,464)	(23,765)
Capital expenditures on investment properties	4	(59,557)	(33,229)
Deposit paid to a vendor		–	(26,597)
Net cash used in investing activities		(208,810)	(669,244)
Cash flows from financing activities			
Proceeds from issuance of Units	20	–	478,242
Proceeds from bank borrowings		371,359	383,172
Capital contribution from non-controlling interests		2,900	–
Payment of financing transaction costs		(924)	(1,111)
Repayment of bank borrowings		(131,052)	(166,890)
Principal payment of lease liabilities (Note B)		(51,050)	(3,743)
Interest paid		(17,674)	(11,841)
Distributions paid to Unitholders		(103,272)	(126,541)
Dividends paid to non-controlling interests		(3,433)	(2,553)
Payment of transaction costs relating to fund-raising		–	(5,557)
Net cash generated from financing activities		66,854	543,178
Net increase in cash and cash equivalents		93,028	29,208
Cash and cash equivalents at beginning of the year		155,876	128,415
Effects of exchange rate fluctuations on cash held		(4,517)	(1,747)
Cash and cash equivalents at end of the year	14	244,387	155,876

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

Note A – Acquisitions of interests in investment properties
In May 2020, Keppel DC REIT announced the completion of the acquisition of Kelsterbach DC in Kelsterbach, Germany. The remaining 80% balance of the purchase consideration was paid, along with the release of the 20% deposit, to the vendor as settlement of the purchase consideration.

In December 2020, Keppel DC REIT announced the completion of the acquisition of a 100% interest in Penta Schipol-Rijk B.V., a company incorporated in Netherlands, which in turns hold Amsterdam DC, Netherlands. This acquisition has been accounted for as an asset acquisition.

In 2019, Keppel DC REIT announced the completion of the acquisition of a 100% interest and a 99% interest in Datacentre One Pte. Ltd and Keppel DC Singapore 4 Pte. Ltd. respectively. These acquisitions have been accounted for as asset acquisitions.

Note B – Principal repayment of lease liabilities
In March 2020, Keppel DC REIT announced the completion of the acquisition of the long leasehold land interest, being the remainder of the 999-year (from 1 January 2000) leasehold land interest in the KDC DUB 1.

In 2020, following the settlement of the upfront land premium, the leasehold land in KDC SGP 4 has been extended by 30 years.

Reconciliation of liabilities arising from financing activities

				Non-cash changes			
	As at 1 January $'000	Cash flows $'000	Acquisition $'000	Adoption of SFRS(I) 16 Leases $'000	Interest expense $'000	Foreign exchange movement $'000	As at 31 December $'000
2020							
Bank borrowings	**868,871**	**239,383**	**15,356**	**–**	**451**	**39,704**	**1,163,765**
Lease liabilities	**51,848**	**(52,857)**	**21,982**	**–**	**2,412**	**770**	**24,155**
Interest payable	**1,345**	**(15,867)**	**–**	**–**	**15,867**	**162**	**1,507**
	922,064	**170,659**	**37,338**	**–**	**18,730**	**40,636**	**1,189,427**
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

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

DISTRIBUTION STATEMENT

Year ended 31 December 2020

	Group	
	2020 $'000	**2019 $'000**
Amount available for distribution to Unitholders at beginning of the year	**42,202**	55,498
Profit after tax attributable to Unitholders after tax	**168,152**	106,502
Net tax and other adjustments (Note A)	**(11,237)**	6,743
Amount available for distribution to Unitholders	**199,117**	168,743
Distributions to Unitholders:		
Distribution of 3.700 cents per Unit for the period from 1/7/2018 to 31/12/2018	**–**	(50,008)
Distribution of 3.850 cents per Unit for the period from 1/1/2019 to 30/6/2019	**–**	(52,057)
Distribution of 1.810 cents per Unit for the period from 1/7/2019 to 24/9/2019	**–**	(24,476)
Distribution of 1.950 cents per Unit for the period from 25/9/2019 to 31/12/2019	**(31,832)**	–
Distribution of 4.375 cents per Unit for the period from 1/1/2020 to 30/6/2020	**(71,440)**	–
	(103,272)	(126,541)
Amount available for distribution to Unitholders at end of the year	**95,845**	42,202

Note A:

Net tax and other adjustments comprise:

	Group	
	2020 $'000	**2019 $'000**
Trustee's fees	**341**	311
Rental income adjustment on a straight-line basis	**(5,910)**	(3,678)
Amortisation of capitalised transaction costs	**451**	362
Net fair value (gains)/losses in investment properties[1]	**(728)**	16,700
Foreign exchange losses	**1,077**	791
Deferred tax	**14,763**	4,864
Amortisation of intangible assets	**5,626**	4,363
Other net adjustments[1,2]	**(26,857)**	(16,970)
	(11,237)	6,743

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.

PORTFOLIO STATEMENT

As at 31 December 2020

Description of investment properties	Location	Land tenure	Term of lease[1]	Remaining term of lease[1]	Carrying amount at fair value		Percentage of total net assets	
			(Years)	(Years)	2020 $'000	2019 $'000	2020 %	2019 %
Fully-fitted								
DC1 [2]	Woodlands, Singapore	Leasehold	70	23	**212,000**	200,200	**10.7**	10.5
iseek Data Centre ("iseek DC") [3]	Brisbane, Queensland, Australia	Leasehold	37	26	**43,896**	41,302	**2.2**	2.2
GV7 Data Centre ("GV7 DC")	Greenwich, London, England	Leasehold	199	162	**66,346**	63,983	**3.3**	3.4
Almere Data Centre ("Almere DC")	Amsterdam, The Netherlands	Freehold	Not applicable	Not applicable	**150,946**	135,165	**7.6**	7.1
maincubes Data Centre ("maincubes DC")	Offenbach am Main, Germany	Freehold	Not applicable	Not applicable	**150,706**	137,119	**7.6**	7.2
Shell and core								
Intellicentre 2 Data Centre ("IC2 DC")	Macquarie Park, New South Wales, Australia	Freehold	Not applicable	Not applicable	**58,239**	53,413	**2.9**	2.8
Cardiff Data Centre ("Cardiff DC")	Cardiff, United Kingdom	Freehold	Not applicable	Not applicable	**65,054**	63,234	**3.3**	3.3
Milan Data Centre ("Milan DC")	Milan, Italy	Freehold	Not applicable	Not applicable	**61,212**	57,434	**3.1**	3.0
Kelsterbach Data Centre ("Kelsterbach DC")	Kelsterbach, Germany	Freehold	Not applicable	Not applicable	**126,590**	–	**6.4**	–
Amsterdam Data Centre ("Amsterdam DC")	Schiphol-Rijk, The Netherlands	Freehold	Not applicable	Not applicable	**44,867**	–	**2.3**	–

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

Description of investment properties	Location	Land tenure	Term of lease[1] (Years)	Remaining term of lease[1] (Years)	Carrying amount at fair value 2020 $'000	Carrying amount at fair value 2019 $'000	Percentage of total net assets 2020 %	Percentage of total net assets 2019 %
Colocation								
Keppel DC Singapore 1 ("KDC SGP 1") [3]	Serangoon, Singapore	Leasehold	60	34	**305,528**	303,335	**15.4**	16.0
Keppel DC Singapore 2 ("KDC SGP 2") [3]	Tampines, Singapore	Leasehold	60	30	**177,654**	177,562	**9.0**	9.3
Keppel DC Singapore 3 ("KDC SGP 3") [3]	Tampines, Singapore	Leasehold	60	31	**268,626**	268,535	**13.5**	14.1
Keppel DC Singapore 4 ("KDC SGP 4") [3]	Tampines, Singapore	Leasehold	60	29	**387,250**	384,886	**19.5**	20.2
Keppel DC Singapore 5 ("KDC SGP 5")	Jurong, Singapore	Leasehold	30	20	**360,000**	331,000	**18.2**	17.4
Basis Bay Data Centre ("Basis Bay DC")	Cyberjaya, Malaysia	Freehold	Not applicable	Not applicable	**23,630**	25,833	**1.2**	1.4
Gore Hill Data Centre ("Gore Hill DC") [4]	Artarmon, New South Wales, Australia	Freehold	Not applicable	Not applicable	**205,810**	192,083	**10.4**	10.1
Keppel DC Dublin 1 ("KDC DUB 1") [3]	Dublin, Republic of Ireland	Leasehold	999	978	**153,670**	98,652	**7.8**	5.2
Keppel DC Dublin 2 ("KDC DUB 2")	Dublin, Republic of Ireland	Leasehold	999	977	**143,014**	103,290	**7.2**	5.4
Total investment properties at fair value					**3,005,038**	2,637,026	**151.6**	138.6
Other assets and liabilities (net)					**(1,022,796)**	(734,478)	**(51.6)**	(38.6)
Total net assets of the Group					**1,982,242**	1,902,548	**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.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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 2020 were authorised for issue by the Manager on 18 February 2021.

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 6.

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 2020, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

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 29 – Fair Value of Assets and Liabilities.

2.5 Changes in accounting policies

New standards and amendments

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) 3 Business Combinations (Definition of a Business)
- Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 Interest Rate Benchmark Reform

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 financial statements of the Group in the current or future periods, except as follows:

<u>Business Combination (Definition of a Business)</u>

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.

2 Basis of Preparation (continued)

2.5 Changes in accounting policies (continued)

New standards and amendments (continued)

Interest Rate Benchmark Reform

In accordance with the transition provisions, the Group has adopted the amendments to SFRS(I) 9 and SFRS(I) 7 effective 1 January 2020 retrospectively to hedging relationships that existed at the start of the reporting period or were designated thereafter, and to the amount accumulated in the cash flow hedge reserve at that date.

The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by inter-bank offered rate (IBOR) reform. The reliefs have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness continues to be recorded in the income statement. The reliefs will cease to apply when the uncertainties arising from interest rate benchmark reform are no longer present.

Note 3.4 provides information about the uncertainty arising from IBOR reform for hedging relationships for which the Group has applied the reliefs. No changes were required to any of the amounts recognised in the current or prior period as a result of these amendments.

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
The Group accounts for business combination using the acquisition method when the acquired set of activities and assets meet the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a ‘concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

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 (“NCI”) 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 profit or loss.

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

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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 NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

Loss of control
When the Group losses control over a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any NCI and other components of equity. Any related resulting gain or loss is recognised in profit or loss.

Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income or expenses (except for foreign currency transaction gains or losses) 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.

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 exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated 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 translated 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 translation are recognised in the profit and loss. However, foreign currency differences arising from the of the following items are recognised in OCI:

- 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 hedges are effective.

Foreign operations
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at the average exchange rates unless the average is not a reasonable approximation of the cumulating effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rate at the date of the transaction for the reporting period.

Foreign currency differences are recognised in OCI. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the 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 profit or 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 profit or 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 OCI and are presented in the translation reserve in Unitholders' funds.

3 Significant Accounting Policies (continued)

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.

<u>Financial assets at amortised cost</u>
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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.

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: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Direct attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the profit or loss.

Other financial liabilities comprise loans and bank borrowings and trade and other payables.

(iii) Derecognition

Financial assets
The Group derecognises a financial asset when:
- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modifies liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

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.

3 Significant Accounting Policies (continued)

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.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

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.

Interest rate benchmark reform Phase 1 relief
Following the global financial crisis, the reform and replacement of benchmark interest rates such as the Singapore Swap Offer Rate ("SOR"), USD London Interbank Offered Rate ("LIBOR") and other inter-bank offered rates ("IBORs") has become a priority for global regulators. There is currently uncertainty around the timing and precise nature of these changes.

To transition existing contracts and agreements that reference IBORs to replacement benchmark rates, adjustments for term differences and credit differences might need to be applied to enable the two benchmark rates to be economically equivalent on transition.

The greatest change will be amendments to the contractual terms of the floating-rate loans as well as the associated swap and the corresponding update of the hedge designation. Amendments will also be made to the contractual terms of certain receivables that are IBOR-referenced. The changed reference rate may also affect other systems, processes as well as having tax and accounting implications.

The Group has applied the following reliefs that were introduced by the amendments made to SFRS(I) 9 Financial Instruments:

- When considering the 'highly probable' requirement, the Group has assumed that the IBOR interest rate on which the Group's hedged debt is based does not change as a result of the reform;
- In assessing whether the hedge is expected to be highly effective on a forward-looking basis the Group has assumed that the IBOR interest rate on which the cash flows of the hedged debt and the interest rate swap that hedges it are based is not altered by the reform; and
- The Group has not recycled the cash flow hedge reserve relating to the period after the reforms are expected to take effect.

In calculating the change in fair value attributable to the hedged risk of floating-rate loan, the Group has made the following assumptions that reflect its current expectations:

- Existing floating-rate loans will progressively move to the replacement benchmark rates from 2021 onwards and the spread adjustment between the current and replacement benchmark rates will be similar to the spread adjustment included in the interest rate swap used as the hedging instrument;
- No other material changes to the terms of the floating-rate loans, other than the transition to the replacement benchmark rates are anticipated.

Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16: Interest Rate Benchmark Reform - Phase 2 (effective for annual periods beginning on or after 1 January 2021)

<u>Hedge relationships</u>
As described in Note 2.5, the Group adopted the 'Phase 1' amendments on 1 January 2020 which provided temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by IBOR reform.

The 'Phase 2' amendments, which will become effective for the Group for the annual period beginning 1 January 2021, address issues arising during interest rate benchmark reform, including specifying when the 'Phase 1' amendments will cease to apply, when hedge designations and documentation should be updated, and when hedges of the alternative benchmark rate as the hedged risk are permitted.

Financial instruments and lease liabilities
For financial instruments measured using amortised cost measurement, the 'Phase 2' amendments provide a practical expedient which require changes to the basis for determining the contractual cash flows required by interest rate benchmark reform to be reflected by adjusting their effective interest rate. No immediate gain or loss is recognised. This practical expedient exists for lease liabilities as well. These expedients are only applicable to changes that are required by interest rate benchmark reform, which is the case if, and only if, the change is necessary as a direct consequence of interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis.

The management anticipates that the adoption of the above SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s in future periods will not have a material impact on the financial statements of the Group and of the Trust in the period of their initial adoption.

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 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, 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 changes in the fair value of a derivative or, foreign exchange gains and losses for a non-derivative 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 fully or partially reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation, respectively.

3.5 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to insignificant risk of changes in their fair value.

3.6 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 Significant Accounting Policies (continued)

3.7 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 profit or loss. Rental income from investment properties is accounted for in a manner described in Note 3.13.

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.

On disposal of an investment property, the differences between the disposal proceeds and the carrying amount is recognised in profit or loss.

3.8 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 profit or 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 9) 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.

3.9 Intra-group Financial Guarantees

Financial guarantees are financial instruments issued by the Trust that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with SFRS(I) 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15.

Expected credit losses ("ECL") are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Trust expects to recover.

Liabilities arising from financial guarantees are included within loans and borrowings.

3.10 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for ECL on financial assets measured at amortised costs, trade receivables and intra-group financial guarantee contracts (“FGC”).

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 assesses that the credit risk on a financial asset has increase significantly if it is more than 90 days past due.

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); and
- the financial asset is more than 90 days past due.

The Trust considers a FGC to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditors and the Trust in full, without recourse by the Trust to actions such as realising security (if any is held).

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. Loss allowances for FGC are recognised as a financial liability to the extent that they exceed the initial carrying amount of the FGC less the cumulated income recognised.

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.

3 Significant Accounting Policies (continued)

3.10 Impairment (continued)

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property, property under development 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 profit or 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.

3.11 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 profit or 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.

3.12 Leases

(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 3.7.

- *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 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 accounted for in a manner described in Note 3.13.

  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.

3.13 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 over time in the profit or 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 over time in the profit or loss when there is provision of power to the clients.

Service revenue
Service revenue derived from clients is recognised at point in time in the profit or loss as and when the services are rendered.

Rental top up income
Rental top up income provided from the vendors is recognised over time in the profit or loss as and when there is an economic inflow of benefits.

3.14 Finance Costs

Borrowing costs are recognised 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.

3.15 Finance Income

Interest income is recognised using the effective interest method.

3.16 Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the profit or 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.

3 Significant Accounting Policies (continued)

3.16 Income Tax (continued)

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects at the end of the reporting period to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events.

New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Tax transparency

Pursuant to the Tax Transparency Ruling issued by the Inland Revenue Authority of Singapore ("IRAS"), tax transparency treatment has been granted to the Trust in respect of certain taxable income ("Specified Taxable Income"). Subject to meeting the terms and conditions of the tax ruling which includes a distribution of at least 90% of the taxable income of the Trust, the Trust will not be assessed for tax on the portion of its taxable income that is distributed to Unitholders. Any portion of the Trust's taxable income that is not distributed to Unitholders will be taxed at the prevailing corporate tax rate at the Trust's level.

In the event that there are subsequent adjustments to the Specified Taxable Income when the actual taxable income of the Trust is finally agreed with the IRAS, such adjustments are taken up as an adjustment to the amount distributed for the next distribution following the agreement with the IRAS.

Subject to the terms and conditions of the Tax Transparency Ruling, the Trustee will not be taxed on Specified Taxable Income distributed to the Unitholders in the year in which the income was derived. Instead, the Trustee and the Manager will undertake to deduct income tax at the prevailing corporate tax rate on the distributions made to the Unitholders out of such Specified Taxable Income except:

a) where the beneficial owner is a Qualifying Unitholder, the Trustee and the Manager will make the distributions to such Unitholder without deducting any income tax; and

b) where the beneficial owner is Qualifying Foreign Non-Individual Unitholder (as defined below), the Trustee and the Manager will undertake to deduct income tax at a reduced rate of 10% from the distributions made up to 31 March 2020, unless otherwise extended.

A Qualifying Unitholder is a Unitholder who is:

a) an individual;

b) a company incorporated and tax resident in Singapore;

c) a Singapore branch of a company incorporated outside Singapore;

d) a body of persons (excluding company or partnership) incorporated or registered in Singapore, including a charity registered under the Charities Act (Cap. 37) or established by any written law, a town council, a statutory board, a co-operative society registered under the Co-operative Societies Act (Cap. 62) or a trade union registered under the Trade Unions Act (Cap. 333); or

(e) international organisations that are exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and privileges) Act, (Cap. 145).

A Qualifying Foreign Non-Individual Unitholder is a person other than an individual not resident in Singapore for Singapore income tax purposes and:

a) who does not have a permanent establishment in Singapore; or

b) who carries on an operation in Singapore through a permanent establishment in Singapore, where the funds used by that person to acquire the Units are not obtained from that operation in Singapore.

The above tax transparency ruling does not apply to gains from sale of real properties. Such gains, if they are considered as trading gains, are assessable to tax in accordance with Section 10(1)(a) of the Income Tax Act (Cap. 134) and be collected from the Trustee. Where the gains are capital gains, they will not be assessed to tax and the Trustee and Manager may distribute the capital gains to Unitholders without having to deduct tax at source.

Tax exemption
Pursuant to the Foreign-Source Income Tax Exemption Ruling issued by the Ministry of Finance and subject to meeting the terms and conditions of the tax ruling, the Trust and/or its Singapore subsidiaries (i.e. KDCR GVP Pte. Ltd., KDCR Netherlands 1 Pte. Ltd., KDCR Netherlands 2 Pte. Ltd., KDCR Netherlands 3 Pte. Ltd., KDCR Netherlands 4 Pte. Ltd., KDCR UK Pte. Ltd., and KDCR Australia Pte. Ltd. (collectively, the "Singapore Subsidiaries")) will be exempted from Singapore tax on foreign-sourced dividends and interest income received from overseas entities in Australia, Malaysia, England, The Netherlands, Germany, the British Virgin Islands and the Bailiwick of Guernsey ("Guernsey").

Any distributions made by the Trust to the Unitholders out of tax-exempt income and income taxed at Trust's level would be exempted from Singapore income tax in the hands of all Unitholders.

3.17 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.

3.18 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.

3.19 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately within gross revenue.

3.20 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 29 – Fair Value of Assets and Liabilities.

3 Significant Accounting Policies (continued)

3.21 New Standards and Interpretations not adopted

Below are the new or amended standards and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2021 and which the Group has not early adopted:

- Amendments to SFRS(I) 1-1 Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)
- Amendments to SFRS(I) 3 Business Combinations (Reference to the Conceptual Framework)
- Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts – Cost of Fulfilling a Contract)

The new or amended accounting Standards and Interpretations listed above are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Group. These are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

4 Investment Properties

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
At 1 January	**2,637,026**	2,028,672	**480,898**	456,000
Acquisitions[b]	**173,455**	580,200	**–**	–
Additions[c]	**45,301**	23,765	**–**	–
Capital expenditure	**59,557**	33,229	**6,047**	3,429
Adoption of SFRS(I) 16[d]	**–**	19,318	**–**	10,898
Change in fair value	**25,612**	(6,613)	**(3,763)**	10,571
Currency translation differences	**64,087**	(41,545)	**–**	–
At 31 December	**3,005,038**	2,637,026	**483,182**	480,898

Reconciliation of fair value measurement to valuation report

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Fair value on investment properties based on valuation report	**2,980,883**	2,585,178	472,000	470,000
Add: Carrying amount of lease liabilities (Note 16) [e]	**24,155**	51,848	11,182	10,898
Carrying amount of investment properties	**3,005,038**	2,637,026	483,182	480,898

(a) Investment properties are stated at fair value based on valuations performed by independent valuers, CBRE Pte. Ltd., CBRE Limited, Cushman & Wakefield (Valuations) Pty Ltd and Jones Lang LaSalle Limited (2019: 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). 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 the fair value, the valuers have used capitalisation approach and discounted cash flows approach which make reference to certain estimates. The key assumptions used to determine the fair value of investment properties include, amongst others, market-corroborated capitalisation yields, terminal yields and discount rates. 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 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. 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 valuations are based on the information available as at the date of valuation. Certain valuation reports have highlighted that with the uncertainty of COVID-19 outbreak, values may change more rapidly and significantly than during normal market conditions.

(b) Keppel DC REIT completed the acquisitions of Kelsterbach DC and a 100% interest in Amsterdam DC on 1 May 2020 and 24 December 2020 respectively. These acquisitions have been accounted for as asset acquisitions.

In 2019, Keppel DC REIT completed the acquisitions of a 100% interest and a 99% interest in DC1 and KDC SGP 4 respectively.

(c) The additions include transaction-related costs and any costs other than capital expenditures capitalised as part of the investment properties.

(d) In 2019, the Group and Trust recognised right-of-use assets of $19.3 million and $10.9 million relating to land options that the Group and Trust are reasonably certain to exercise, arising from the adoption of SFRS(I) 16 Leases.

(e) The lease liabilities of the Group relate to lease commitments of iseek DC (2019: KDC DUB 1 and iseek DC) and estimated payments for extension options of certain leasehold lands in Singapore which the Group is reasonably certain to exercise. In 2020, the Group has completed the acquisition of the remaining 999-year leasehold land interest in KDC DUB 1 and has extended the leasehold land interest in KDC SGP 4 by 30 years.

The lease liabilities of the Trust relate to estimated payments for extension options of certain leasehold lands in Singapore which the Group is reasonably certain to exercise.

(f) At 31 December 2020, the Group's investment properties amounting to $2,960.1 million (2019: $2,637.0 million) were free from encumbrances for debt facilities. As at 31 December 2020, investment property amounting to $44.9 million was pledged as security for bank borrowings taken over as part of an acquisition. In early January 2021, these secured bank borrowings have been fully repaid and accordingly, the Group's investment properties are free from encumbrances.

5 Property Under Development

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
At 1 January	**–**	–	**–**	–
Additions	**24,364**	–	**–**	–
Currency translation differences	**312**	–	**–**	–
At 31 December	**24,676**	–	**–**	–

In August 2018, the Group entered into an agreement to construct Intellicentre 3 East Data Centre on the vacant land within the current IC2 DC site. The additions during the year include the costs capitalised in accordance with the construction progress till date. The completion is expected to be in first half of 2021.

6 Investment in Subsidiaries

	Trust	
	2020 $'000	2019 $'000
Investment in subsidiaries, at cost		
At 1 January	**1,421,796**	1,205,063
Incorporation/acquisition of subsidiaries	**20**	241,980
Capital injection/(reduction)	**532,374**	(7,540)
Impairment loss	**(7,221)**	(17,707)
At 31 December	**1,946,969**	1,421,796

The Manager assesses at the end of each financial year whether there is any indication of impairment for Keppel DC REIT's subsidiaries. The assessment takes into account the recoverable amount based on the cash flow estimates of the underlying assets, which comprise mainly investment properties which are stated at fair value based on revaluation performed by independent valuers. The Manager assessed the recoverable amount of the investments and recognised impairment loss of $7,221,000 (2019: $17,707,000) during the year.

6 Investment in Subsidiaries (continued)

Listing of significant companies in the Group

Name of entities	Principal activities	Place of incorporation/ business	Effective equity held by the Trust 2020 %	2019 %
Subsidiaries				
Basis Bay Capital Management Sdn. Bhd. [(a)]	Investment in real estate properties	Malaysia	99	99
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
Keppel DC Singapore 3 LLP ("KDCS3 LLP")	Letting of self-owned or leased real estate property	Singapore	90	90
Keppel DC Singapore 4 LLP ("KDCS4 LLP") [(c)]	Letting of self-owned or leased real estate property	Singapore	99	99
Keppel DC Singapore 5 LLP ("KDCS5 LLP")	Letting of self-owned or leased real estate property	Singapore	99	99
Datacentre One Pte. Ltd.	Letting of self-owned or leased real estate property	Singapore	100	100
KDCR Australia Trust No.1 [(b)]	Investment in real estate properties	Australia	100	100
KDCR Australia 1 Pty Limited [(b)]	Trustee	Australia	100	100
iseek Facilities Pty Ltd [(b)]	Data centre services	Australia	100	100
KDCR Australia Trust No.2 [(b)]	Investment in real estate properties	Australia	100	100
KDCR Australia 2 Pty Limited [(b)]	Trustee	Australia	100	100
KDCR Australia Sub-Trust 1 [(b)]	Investment in real estate properties	Australia	100	100
Greenwich View Place Limited [(b)]	Investment in real estate properties	Guernsey	100	100
KDCR Almere B.V. [(b)]	Investment in real estate properties	The Netherlands	100	100
Borchveste Almere B.V. [(b)]	Letting of leased real estate property	The Netherlands	100	-
Penta Schipol-Rijk B.V. [(b)(c)]	Investment in real estate properties	The Netherlands	100	-
KDCR Netherlands 3 B.V. [(b)]	Investment in real estate properties	The Netherlands	100	100

Name of entities	Principal activities	Place of incorporation/ business	Effective equity held by the Trust	
			2020 %	2019 %
Subsidiaries				
KDCR (Ireland) Limited [(a)]	Investment in real estate properties and provision of data services and colocation services	Republic of Ireland	100	100
KDCR Ireland Fin. Company Limited [(a)]	Provision of financial and treasury services	Republic of Ireland	100	100
KDCR (Ireland) 2 Limited [(a)]	Investment in real estate properties	Republic of Ireland	100	100
KDCR Cardiff Limited [(b)]	Investment in real estate properties	Guernsey	100	100
BI71 SRL [(b)]	Investment in real estate properties	Italy	100	100

(a) PwC LLP, Singapore is the auditor of the Singapore-incorporated subsidiaries, the Australia-constituted trusts and significant foreign-incorporated subsidiaries except for KDCR (Ireland) Limited, KDCR (Ireland) 2 Limited, 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 (2019: 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.

(c) On 20 May 2020, Keppel DC Singapore 4 Pte. Ltd. was converted to Keppel DC Singapore 4 LLP (KDCS4 LLLP) a limited liability partnership pursuant to section 21 of the Limited Liability Partnership Act (Chapter of 163A of Singapore) to regulate the relationship between them inter se as partners of KDCS4 LLP.

In December 2020, Keppel DC REIT acquired 100% interest in Penta Schipol-Rijk B.V. which in turn holds Amsterdam DC.

Business combination

In May 2020, Keppel DC REIT acquired 100% interest in Borchveste Almere B.V., which had previously entered into a lease with Almere DC for KDCR Almere B.V.. Details of the consideration paid, the assets acquired and liabilities assumed recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

	$'000
Purchase consideration paid	– [(a)]
Less : Cash and cash equivalents in subsidiary acquired	7,920
Cash inflow on acquisition	7,920

	At fair value $'000
Cash and cash equivalents	7,920
Trade and other receivables	13,578
Trade and other payables	(70)
Provision	(21,100)
Provision for taxation	(328)
Total identifiable net assets	– [(a)]

[(a)] Less than $1,000

7 Loans to Subsidiaries

	Trust	
	2020 $'000	2019 $'000
Loans to subsidiaries	**89,848**	108,856
Quasi-equity loans to subsidiaries	**242,645**	164,755
	332,493	273,611

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% (2019: 5.5% to 7.1%).

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.

8 Trade and Other Receivables

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Trade receivables	**27,801**	44,220	**3,237**	5,130
Accrued income	**8,396**	12,245	**2,189**	2,293
Other receivables	**15,479**	38,425	**3,459**	10,343
Amount due from a related company	**13,161**	–	**–**	–
Amount due from subsidiaries	**–**	–	**36,353**	372,456
Prepayments	**2,705**	958	**–**	57
	67,542	95,848	**45,238**	390,279
Non-current	**13,161**	–	**–**	–
Current	**54,381**	95,848	**45,238**	390,279
Total trade and other receivables	**67,542**	95,848	**45,238**	390,279

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 a related company is non-trade in nature, unsecured, interest-free and recoverable in relation to a contractual obligation assumed as disclosed in Note 18.

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

9 Intangible Assets

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
At 1 January	**8,349**	4,000	**8,349**	4,000
Additions (net)	**–**	8,712	**–**	8,712
Amortisation	**(5,626)**	(4,363)	**(5,626)**	(4,363)
At 31 December	**2,723**	8,349	**2,723**	8,349

	Group and Trust	
	2020 $'000	2019 $'000
Non-current assets		
Intangible assets	**–**	8,349
Current assets		
Intangible assets	**2,723**	–

The intangible assets relate to rental top up provided by the vendors of KDC SGP 4 (2019: KDC SGP 4). The remaining rental top up is available for the remaining 11 months as at 31 December 2020 (2019: 23 months).

10 Derivative Financial Instruments

	Maturity	Contract/ Notional amount $'000	Assets $'000	Liabilities $'000
Group				
2020				
Current				
Derivatives not designated as hedging instruments:				
- Forward exchange contracts	2021	**50,328**	**34**	**(1,986)**
Derivatives designated as hedging instruments: Cash-flow hedge				
- Interest rate swaps	2021	**64,876**	**–**	**(376)**
			34	**(2,362)**
Non-current				
Derivatives not designated as hedging instruments:				
- Forward exchange contracts	2022	**39,781**	**39**	**(1,227)**
Derivatives designated as hedging instruments: Cash-flow hedge				
- Interest rate swaps	2022 – 2025	**657,776**	**–**	**(23,220)**
			39	**(24,447)**
2019				
Current				
Derivatives designated as hedging instruments: Cash-flow hedge				
- Forward exchange contracts	2020	43,896	2,879	–
- Interest rate swaps	2020	12,191	–	(137)
			2,879	(137)
Non-current				
Derivatives designated as hedging instruments: Cash-flow hedge				
- Forward exchange contracts	2021	38,606	485	(142)
- Interest rate swaps	2021 – 2025	699,275	33	(7,608)
			518	(7,750)

10 Derivative Financial Instruments (continued)

	Maturity	Contract/ Notional amount $'000	Assets $'000	Liabilities $'000
Trust				
2020				
Current				
Derivatives not designated as hedging instruments:				
- Forward exchange contracts	2021	**50,328**	**34**	**(1,986)**
Non-current				
Derivatives not designated as hedging instruments:				
- Forward exchange contracts	2022	**39,781**	**39**	**(1,227)**
2019				
Current				
Derivatives designated as hedging instruments: Cash-flow hedge				
- Forward exchange contracts	2020	43,896	2,879	–
Non-current				
Derivatives designated as hedging instruments: Cash-flow hedge				
- Forward exchange contracts	2021	38,606	485	(142)

Derivatives not designated as hedging instruments reflect the change in fair value of foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for highly probable transactions. Derivatives designated as hedging instruments reflect the change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probably transactions.

Interest rate swaps are used to hedge interest rate risk arising from the underlying floating interest rates of respective bank borrowings (Note 16). Under these interest rate swaps, the Group receives the following floating interest equal to SOR, A$ bank bill swap bid rate ("BBSW"), Euro interbank offer rate ("EURIBOR") and LIBOR at specific contracted intervals.

The Group designates the interest rate swaps and forward currency contracts as cash flow hedges. In respective of these contracts, a fair value loss of $23,595,000 (2019: fair value loss of $7,712,000) and nil (2019: a net unrealised gain of $3,222,000) were included in hedging reserves for the Group and Trust respectively as at the financial year.

Hedging instruments used in Group's hedging strategy in 2020

	Contractual notional amount $'000	Carrying Amount Assets/ (Liabilities) $'000	Category	Changes in fair value used for calculating hedge ineffectiveness Hedging instrument $'000	Hedged Item $'000	Weighted average hedged rate $'000	Maturity date
Group							
Cash flow hedge							
Interest rate risk							
- Interest rate swaps to hedge floating rate borrowings	**722,652**	**(23,596)**	Derivative financial instruments	**(15,884)**	**15,884**	1.50%	2021– 2025
Net investment hedge							
Foreign exchange risk							
- Borrowings to hedge net investments in foreign operations	**–**	**(847,999)**	Borrowings	**30,118**	**(30,118)**	AUD 1 : $0.99 EUR 1 : $1.60 GBP 1 : $1.78	2021 – 2026

Hedging instruments used in Group's hedging strategy in 2019

	Contractual notional amount $'000	Carrying Amount Assets/ (Liabilities) $'000	Category	Changes in fair value used for calculating hedge ineffectiveness Hedging instrument $'000	Hedged Item $'000	Weighted average hedged rate $'000	Maturity date
Group							
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	–	(544,277)	Borrowings	11,003	(11,003)	AUD 1 : $0.95 EUR 1 : $1.53 GBP 1 : $1.74	2020 – 2026
Trust							
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

11 Deferred Taxation

Deferred tax assets and liabilities are attributable to the following:

	Group		Group	
	Assets 2020 $'000	**Liabilities 2020 $'000**	Assets 2019 $'000	Liabilities 2019 $'000
Investment properties	**–**	**(49,901)**	–	(34,876)
Tax losses carried forward	**7,437**	**–**	7,941	–
	7,437	**(49,901)**	7,941	(34,876)
Offset	**(5,084)**	**5,084**	(5,792)	5,792
Deferred tax assets/ (liabilities)	**2,353**	**(44,817)**	2,149	(29,084)

	Trust	
	Liabilities 2020 $'000	Liabilities 2019 $'000
Investment properties	**(8,136)**	(6,056)
Deferred tax liabilities	**(8,136)**	(6,056)

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					
2020					
Investment properties	(34,876)	(15)	(13,709)	(1,301)	(49,901)
Tax losses carried forward	7,941	33	(1,048)	511	7,437
Net deferred tax liabilities	(26,935)	18	(14,757)	(790)	(42,464)

	At 1 January $'000	**Recognised in profit or loss $'000**	**At 31 December $'000**
Trust			
2020			
Investment properties	(6,056)	(2,080)	(8,136)
Net deferred tax liabilities	(6,056)	(2,080)	(8,136)

	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)

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 2020 and 31 December 2019, 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.

12 Deposits

In December 2019, the Group paid a deposit to the vendor to acquire Kelsterbach DC in Germany. The deposit was released to the vendor and the remaining balance of the purchase consideration was paid as settlement of the purchase consideration which was completed in May 2020.

13 Provision for Taxation and Tax Recoverable

Movement in current tax liabilities:-

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
At 1 January	**7,058**	16,948	**3,774**	2,781
Acquisition of subsidiaries	**372**	23	**–**	–
Income tax paid	**(9,070)**	(15,507)	**(2,906)**	(1,015)
Tax expense	**6,265**	5,900	**2,045**	2,008
Currency translation differences	**(672)**	(306)	**–**	–
At 31 December	**3,953**	7,058	**2,913**	3,774
Comprise of:				
Tax recoverable	**(3,036)**	–	**–**	–
Provision for taxation	**6,989**	7,058	**2,913**	3,774
	3,953	7,058	**2,913**	3,774

14 Cash and Cash Equivalents

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Bank balances	**178,425**	123,652	**50,749**	30,192
Short-term deposits	**65,962**	32,224	**65,962**	31,521
Cash and cash equivalents in the Consolidated Statement of Cash Flows	**244,387**	155,876	**116,711**	61,713

15 Loans from Subsidiaries

Trust

The loans from subsidiaries are unsecured, interest-bearing, and have loan maturities of one to five years (2019: one to six years) with interest ranging from 0.26% to 3.33% (2019: 0.52% to 3.33%) per annum.

Terms and debt repayment schedule

Terms and conditions of loans from subsidiaries are as follows:

			2020		2019	
	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	0.26 – 3.33 (2019: 0.52 – 3.33)	2021 – 2026 (2019: 2020 – 2026)	**1,022,486**	**1,022,486**	833,599	833,599
Current liabilities						
Loans from subsidiaries	1.00 – 1.92 (2019: 0.65 – 3.26)	2021 (2019: 2020)	**127,914**	**127,914**	36,789	36,789

16 Loans and Borrowings

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Non-current liabilities				
Bank borrowings	**1,022,486**	833,599	**–**	–
Capitalised transaction costs of debt financing	**(1,991)**	(1,517)	**–**	–
	1,020,495	832,082	**–**	–
Lease liabilities	**23,109**	48,373	**11,182**	10,898
	1,043,604	880,455	**11,182**	10,898
Current liabilities				
Bank borrowings	**143,270**	36,789	**–**	–
Lease liabilities	**1,046**	3,475	**–**	–
	144,316	40,264	**–**	–
Total loans and borrowings	**1,187,920**	920,719	**11,182**	10,898

Borrowings for the Group denominated in currencies other than the Group's presentation currency amounted to $863.4 million (2019: $595.4 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 except for secured borrowings of $15.4 million of the Group taken over as part of the acquisition of a subsidiary. These borrowings were secured on an investment property as disclosed in Note 4.

Terms and debt repayment schedule

Terms and conditions of outstanding financial liabilities are as follows:

			2020		2019	
	Interest rate % per annum	**Year of maturity**	**Face value $'000**	**Carrying amount $'000**	Face value $'000	Carrying amount $'000
Group						
Bank borrowings	0.26 – 3.33 (2019: 0.52 – 3.33)	2021 – 2026 (2019: 2020 – 2026)	**1,165,756**	**1,165,756**	870,388	870,388

17 Trade and Other Payables

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Trade payables	**4,606**	7,377	**998**	2,246
Amount due to subsidiaries	**–**	–	**3,102**	2,921
Interest payables	**1,507**	1,345	**–**	–
Other payables and accruals	**73,838**	51,976	**15,522**	24,690
	79,951	60,698	**19,622**	29,857

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

As at 31 December 2020 and 31 December 2019, other payables and accruals mainly relate to accrued development costs (Note 5), accruals for management fees, unearned revenue, amount payable to external parties, audit fees, valuation fees and other expenses.

18 Provision

The provision for the Group relates to a contractual obligation, relating to replacement costs for existing machinery and equipment in the data centre, assumed on the acquisition of a subsidiary.

19 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	
	2020 $'000	2019 $'000
At 1 January	**(11,985)**	16,416
Currency translation differences of financial statements of foreign subsidiaries	**(3,522)**	(39,417)
Less: Non-controlling interests	**(17)**	13
Net currency translation difference on borrowings designated as net investment hedge of foreign operations	**30,118**	11,003
At 31 December	**14,594**	(11,985)

(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.

	2020			2019		
	Interest rate risk $'000	**Foreign exchange risk $'000**	**Total $'000**	Interest rate risk $'000	Foreign exchange risk $'000	Total $'000
Group						
At 1 January	**(7,712)**	**3,222**	**(4,490)**	(2,770)	3,655	885
Fair value losses	**(21,515)**	**–**	**(21,515)**	(6,660)	(433)	(7,093)
	(29,227)	**3,222**	**(26,005)**	(9,430)	3,222	(6,208)
Reclassified to profit or loss, as hedged item has affected profit or loss (Note 23)	**5,632**	**(3,222)**	**2,410**	1,718	–	1,718
At 31 December	**(23,595)**	**–**	**(23,595)**	(7,712)	3,222	(4,490)

	2020			2019		
	Interest rate risk $'000	**Foreign exchange risk $'000**	**Total $'000**	Interest rate risk $'000	Foreign exchange risk $'000	Total $'000
Trust						
At 1 January	**–**	**3,222**	**3,222**	–	3,655	3,655
Fair value losses	**–**	**–**		–	(433)	(433)
Reclassified to profit or loss, as hedged item has affected profit or loss	**–**	**(3,222)**	**(3,222)**	–	–	–
At 31 December	**–**	**–**	**–**	–	3,222	3,222

(c) Other reserve

Other reserve comprises 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 50.0% 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 2020 and 31 December 2019.

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	
	2020 $'000	2019 $'000
Gross bank borrowings (Note 16)	**1,165,756**	870,388
Less: cash and cash equivalents (Note 14)	**(244,387)**	(155,876)
(1) Net borrowings	**921,369**	714,512
(2) Total Unitholders' funds and liabilities	**3,312,238**	2,893,464
Net debt to total funding ratio at end of the year	**0.28**	0.25

There were no significant changes in the Manager's approach to capital management for the Group during the year.

20 Units in Issue

	Group and Trust			
	2020		2019	
	No. of Units	$'000	No. of Units	$'000
Units in issue:				
At 1 January	**1,632,395,361**	**1,855,019**	1,351,578,450	1,378,025
Issue of Units:				
Management fees [(a)]	**725,245**	**1,608**	834,994	1,287
Acquisition fees [(a)]	**–**	**–**	2,992,300	5,851
Issuance of Units[(b)]	**–**	**–**	276,989,617	478,242
Issue expenses (net)	**–**	**2,672**	–	(8,386)
At 31 December	**1,633,120,606**	**1,859,299**	1,632,395,361	1,855,019

(a) In 2020, the Trust issued 725,245 new Units (2019: 834,994) 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 2019 to 30 September 2020 (2019: 1 October 2018 to 30 September 2019).

In 2019, the Trust 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-rata 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.

(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.

21 Gross Revenue

	Group	
	2020 $'000	2019 $'000
Rental income	257,642	189,315
Power related revenue	102	30
Other revenue	7,827	5,481
	265,571	194,826
Government grant income	1,250	–
Less : Government grant expense	(1,250)	–
	–	–
	265,571	194,826

Power related revenue refers to the recovery of power costs from clients. Other revenue mainly refers to rental top up income of $5,626,000 (2019: $4,363,000) provided by the vendors of assets acquired, government grant income and non-recurring service fee charged to clients as stipulated in the lease agreements.

Rental top up income included $5,626,000 (2019: $4,363,000) provided by a related corporation as the vendor of an asset acquired in 2020.

Grant income relates to property tax rebates and cash grants received from Singapore Government as part of the COVID-19 relief measures. The Group is obliged to pass on the benefits to certain eligible clients and has transferred these to the clients in the form of rent rebates during the current financial year. For the cash grant, the Group is obliged to waive up to two months of rental to eligible clients. Included in rental income was $563,000 (2019: Nil) of such rent rebates provided to eligible clients.

Contingent rent recognised as rental income amounted to $107.1 million (2019: $78.8 million).

22 Property Operating Expenses

	Group	
	2020 $'000	2019 $'000
Property-related taxes	3,405	2,866
Facility management costs	10,516	8,816
Repairs and maintenance	1,589	1,635
Other property-related costs	5,895	4,226
	21,405	17,543

Other property-related costs mainly relate to insurance, security costs and other relevant costs at the property.

23 Finance Costs

	Group	
	2020 $'000	2019 $'000
Interest expense for bank borrowings	10,235	10,123
Amortisation of:		
- lease charges	2,412	4,357
- capitalised transaction costs of debt financing	451	362
	13,098	14,842
Cash flow hedges, reclassified from hedging reserve (Note 19(b))	5,632	1,718
	18,730	16,560

24 Net Change in Fair Value of Investment Properties

	Group	
	2020 $'000	2019 $'000
Investment properties held directly by the Group (Note 4)	**25,612**	(6,613)
Effects of recognising rental income on a straight-line basis over the lease terms	**(24,967)**	(9,335)
	645	(15,948)

25 Tax Expenses

	Group	
	2020 $'000	2019 $'000
Current tax expense	**6,265**	5,900
Deferred tax – origination and reversal of temporary differences	**14,757**	6,692
	21,022	12,592
Reconciliation of effective tax rate		
Profit before tax	**192,750**	123,700
Tax calculated using Singapore tax rate of 17% (2019: 17%)	**32,768**	21,029
Effects of tax rates in foreign jurisdictions	**(669)**	3,781
Income not subject to tax	**(13,307)**	(15,688)
Non-deductible expenses	**9,117**	12,805
Utilisation of previously unrecognised tax benefits	**(2,152)**	(1,258)
Effect of unrecognised temporary differences	**10,815**	3,514
Tax transparency	**(15,550)**	(11,591)
	21,022	12,592

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.

26 Non-Controlling Interests

As at 31 December 2020, non-controlling interests in relation to KDCS3 LLP, KDCS4 LLP and KDCS5 LLP are significant to the Group. Set out below are the summarised financial information for KDCS3 LLP, KDCS4 LLP and KDCS5 LLP. These are presented before inter-company eliminations.

	KDCS3 LLP		KDCS4 LLP		KDCS5 LLP	
Summarised balance sheet	**2020 $'000**	2019 $'000	**2020 $'000**	2019 $'000	**2020 $'000**	2019 $'000
Current						
Assets	**29,990**	30,889	**29,328**	26,365	**36,325**	23,915
Liabilities	**(1,034)**	(1,379)	**(3,483)**	(10,042)	**(7,823)**	(2,081)
Total current net assets	**28,956**	29,510	**25,845**	16,323	**28,502**	21,834
Non-current						
Assets	**268,626**	268,535	**387,250**	384,886	**360,000**	331,000
Liabilities	**(3,626)**	(3,535)	**(5,106)**	(7,790)	**–**	(2,712)
Total non-current net assets	**265,000**	265,000	**382,144**	377,096	**360,000**	328,288
Net assets	**293,956**	294,510	**407,989**	393,419	**388,502**	350,122
Summarised income statement						
Revenue	**31,143**	30,701	**33,319**	2,356	**35,450**	27,235
Profit before tax	**28,878**	36,387	**32,007**	1,124	**36,920**	33,164
Income tax	**–**	6,442	**(1,952)**	(250)	**2,712**	(885)
Profit after tax	**28,878**	42,829	**30,055**	874	**39,632**	32,279
Other comprehensive income	**–**	–	**–**	–	**–**	–
Total comprehensive income	**28,878**	42,829	**30,055**	874	**39,632**	32,279
Total comprehensive income allocated to non-controlling interests	**2,888**	4,283	**301**	9	**396**	323
Dividends paid to non-controlling interests	**(2,943)**	(2,393)	**(175)**	–	**(305)**	(89)
Summarised cash flows						
Cash flows from operating activities						
Cash generated from/(used in) operations	**30,241**	28,229	**38,450**	(1,078)	**40,243**	18,782
Income tax paid	**–**	–	**–**	–	**–**	–
Net cash generated from/(used in) operating activities	**30,241**	28,229	**38,450**	(1,078)	**40,243**	18,782
Net cash used in investing activities	**(999)**	(1,023)	**(1,291)**	–	**(23,990)**	(7,619)
Net cash used in financing activities	**(29,432)**	(23,926)	**(17,539)**	–	**(1,252)**	(14,101)
Net (decrease)/increase in cash and cash equivalents	**(190)**	3,280	**19,620**	(1,078)	**15,001**	(2,938)
Cash and cash equivalent at the beginning of financial year	**17,042**	13,762	**1,311**	2,389	**11,880**	14,818
Cash and cash equivalent at the end of financial year	**16,852**	17,042	**20,931**	1,311	**26,881**	11,880

27 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	
	2020 $'000	2019 $'000
Profit attributable to Unitholders	**168,152**	106,502
Profit attributable to Unitholders (excluding net change in fair value of investment properties and their related deferred tax impact)	**173,715**	124,629

	Number of Units	
	2020 $'000	2019 $'000
Weighted average number of Units:		
- outstanding during the year	**1,418,114**	1,278,968
- effects of Units issued	**214,787**	139,146
Weighted average number of Units during the year	**1,632,901**	1,418,114

	Group	
	2020	2019
Basic and diluted earnings per Unit (cents)	**10.30**	7.51
Basic and diluted earnings per Unit (cents) (excluding net change in fair value of investment properties and their related deferred tax impact)	**10.64**	8.79

(b) Distribution per Unit

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

	Group	
	2020 $'000	2019 $'000
Total amount available for distribution for the year	**156,915**	113,245
Distribution per Unit (cents)	**9.170**	7.610

The amount available for distribution for the financial year included an amount of capital expenditure set aside for certain assets of $7.2 million (2019: $4.9 million).

28 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 $32.1 million representing 49.6% (2019: $36.3 million representing 38.3%) and $3.2 million representing 7.2% (2019: $5.1 million representing 1.3%) of trade and other receivables of the Group and the Trust were due from a related corporation. The Group has assessed that the related corporation has strong financial capacity to meet the contractual obligation and hence does not expect signficant credit losses.

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. The Group assessed the expected credit risk on these financial assets as low and subject to immaterial credit loss.

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 Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Other receivables, amount due from a related company and subdiaries
The Group monitors the credit risk based on the past due information to assess if there is any significant increase in credit risk. The other receivables, amount due from a related company and subsidiaries are measured on 12-month expected credit losses. The credit loss is immaterial.

Cash and cash equivalents
Bank balances and short-term deposits are mainly transacted with banks of high credit ratings assigned by international credit-rating agencies and are considered to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

Loan to subsidiaries
The Trust has assessed that its subsidiaries will be able to meet the contractual obligation and considered to have low credit risk. The loans are measured on 12-month expected credit losses and subject to immaterial credit loss.

Financial Guarantee contracts
The Trust has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirement of SFRS(I) 9. The Trust has assessed that its subsidiaries will be able to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

28 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				
2020				
Non-derivative financial liabilities				
Bank borrowings	**(1,199,195)**	**(152,088)**	**(939,248)**	**(107,859)**
Lease liabilities	**(50,523)**	**(5,204)**	**(17,280)**	**(28,039)**
Trade and other payables	**(79,951)**	**(79,951)**	**–**	**–**
Provision	**(21,100)**	**–**	**–**	**(21,100)**
	(1,350,769)	**(237,243)**	**(956,528)**	**(156,998)**
Derivative financial instruments				
Forward foreign exchange contracts				
- Outflow	**(90,109)**	**(50,328)**	**(39,781)**	**–**
- Inflow	**86,969**	**48,376**	**38,593**	**–**
Interest rate swaps	**(22,179)**	**(7,278)**	**(14,901)**	**–**
	(25,319)	**(9,230)**	**(16,089)**	**–**
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

	Contractual cash flows (including finance costs)			
	Total $'000	**Within 1 year $'000**	**Within 1 to 5 years $'000**	**More than 5 years $'000**
Trust				
2020				
Non-derivative financial liabilities				
Loans from subsidiaries	**(1,206,018)**	**(144,010)**	**(954,149)**	**(107,859)**
Lease liabilities	**(12,234)**	**(3,907)**	**(8,327)**	**–**
Trade and other payables	**(19,622)**	**(19,622)**	**–**	**–**
	(1,237,874)	**(167,539)**	**(962,476)**	**(107,859)**
Derivative financial instruments				
Forward foreign exchange contracts				
- Outflow	**(90,109)**	**(50,328)**	**(39,781)**	**–**
- Inflow	**86,969**	**48,376**	**38,593**	**–**
	(3,140)	**(1,952)**	**(1,188)**	**–**
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	–

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 2020 $'000	Notional amount 2019 $'000
Fixed rate instruments		
Interest rate swaps	**(722,652)**	(711,466)
Lease liabilities	**(24,155)**	(51,848)
Variable rate instruments		
Bank borrowings	**(1,165,756)**	(870,388)
Interest rate swaps	**722,652**	711,466

28 Financial Risk Management (continued)

Interest rate risk (continued)

The Group enters into interest rate swap agreements to hedge the interest rate risk exposure arising from its SGD, EUR, GBP and AUD variable rate term loans (Note 16).

As at the end of the financial year, the Group has interest rate swap agreements with notional amount totalling $722,652,000 (2019: $711,466,000) whereby it receives variable rates equal to SOR, EURIBOR, LIBOR and BBSW and pays fixed rates of interest. The all-in fixed interest rates ranges between 1.01% and 3.33% (2019: 1.01% and 3.33%) on the notional amount. These interest rate swap agreements are held for hedging interest rate risk arising from variable rate borrowings, with interest rates based on SOR, EURIBOR, LIBOR and BBSW. This amounts to 63% (2019: 82%) of the Group's total amount of borrowings.

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 10). The details of the interest rates relating to interest-bearing financial liabilities are disclosed in Note 16.

As at 31 December 2020 and 31 December 2019, 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 2020 and 31 December 2019, 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					
2020					
Interest rate swaps					
Assets	–	–	–	–	–
Liabilities	(23,596)	(22,179)	(7,278)	(14,901)	–
	(23,596)	(22,179)	(7,278)	(14,901)	–
Forward exchange contracts					
Assets	73	73	34	39	–
Liabilities	(3,213)	(3,213)	(1,986)	(1,227)	–
	(3,140)	(3,140)	(1,952)	(1,188)	–
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	–

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 $90.1 million (2019: $82.5 million). The net positive fair value of forward foreign exchange contracts is $3.1 million (2019: $3.2 million) comprising assets of $0.1 million (2019: $3.3 million) and liabilities of $3.2 million (2019: $0.1 million). These amounts are recognised as derivative financial instruments in Note 10.

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:

	2020			2019		
	AUD $'000	**EUR $'000**	**GBP $'000**	AUD $'000	EUR $'000	GBP $'000
Group						
Cash and cash equivalents	**21,360**	**61,955**	**10,742**	17,849	51,192	8,912
Trade receivables and other receivables	**3,909**	**19,568**	**377**	5,290	6,611	290
Bank borrowings	**(84,247)**	**(693,351)**	**(85,757)**	(79,007)	(431,629)	(84,751)
Trade payables and other payables	**(26,320)**	**(41,223)**	**(2,407)**	(5,194)	(11,453)	(731)
Add: Firm commitments and highly probable forecast transactions in foreign currencies	**23,094**	**50,580**	**16,434**	24,668	44,518	13,316
Less: Forward exchange contracts	**(23,094)**	**(50,580)**	**(16,434)**	(24,668)	(44,518)	(13,316)
Add: Borrowings designated as net investment hedge of foreign operations	**84,247**	**677,995**	**85,757**	79,007	380,519	84,751
Net exposure	**(1,051)**	**24,944**	**8,712**	17,945	(4,760)	8,471

28 Financial Risk Management (continued)

Foreign currency risk (continued)

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

	2020			2019		
	AUD $'000	**EUR $'000**	**GBP $'000**	AUD $'000	EUR $'000	GBP $'000
Trust						
Cash and cash equivalents	**12,519**	**19,288**	**8,610**	8,660	8,279	5,712
Trade receivables and other receivables	**4,436**	**29,886**	**21**	3,941	7,156	–
Trade payables and other payables	**(128)**	**(711)**	**(1,743)**	(176)	(730)	(1,658)
Loans from subsidiaries	**(84,247)**	**(677,995)**	**(85,757)**	(79,007)	(431,629)	(84,751)
Loans to subsidiaries	**124,217**	**208,276**	**–**	116,490	157,121	–
Add: Firm commitments and highly probable forecast transactions in foreign currencies	**23,094**	**50,580**	**16,434**	24,668	44,518	13,316
Less: Forward exchange contracts	**(23,094)**	**(50,580)**	**(16,434)**	(24,668)	(44,518)	(13,316)
Net exposure	**56,797**	**(421,256)**	**(78,869)**	49,908	(259,803)	(80,697)

Sensitivity analysis:
A 10% (2019: 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	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
AUD	**105**	(1,795)	**(5,680)**	(4,991)
EUR	**(2,494)**	476	**42,126**	25,980
GBP	**(871)**	(847)	**7,887**	8,070
	(3,260)	(2,166)	**44,333**	29,059

A 10% (2019: 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
The carrying amount of the different categories of financial instruments are as follows:-

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Financial assets at amortised cost	**303,955**	253,134	**158,676**	448,545
Financial liabilities at amortised cost	**1,266,807**	(931,086)	**1,042,108**	(900,245)

29 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.

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.

29 Fair Value of Assets and Liabilities (continued)

Assets and liabilities carried at fair value

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2020				
Derivative financial assets	–	73	–	73
Investment properties	–	–	3,005,038	3,005,038
	–	73	3,005,038	3,005,111
Derivative financial liabilities	–	(26,809)	–	(26,809)
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)
Trust				
2020				
Derivative financial assets	–	73	–	73
Investment properties	–	–	483,182	483,182
	–	73	483,182	483,255
Derivative financial liabilities	–	(3,213)	–	(3,213)
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)

There were no transfers between levels of the fair value hierarchy during the years ended 31 December 2020 and 31 December 2019.

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: 4.95% to 10.12% (2019: 5.50% to 10.25%)	The estimated fair value varies inversely against the capitalisation rate.
Discounted cash flow approach	Discount rate: 5.04% to 11.50% (2019: 4.75% to 12.00%) Terminal yield rate: 5.25% to 14.35% (2019: 4.75% to 15.00%)	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.

30 Leases

Nature of the leasing activities

The Group as a lessee

The Group makes annual lease payments for the leasehold land of iseek DC (2019: KDC DUB 1 and iseek DC). 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 assets relating to the leasehold lands presented under Investment Properties (Note 4) are stated at fair value and have carrying amounts at balance sheet date of $24,155,000 (2019: $51,848,000).

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 option. 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.

The Group as a lessor

Leasehold property

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 21.

30 Leases (continued)

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

Operating leases under SFRS (I) 16	Group	
	2020 $'000	2019 $'000
Less than one year	**129,761**	121,227
One to two years	**129,935**	108,299
Two to three years	**124,930**	107,853
Three to four years	**125,270**	105,808
Four to five years	**114,189**	107,489
More than five years	**507,467**	593,724
Total undiscounted lease payment	**1,131,552**	1,144,400

31 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	
	2020 $'000	2019 $'000
Fixed rental income from related corporations	**25,282**	19,209
Variable rental income from related corporations	**107,096**	78,827
Management base fees to the Manager	**(13,741)**	(10,218)
Management performance fees to the Manager	**(7,936)**	(5,794)
Acquisition and development management fees to the Manager	**(4,853)**	(5,937)
Facility management fees to related corporations	**(4,327)**	(3,185)
Support services fee to a related corporation	**(272)**	(172)
Recoverables in relation to an obligation assumed from a related corporation	**13,161**	–
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	**(503)**	(392,848)

32 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 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 first half of 2021.

Guarantees

Group

The Group provided bank guarantee of approximately $0.5 million (2019: $0.5 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 (2019: $0.5 million) to the bank for a lease agreement entered by a subsidiary.

33 Financial Ratios

	Group	
	2020 **%**	2019 %
Expenses to average net assets[1]		
- including asset management fees	**1.64**	1.53
- excluding asset management fees	**0.51**	0.51

	Group	
	2020	2019
Operating expenses[2] ($'000)	**68,163**	50,364
Operating expenses[2] to net asset value as at 31 December (%)	**3.54**	3.19

[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 taxation incurred.

34 Operating Segments

The Group has 19 (2019: 17) investment properties, as described in the 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

	2020			
	Colocation $'000	Fully-fitted $'000	Shell and core $'000	Total $'000
Gross revenue	188,523	46,821	30,227	265,571
Net property income	168,973	46,075	29,118	244,166
Finance income	436	–	9	445
Finance costs	(11,338)	(4,419)	(2,890)	(18,647)
Amortisation of intangible assets	(5,626)	–	–	(5,626)
Net change in fair value of investment properties	20,918	7,686	(27,959)	645
Reportable segment profit before tax	173,572	48,251	(4,413)	217,410
Unallocated amounts:				
- Finance costs				(83)
- Other corporate expenses				(24,577)
Profit before tax				192,750
Segment assets	1,991,874	561,016	680,192	3,233,082
Other unallocated amounts				116,746
Consolidated assets				3,349,828
Segment liabilities	605,900	303,061	431,834	1,340,795
Other unallocated amounts				26,791
Consolidated liabilities				1,367,586
Other segment items:				
Capital expenditure/net additions	85,584	71	43,879	129,534

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	11,949	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

34 Operating Segments (continued)

By geographical area

	Group	
	2020 $'000	2019 $'000
Gross revenue		
- Singapore	**161,711**	107,397
- Australia	**29,101**	29,099
- Ireland	**26,129**	22,061
- Germany	**21,805**	9,925
- Other countries	**26,825**	26,344
Total gross revenue	**265,571**	194,826
Investment properties		
- Singapore	**1,711,057**	1,665,518
- Australia	**307,946**	286,798
- Ireland	**296,684**	201,942
- Germany	**277,296**	137,119
- Other countries	**412,055**	345,649
Total carrying value of investment properties	**3,005,038**	2,637,026

Major customers

Gross revenue of $154.9 million (2019: $116.0 million) is derived from 2 external clients from Singapore and Australia. (2019: Singapore and Australia).

35 Subsequent Events

On 26 January 2021, the Manager declared a distribution of 4.795 cents per Unit for the period from 1 July 2020 to 31 December 2020.

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 of Keppel DC REIT (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 (the "2018 Code") as its benchmark for corporate governance policies and practices. The following sections describe the Manager's main corporate governance policies and practices, with specific reference to the 2018 Code and its accompanying Practice Guidance. The Manager is pleased to share that Keppel DC REIT has complied with the principles of the 2018 Code and complied in all material aspects with the provisions and practices in the 2018 Code. Where there are deviations from the provisions of the 2018 Code, appropriate explanations will be provided in this report.

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 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, contracting, 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 contracting, 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 of the Manager (the "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, the Fifth Supplemental Deed dated 17 April 2018 and the Sixth Supplemental Deed dated 9 April 2020 (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;
- 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, contracting 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 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 or her knowledge, and recuse themselves when the conflict-related matter is discussed unless the Board is of the opinion that his or 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 2020, 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 Secretary: The Company Secretary administers, attends and prepares minutes of Board proceedings. He assists 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. He also assists the Chairman and the Board to implement corporate governance practices and processes with a view to enhancing long-term Unitholder value. He is also the primary channel of communication between Keppel DC REIT and the Singapore Exchange Limited (SGX).

Director	Board Meetings Attended	Audit and Risk Committee Meetings Attended	Nominating and Remuneration Committee Meetings Attended
Ms Christina Tan	5	-	2
Mr Kenny Kwan	5	-	2
Mr Lee Chiang Huat	5	4	-
Dr Tan Tin Wee	5	-	2
Mr Dileep Nair	5	4	2
Mr Low Huan Ping	5	4	-
Mr Thomas Pang	5	-	-
No. of Meetings held in FY 2020	5	4	2

The appointment and removal of the Company Secretary is 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 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 Secretary to facilitate direct access to senior management and the Company Secretary. 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 Secretary, 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 Secretary 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 (including the lead independent director "Lead Independent Director", Mr Kenny Kwan), the majority of whom, including the Chairman of the NRC, are independent; namely:

CORPORATE GOVERNANCE

Dr Tan Tin Wee	Chairman
Mr Kenny Kwan	Member
Ms Christina Tan	Member
Mr Dileep Nair	Member

The responsibilities of the NRC are disclosed in the Appendix hereto. In addition, Provision 3.3 of the 2018 Code recommends appointing an independent director to be the lead independent director in certain circumstances, including where the Chairman is not independent. As such, Mr Kenny Kwan was appointed as Lead Independent Director of the Board in November 2020.

Mr Kwan as the Lead Independent Director provides leadership among the directors in a way that enhances the objectivity and independence of the Board and he will act as an additional conduit to the Board for communicating Unitholder concerns when the normal channels are not able to resolve the matter or the result is not appropriate or adequate. Questions or feedback may be submitted via email to the Lead Independent Director at investor.relations@keppeldcreit.com. The Lead Independent Director may also arrange and chair periodic meetings with other independent directors as and when required, without the presence of management and provides feedback to the Chairman.

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 is any inadequate representation in respect of those attributes and if so, prepares a description of the role and the essential and desirable competencies for a particular appointment;

(c) 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 AGM. 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 or her appointment as a Director at the next AGM immediately following his or her 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 or her 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 Dr Tan Tin Wee and Mr Thomas Pang Thieng Hwi as Directors were last endorsed by Unitholders on 17 April 2018, the Manager is seeking the re-endorsement of the appointments of Dr Tan Tin Wee and Mr Thomas Pang Thieng Hwi at the AGM to be held in 2021.

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 recognises 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 2020, 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 2021 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 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 nine years or longer.

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

(i) 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, and (b) he has not provided any legal services to Keppel DC REIT, 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;

(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) 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; 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 nine 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 Chairman of the Audit and Risk Committee ("ARC", and the Chairman of the ARC, 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. Notwithstanding the foregoing, the Board appointed Mr Kenny Kwan as Lead Independent Director to diligently maintain the high standards of corporate governance.

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

Pages 170 to 171: Unitholdings in Keppel DC REIT as at 21 January 2021.

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 148. The NRC comprises entirely non-executive Directors, a majority of whom are independent Directors and includes the Lead Independent Director.

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. 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 the chairman 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.

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

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;

(3) By selecting performance conditions for the KDCRM PUP such as Assets Under Management, Distribution Per Unit and Total Unitholder Returns for equity awards that are aligned with Unitholders' interests;

(4) 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

(5) 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 t he view that remuneration is aligned to performance during FY 2020.

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 151 to 152.

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 emphasises 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 2020. "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.

LEVEL AND MIX OF REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL FOR THE YEAR ENDED 31 DECEMBER 2020

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, 2] (S$)	Benefits-in-Kind (S$)
Ms Christina Tan[3]	-	-	93,840	-
Mr Kenny Kwan	-	-	61,640	-
Mr Lee Chiang Huat	-	-	85,000	-
Dr Tan Tin Wee	-	-	69,000	-
Mr Dileep Nair	-	-	80,040	-
Mr Low Huan Ping	-	-	69,000	-
Mr Thomas Pang Thieng Hwi[4]	-	-	50,600	-

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. The directors' fees exclude the 8% contribution to Keppel's COVID-19 package announced in March 2020 to help the Singapore community weather COVID-19. For Mr Lee Chiang Huat, as he holds another directorship within Keppel Group for which his contribution has been attributed, there is no 8% contribution from his director's fee.
3. Ms Christina Tan's fees will be paid 100% to Keppel Capital.
4. Mr Thomas Pang's fees will be paid 100% to Keppel T&T.

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:

Remuneration Band and Names of CEO and Key Management Personnel (1)	Base/ Fixed Salary	Variable or Performance-related income/ bonuses (2)	Benefits-in-kind	Contingent award of units/ shares: PUP (3)	RUP (3)	PSP-TIP (4)
Above S$1,250,000 to S$1,500,000						
Mr Chua Hsien Yang	38% (5)	21%	n.m (6)	22%	19% (7)	-
Above S$500,000 to S$750,000						
Ms Lee Meng Hoon, Anthea (8)	51% (5)	26%	n.m (6)	-	19%	4% (9)
Above S$250,000 to S$500,000						
Mr Lee Sin Jun	58%	31%	n.m (6)	-	11%	-

1. The Manager has less than five key management personnel other than the CEO as at 31 December 2020.
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 FY 2020 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 2020 (being the grant date), the estimated value of each unit granted in respect of the contingent awards under the KDCRM PUP was S$1.81. As at 15 February 2021 (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$2.89. 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. The PSP-TIP is a transformation incentive plan under the Keppel Corporation Limited ("KCL") Performance Share Plan ("PSP") scheme with a six-year performance period and is subject to pre-determined stretched performance targets set by KCL Board for 2021. The plan seeks to motivate and reward the executives towards a successful transformation of Keppel Group's business. Executives will only benefit from the plan if Keppel Group meets the pre-determined stretched financial and non-financial targets, and if the executives meet or exceed their individual performance targets. As at 28 February 2020 (being the grant date), the estimated value of each KCL share granted in respect of the contingent award under the PSP-TIP was S$0.96. The figures are based on the value of the KCL shares 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.
5. The base/fixed salary consists of half a month of base salary contributed to Keppel's COVID-19 package announced in March 2020 to help the Singapore community weather COVID-19.
6. "n.m" means not material.
7. Mr Chua Hsien Yang has assumed another role with Keppel Group with effect from 15 February 2021 and the long-term incentive awarded to him is in the form of share awards under the Keppel Corporation Limited ("KCL") Restricted Share Plan ("RSP"). After taking into consideration that Mr Chua's performance for 2020, which is directly linked to the performance of Keppel DC REIT, and was assessed by the NRC of the Manager, the NRC is satisfied that there is no potential conflict of interest that may occur in relation to Mr Chua having been granted an award under the KCL RSP. As at 15 February 2021 (being the grant date), the estimated value of the KCL RSP share granted in respect of the contingent award under the KCL RSP was S$4.98.
8. Ms Lee Meng Hoon, Anthea was appointed Chief Executive Officer on 15 February 2021.
9. After taking into consideration that (1) Ms Lee Meng Hoon, Anthea remains remunerated through the remuneration policy of the Manager where the performance-related bonuses and long term incentive awards under the RUP are based on the results achieved by Keppel DC REIT and Ms Lee's performance is assessed by the NRC; (2) the potential advantages to Keppel DC REIT of a successful transformation of Keppel Group's business entailing broader collaboration within the Keppel Group of companies with the aim of producing benefits such as (i) enhancing talent pipeline, providing broader exposure and capabilities development for employees; (ii) achieving economies of scale through collective bargaining; and (iii) the building of an innovative culture through sharing of ideas and networks; and (3) the immateriality of the KCL PSP-TIP vis-à-vis the other pay components that form the total remuneration of Ms Lee, the NRC was satisfied that any potential conflict of interest in relation to Ms Lee having been granted an award under the KCL PSP-TIP is mitigated.

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 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 ARC Chairman) are independent Directors. The ARC Chairman is Mr Lee Chiang Huat and the members are Mr Dileep Nair and Mr Low Huan Ping.

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 two 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 ("Internal Audit"). Internal Audit, together with the external auditor, report their findings and recommendations independently to the ARC.

A total of four ARC meetings were held in 2020. 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 for Keppel DC REIT before the announcement of Keppel DC REIT's key business and operational updates in the first and third quarter, and financial statements in the 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 2020, an aggregate amount of S$380,000, comprising audit service fees of S$285,000 and non-audit service fees of S$95,000, 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 161 to 162 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 five times in 2020. 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 167 to 168 of this Annual Report. The Manager is guided by a set of Risk Tolerance Guiding Principles, as disclosed on page 167.

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.

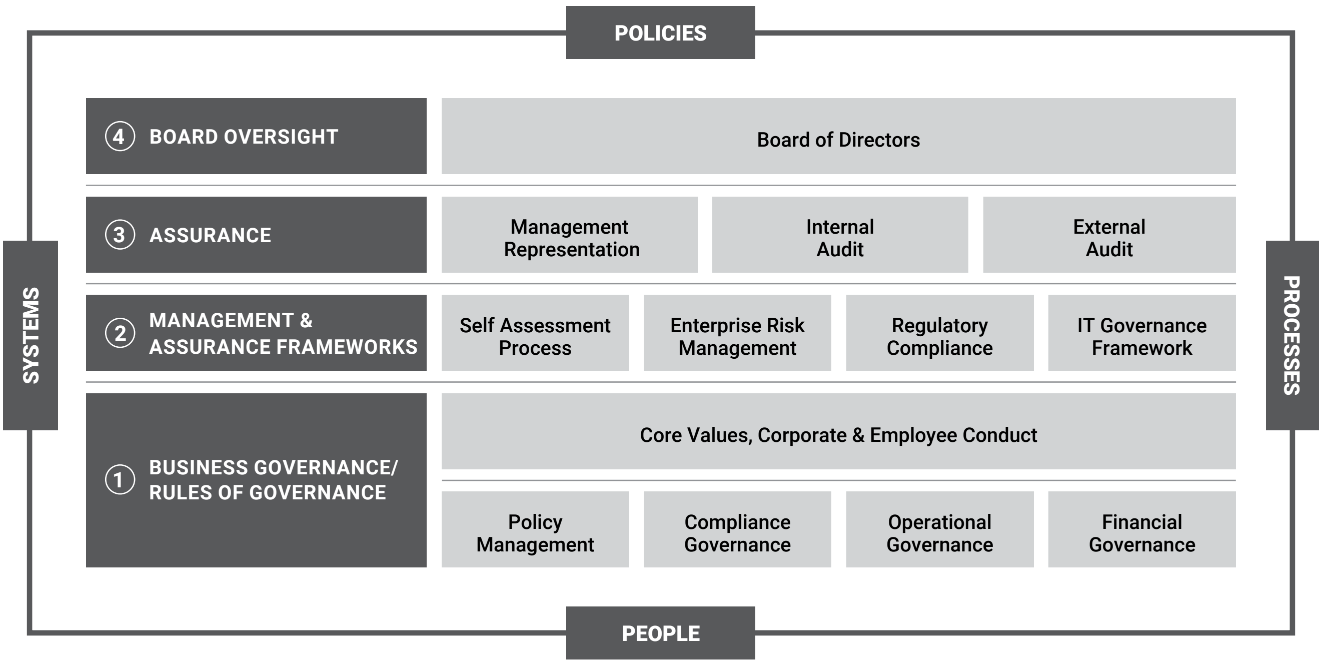
Independent Review of Internal Controls
Keppel DC REIT's and the Manager's internal auditor conduct an annual risk-based review of the adequacy and effectiveness of Keppel DC REIT's and the Manager's material internal controls, including financial, operational, compliance and information technology controls, 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 of a three Lines model to ensure the adequacy and effectiveness of Keppel DC REIT's and the Manager's system of internal controls and risk management.

Under the first Line, 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 (including information technology) and regulatory compliance 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's Code of Conduct.

Under the second Line, Keppel DC REIT and the Manager are required to conduct a self-assessment exercise on an annual basis ("CSA"). This exercise requires Keppel DC REIT and the Manager to assess the status of their respective risk management processes and internal controls via self-assessment. Where required, action plans would then be drawn up to remedy identified control gaps. The CSA programme was enhanced in FY 2020 through the refresh of group baseline controls, optimisation of controls automation, continuous monitoring and digitalisation of CSA. 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. The IT Governance Framework aims to strengthen IT controls and manage IT risks by providing the necessary security and resiliency towards effective business continuity. The framework was further strengthened in January 2021 through the formalisation of a Keppel Cybersecurity governance structure and the establishment of a Keppel Cybersecurity Service Centre.

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



Under the third Line, 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 former CEO, Mr Chua Hsien Yang (who resigned as CEO of the Manager and assumed another role with Keppel Group with effect from 15 February 2021) and the CFO, Mr Adam Lee, that, amongst others, as at 31 December 2020:

(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.

Based on the Framework, the internal controls and risk management policies and procedures established and maintained by Keppel DC REIT and the Manager, work performed by the internal and external auditors, and reviews performed by the management, the ARC, as well as the assurances set out above, the Board is of the view that, as at 31 December 2020, Keppel DC REIT's and the Manager's internal controls (including financial, operational, compliance and information technology controls) and risk management systems, are adequate and effective to address the risks which Keppel DC REIT and the Manager consider relevant and material to its operations.

The Board notes that 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. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human errors, losses, fraud or other irregularities.

The ARC concurs with the Board's view that, as at 31 December 2020, Keppel DC REIT's and the Manager's internal controls (including financial, operational, compliance and information technology controls) and risk management systems, are adequate and effective to address the risks which Keppel DC REIT and the Manager consider relevant and material to its operations.

INTERNAL AUDIT

The internal audit function of the Manager is performed by Keppel Corporation Limited's Group Internal Audit. The role of the internal auditor is to provide independent assurance to the ARC that Keppel DC REIT and the Manager maintain a sound system of internal controls. Internal Audit conducts regular reviews of the adequacy and effectiveness of key internal controls and undertakes investigations as directed by the ARC.

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, which includes professional courses conducted by qualified and experienced providers, including external accredited organisations.

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 technology risks. An annual audit plan is developed based on a 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. In addition, significant audit 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 2020, the Manager engaged approximately 800 investors and analysts in Singapore, Thailand, Hong Kong, Korea, Japan, Europe, and North America, as well as in the new markets of Taiwan and Australia through virtual investor conferences and meetings, roadshows and teleconferences.

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. Unitholders are informed of Unitholders' meetings through notices published 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 or her behalf at the meeting through proxy forms sent in advance.

In compliance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and the Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation issued on the conduct of general meetings, Keppel DC REIT's physical AGM was re-convened in a virtual format on 1 June 2020, ensuring that Unitholders continued to have the ability to participate, vote and pose questions to senior management. At the virtual meeting, the Board and senior management reported on Keppel DC REIT's performance for FY2019, and addressed questions and comments that Unitholders submitted in advance.

All AGM resolutions were polled ahead of the event, and an independent scrutineer was appointed to count and validate the AGM's votes. Results of the AGM were announced during the meeting. Minutes of the meeting as well as responses to relevant and substantial questions from Unitholders were subsequently published on SGXNet and Keppel DC REIT's website.

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 2020, 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 Secretary of the Manager prepares minutes of Unitholders' meetings, which incorporates comments or queries from Unitholders and responses from the Board and management. These minutes are published on SGXNet as well as 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 2020, 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 half year and full year 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

Director	Unitholders' Meetings Attended
Ms Christina Tan	1
Mr Kenny Kwan	1
Mr Lee Chiang Huat	1
Dr Tan Tin Wee	1
Mr Dileep Nair	1
Mr Low Huan Ping	1
Mr Thomas Pang	1
No. of Unitholders' Meetings held in FY 2020	1

comprise a majority of the independent directors and must exclude nominee directors of Keppel Corporation Limited and/or its subsidiaries.

It is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of Keppel DC REIT with a Related Party (meaning any "interested person" as defined in the Listing Manual and/or, as the case may be, an "interested party" as defined in the Property Funds Appendix) of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of Keppel DC REIT, has a prima facie case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The directors of the Manager (including its independent directors) will have a duty to ensure that the Manager so complies. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of Keppel DC REIT with a Related Party of the Manager and the Trustee may take such action as it deems necessary to protect the rights of Unitholders and/or which is in the interests of Unitholders. Any decision by the Manager not to take action against a Related Party of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such Related Party.

KEPPEL'S CODE OF CONDUCT

The Manager has in place an employee code of conduct which establishes a culture of high integrity as well as reinforces ethical business practices.

This policy addresses, at the employee level, the standards of acceptable and unacceptable behaviour and personal decorum as well as issues of workplace harassment. On the business front, the policy addresses the standards of business behaviour including anti-corruption, the offering and receiving of gifts, hospitality and promotional expenditures as well as conflicts of interests. The policy also requires all staff to avoid any conflict between their own interests and the interests of the Manager in dealing with its suppliers, customers and other third parties.

The rules require business to be conducted with integrity, fairly, impartially, in an ethical and proper manner, and in compliance with all applicable laws and regulations. Relevant anti-corruption rules are also spelt out to protect the business, resources and reputation of Keppel DC REIT and the Manager. Employees must not offer or authorise the giving, directly or through third parties, of any bribe, kickback, illicit payment, or any benefit-in-kind or any other advantage to any person or entity, as an inducement or reward for an improper performance or non-performance of a function or activity. Similarly, employees must not solicit or accept illicit payment, directly or indirectly, from any person or entity that is intended to induce or reward an improper performance or non-performance of a function or activity.

New employees are briefed on the policy when they join the Manager. Subsequently, all employees are required to acknowledge the policy annually to ensure awareness.

RELATED PARTY TRANSACTIONS

The Manager's Internal Control System

The Manager has established an internal control system to ensure that all Related Party transactions:

- will be undertaken on normal commercial terms; and
- will not be prejudicial to the interests of Keppel DC REIT and the Unitholders.

As a general rule, the Manager must demonstrate to the ARC that such transactions satisfy the foregoing criteria. This may entail:

- obtaining (where practicable) quotations from parties unrelated to the Manager; or
- obtaining two or more valuations from independent professional valuers (in compliance with the Property Funds Appendix).

The Manager maintains a register to record all Related Party transactions which are entered into by Keppel DC REIT and the bases, including any quotations from unrelated parties and independent valuations, on which they are entered into. The Manager also incorporates into its internal audit plan a review of all Related Party transactions entered into by Keppel DC REIT. The ARC reviews the internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor Related Party transactions have been complied with. The Trustee also has the right to review such audit reports to ascertain that the Property Funds Appendix has been complied with.

The following procedures are undertaken:

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding S$100,000 in value but below 3.0% of the value of Keppel DC REIT's latest audited 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 latest audited 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 latest audited 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 half-yearly 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 he 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 or her 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 NRC'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 categorised 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 or she provides valuable inputs, his or her ability to analyse, communicate and contribute to the productivity of meetings, and his or her 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 or her role of Director seriously and works to further improve his or her own performance, whether he or she 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 or she is available when needed, and his or her 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 or 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 or she 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 or she 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 or she did not intend to, or had not made the report or be a witness.

The Head of 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 or 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 or 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 or 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 Kenny Kwan	Lead Independent Director	-	Member
Mr Lee Chiang Huat	Independent Director	Chairman	-
Dr Tan Tin Wee	Independent Director	-	Chairman
Mr Dileep Nair	Independent Director	Member	Member
Mr Low Huan Ping	Independent Director	Member	-
Mr Thomas Pang Thieng Hwi	Non-Executive Director	-	-

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 2021 is set out below.

Name of Director	Dr Tan Tin Wee	Mr Thomas Pang Thieng Hwi
Date of Appointment	18 November 2014	18 November 2014
Date of last re-appointment (if applicable)	17 April 2018	17 April 2018
Age	59	56
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 148 to 150 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.)	Independent Director and Chairman of Nominating and Remuneration Committee	Non-Executive Director
Professional qualifications	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	Bachelor of Arts (Engineering, 2nd Upper Honours) and Master of Arts (Honorary Award), University of Cambridge
Working experience and occupation(s) during the past 10 years	Chief Executive, National Supercomputing Centre, Singapore; Associate Professor, Department of Biochemistry, National University of Singapore; Senate Member, Management Development Institute of Singapore (MDIS)	Chief Executive Officer, Keppel Telecommunications & Transportation Ltd
Shareholding interest in the listed issuer and its subsidiaries	112,038 units in Keppel DC REIT	70,388 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)	Asia Pacific Bioinformatics Network Limited; iGates Bioinnovation Pte. Ltd.	Various subsidiaries and associated companies of Keppel Telecommunications & Transportation Ltd and Keppel DC REIT

Name of Director	Dr Tan Tin Wee	Mr Thomas Pang Thieng Hwi
Other Principal Commitments including Directorships - Present	Knorex Pte. Ltd.	SVOA Public Company Ltd; 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
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 Telecommunications & Transportation Ltd	Keppel DC REIT Management Pte Ltd (the manager of Keppel DC REIT); SVOA Public Company Ltd; Keppel Telecommunications & Transportation Ltd
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. **Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).**	N.A.	N.A.

Summary of Disclosures of 2018 Code

Rule 710 of the SGX Listing Manual requires Singapore listed companies to describe their corporate governance practices with specific reference to the 2018 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 Code.

PRINCIPLES

Board Matters

The Board's Conduct of Affairs

Principle 1

Provision 1.1	Pages 146, 157 to 159
Provision 1.2	Page 147
Provision 1.3	Page 146
Provision 1.4	Pages 146 to 156, 159 to 161
Provision 1.5	Pages 146 to 150
Provision 1.6	Pages 146 and 147
Provision 1.7	Pages 146 to 147

Board Composition and Guidance

Provision 2.1	Pages 149 to 150
Provision 2.2	Pages 149 to 150
Provision 2.3	Page 149
Provision 2.4	Pages 148 to 149
Provision 2.5	Page 146

Chairman and Chief Executive Officer

Provision 3.1	Page 147
Provision 3.2	Page 147
Provision 3.3	Pages 148 and 150

Board Membership

Provision 4.1	Pages 147 to 150, 160 to 161
Provision 4.2	Pages 147 to 148
Provision 4.3	Page 148
Provision 4.4	Pages 149 to 150
Provision 4.5	Pages 12 to 14 and 150

Board Performance

Provision 5.1	Pages 150 and 161
Provision 5.2	Pages 150 and 161

Remuneration Matters

Procedures for Developing Remuneration Policies

Provision 6.1	Pages 150 to 153
Provision 6.2	Pages 147 to 148
Provision 6.3	Pages 150 to 152
Provision 6.4	Page 151

PRINCIPLES

Level and Mix of Remuneration

Provision 7.1	Pages 151 to 152
Provision 7.2	Pages 151 to 152
Provision 7.3	Pages 150 to 152

Disclosure on Remuneration

Provision 8.1	Pages 151 to 153
Provision 8.2	Page 152
Provision 8.3	Pages 151 to 152

Accountability and Audit

Risk Management and Internal Controls

Provision 9.1	Page 154
Provision 9.2	Pages 155 to 156

Audit Committee

Provision 10.1	Pages 154, 155, 159 to 160
Provision 10.2	Pages 153 to 154
Provision 10.3	Page 154
Provision 10.4	Page 156
Provision 10.5	Page 154

Shareholder Rights and Responsibilities

Shareholder Rights and Conduct of General Meetings

Provision 11.1	Pages 156 to 157
Provision 11.2	Pages 156 to 157
Provision 11.3	Pages 156 to 157
Provision 11.4	Pages 156 to 157
Provision 11.5	Pages 156 to 157
Provision 11.6	Pages 156 to 157

Engagement with Shareholders

Provision 12.1	Pages 156 to 157
Provision 12.2	Pages 156 to 157
Provision 12.3	Pages 156 to 157

Managing Stakeholders Relationship

Engagement with Stakeholders

Provision 13.1	Pages 156 to 157
Provision 13.2	Pages 156 to 157
Provision 13.3	Pages 156 to 157

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 159 to 160 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.

5-STEP RISK MANAGEMENT PROCESS

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

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.

The risk management assessment framework also determines the adequacy and effectiveness of the risk management system within Keppel DC REIT. In 2020, 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:

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**
   - This is an area of review given the widespread economic slowdown in 2020 due to the COVID-19 pandemic. The Manager will actively monitor this to ensure mitigation measures are in place should the risk impact become material.
   - 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, Climate Change and sustainability related matters are areas of risks noted. They are monitored closely and actions are taken, when necessary, to prevent and mitigate them.

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 transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
		FY 2020 S$'000	**FY 2020 S$'000**
Temasek Holdings Group	"Controlling Unitholder" of the REIT and "Controlling Shareholder" of the REIT Manager		
- Rental income		**18,094**	**NIL**
Keppel Corporation Limited and its subsidiaries	"Controlling Unitholder" of the REIT and "Controlling Shareholder" of the REIT Manager		
- Purchase consideration of 99% interest in KDC SGP 4		**503**	**NIL**
- Manager's acquisition and development fees		**4,853**	**NIL**
- Manager's management fees		**21,677**	**NIL**
- Variable rental income		**103,979**	**NIL**
- Rental top up income		**5,626**	**NIL**
- Facility management fees		**4,543**	**NIL**
- Support services fees		**850**	**NIL**
- Recoverables in relation to an obligation assumed		**13,161**	**NIL**
Perpetual (Asia) Limited	"Trustee" of the REIT		
- Trustee fees		**341**	**NIL**

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 31 in the financial statements.

SUBSCRIPTION OF KEPPEL DC REIT UNITS

During the financial year ended 31 December 2020, Keppel DC REIT issued 725,245 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 2019 to 30 September 2020 at issue prices ranging from S$1.9980 - S$2.9881 per Unit.

STATISTICS OF UNITHOLDINGS

As at 3 March 2021

Issued and Fully Paid Units

1,633,461,126 Units (Voting rights: 1 vote per Unit)

There is only one class of Units in Keppel DC REIT.

Market capitalisation of S$4,426,679,651 based on market closing price of S$2.71 per Unit on 3 March 2021.

DISTRIBUTION OF UNITHOLDINGS

SIZE OF UNITHOLDINGS	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
1 - 99	141	0.91	5,555	0.00
100 - 1,000	3,044	19.59	2,209,527	0.14
1,001 - 10,000	9,151	58.90	40,170,457	2.46
10,001 - 1,000,000	3,177	20.45	114,099,621	6.98
1,000,001 AND ABOVE	24	0.15	1,476,975,966	90.42
TOTAL	**15,537**	**100.00**	**1,633,461,126**	**100.00**

TWENTY LARGEST UNITHOLDERS

NO.	Name	NO. OF UNITS	%
1	Keppel DC Investment Holdings Pte Ltd	336,131,978	20.58
2	DBS Nominees (Private) Limited	334,645,433	20.49
3	Citibank Nominees Singapore Pte Ltd	324,409,430	19.86
4	DBSN Services Pte. Ltd.	139,698,869	8.55
5	HSBC (Singapore) Nominees Pte Ltd	133,633,834	8.18
6	Raffles Nominees (Pte.) Limited	95,915,907	5.87
7	BPSS Nominees Singapore (Pte.) Ltd.	30,444,672	1.86
8	United Overseas Bank Nominees (Private) Limited	8,942,218	0.55
9	Phillip Securities Pte Ltd	8,179,576	0.50
10	DB Nominees (Singapore) Pte Ltd	7,802,872	0.48
11	Societe Generale Spore Branch	7,737,838	0.47
12	UOB Kay Hian Private Limited	7,179,611	0.44
13	ABN AMRO Clearing Bank N.V.	6,660,711	0.41
14	Keppel DC Reit Management Pte Ltd	5,958,070	0.36
15	BNP Paribas Nominees Singapore Pte. Ltd.	5,647,454	0.35
16	OCBC Securities Private Limited	5,637,318	0.35
17	OCBC Nominees Singapore Private Limited	4,719,265	0.29
18	IFAST Financial Pte. Ltd.	2,879,884	0.18
19	Maybank Kim Eng Securities Pte.ltd	2,802,728	0.17
20	Merrill Lynch (Singapore) Pte. Ltd.	2,265,315	0.14
	Total	**1,471,292,983**	**90.08**

The Manager's Directors' Unitholdings

Based on the Register of Directors' Unitholdings maintained by the Manager, as at 21 January 2021, the direct and deemed interests of each Director of Keppel DC REIT Management Pte. Ltd. in the Units in Keppel DC REIT are as follows:

Name of Director	No. of Units
Ms Christina Tan	55,250 (Direct)
Mr Kenny Kwan	4,800 (Direct)
Mr Lee Chiang Huat	112,882 (Direct)
Dr Tan Tin Wee	112,038 (Direct)
Mr Dileep Nair	35,577 (Direct)
Mr Low Huan Ping	5,400 (Direct)
Mr Thomas Pang	70,388 (Direct)

Substantial Unitholders

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Manager, as at 3 March 2021, 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	375,246,920 (Deemed)[1]	22.97
Keppel Corporation Limited	342,090,048 (Deemed)[2]	20.94
Keppel Telecommunications & Transportation Ltd	342,090,048 (Deemed)[3]	20.94
Keppel DC Investment Holdings Pte. Ltd	336,131,978 (Direct)	20.58

Notes:

(1) Temasek Holdings (Private) Limited's deemed interest arises from the deemed interest held by Keppel Corporation Limited and other subsidiaries and 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 2021, approximately 76.99% 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 2021, there are no treasury units held by Keppel DC REIT or the Manager.

FINANCIAL CALENDAR

Financial Year Ended 31 December 2020	
First Quarter 2020 Key Business and Operational Updates:	21 April 2020
First Half 2020 Results Announcement:	21 July 2020
Distribution for 1 January 2020 to 30 June 2020:	1 September 2020
Third Quarter 2020 Key Business and Operational Updates:	20 October 2020
Full Year 2020 Results Announcement:	26 January 2021
Distribution for 1 July 2020 to 31 December 2020:	8 March 2021

NOTICE OF ANNUAL GENERAL MEETING

Keppel DC REIT

(Constituted in the Republic of Singapore pursuant
to a trust deed dated 17 March 2011 (as amended))

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "**AGM**") of the holders of units of Keppel DC REIT (the "**Unitholders**") will be convened and held by electronic means (see Explanatory Notes 1 to 10) on **Wednesday, 21 April 2021 at 3.00 p.m.** (Singapore time) to transact the following business:

(A) As Ordinary Business

1. To receive and adopt the Report of Perpetual (Asia) Limited, as trustee of Keppel DC REIT (the "**Trustee**"), the Statement by Keppel DC REIT Management Pte. Ltd., as manager of Keppel DC REIT (the "**Manager**"), and the Audited Financial Statements of Keppel DC REIT for the financial year ended 31 December 2020 and the Auditor's Report thereon. (**Ordinary Resolution 1**)

2. To re-appoint Messrs PricewaterhouseCoopers LLP as the Auditor of Keppel DC REIT to hold office until the conclusion of the next AGM of Keppel DC REIT, and to authorise the Manager to fix their remuneration. (**Ordinary Resolution 2**)

3. To re-endorse the appointments of the following directors of the Manager ("**Directors**"), pursuant to the undertaking dated 1 July 2016 provided by Keppel Capital Holdings Pte. Ltd. ("**Keppel Capital**") and Keppel Telecommunications & Transportation Ltd ("**Keppel T&T**") to the Trustee:

(a) Dr Tan Tin Wee; and (**Ordinary Resolution 3**)

(b) Mr Thomas Pang Thieng Hwi. (**Ordinary Resolution 4**)

(Please see Explanatory Notes)

(B) As Special Business

To consider and, if thought fit, to pass with or without any modifications, the following resolutions:

4. That authority be and is hereby given to the Manager to:

(a) (i) issue units in Keppel DC REIT ("**Units**") whether by way of rights, bonus or otherwise, and including any capitalisation of any sum for the time being standing to the credit of any of Keppel DC REIT's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution; and/or

(ii) make or grant offers, agreements or options that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units (collectively, "**Instruments**"),

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

(b) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

provided that:

(1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution and any adjustment effected under any relevant Instrument) shall not exceed fifty per cent (50%) of the total number of issued Units (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution and any adjustment effected under any relevant Instrument) shall not exceed twenty per cent (20%) of the total number of issued Units (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units shall be based on the total number of issued Units at the time this Resolution is passed, after adjusting for:

(a) any new Units arising from the conversion or exercise of any convertible securities or options which were issued and are outstanding or subsisting at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of Units;

(3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST (the "**Listing Manual**") for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed dated 17 March 2011 constituting Keppel DC REIT (as amended) (the "**Trust Deed**") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(4) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of Keppel DC REIT or (ii) the date by which the next AGM of Keppel DC REIT is required by applicable regulations to be held, whichever is earlier;

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

(6) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider necessary, expedient, incidental or in the interest of Keppel DC REIT to give effect to the authority conferred by this Resolution. (**Ordinary Resolution 5**)

(Please see Explanatory Notes)

(C) As Other Business

5. To transact such other business as may be transacted at an AGM.

Unitholders are invited to send in their questions relating to the resolutions above to the Manager by 3.00 p.m. on 18 April 2021. Please see Note 7 of this Notice of AGM on how Unitholders may submit their questions.

BY ORDER OF THE BOARD
Keppel DC REIT Management Pte. Ltd.
(Company Registration Number: 199508930C)
As Manager of Keppel DC REIT

Marc Tan
Company Secretary
Singapore
30 March 2021

Explanatory Notes:

1. This AGM is being convened and will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and the Joint Statement by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation issued on 1 October 2020 titled "Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation". In addition to printed copies of the Notice of AGM that will be sent to Unitholders, this Notice of AGM will also be sent to Unitholders by electronic means via publication on Keppel DC REIT's website at https://www.keppeldcreit.com and SGXNet.

2. The proceedings of this AGM will be broadcasted "live" through an audio-and-video webcast and an audio-only feed. Unitholders and investors holding Units through the Central Provident Fund ("**CPF**") or Supplementary Retirement Scheme ("**SRS**") ("**CPF/SRS investors**") who wish to follow the proceedings must **pre-register at https://www.keppeldcreit.com/en/agm2021** no later than **3.00 p.m.** on **18 April 2021**. Following verification, an email containing instructions on how to join the "live" broadcast will be sent to authenticated persons by **12.00 p.m.** on **20 April 2021**.

3. Investors holding Units through relevant intermediaries ("**Investors**") (other than CPF/SRS investors) will not be able to pre-register at **https://www.keppeldcreit.com/en/agm2021** for the "live" broadcast of the AGM. An Investor (other than CPF/SRS investors) who wishes to participate in the "live" broadcast of the AGM should instead approach his/her relevant intermediary as soon as possible in order to make the necessary arrangements. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, via email to keppel@boardroomlimited.com no later than **3.00 p.m.** on **18 April 2021**.

   In this Notice of AGM, a "**relevant intermediary**" means:

   (i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds Units in that capacity; or

   (iii) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. **In view of the current COVID-19 situation and the related safe distancing measures in Singapore, the AGM will be held by way of electronic means and as such a Unitholder will not be able to attend the AGM in person. A Unitholder will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A Unitholder (whether individual or corporate) must appoint the Chairman of the AGM ("Chairman") as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the AGM. The Chairman, as proxy, need not be a Unitholder.** The instrument for the appointment of proxy ("proxy form") will be sent to Unitholders and may be accessed at Keppel DC REIT's website at https://www.keppeldcreit.com or SGXNet. Where a Unitholder (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.

5. The proxy form is not valid for use by Investors (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor (other than CPF/SRS investors) who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify his/her voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator to submit his/her vote by **5.00 p.m.** on **12 April 2021**, being 7 working days before the date of the AGM.

6. **The proxy form must be submitted in the following manner:**

   (a) if submitted by post, be lodged with the Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or

   (b) if submitted electronically, be submitted via email to keppel@boardroomlimited.com,

   in either case, by **3:00 p.m.** on **18 April 2021**, being 72 hours before the time appointed for holding this AGM.

   A Unitholder who wishes to submit the proxy form must complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Unitholders to submit completed proxy forms by post, Unitholders are strongly encouraged to submit completed proxy forms electronically via email.

7. **Unitholders and Investors will not be able to ask questions "live" during the broadcast of this AGM. All Unitholders and Investors may submit questions relating to the business of this AGM no later than 3.00 p.m. on 18 April 2021**:

   (a) via the pre-registration website at **https://www.keppeldcreit.com/en/agm2021**;

   (b) by email to investor.relations@keppeldcreit.com; or

   (c) by post to the Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult to submit questions by post, Unitholders and Investors are strongly encouraged to submit their questions via the pre-registration website or by email. The Manager will endeavour to answer all substantial and relevant questions by publishing responses on Keppel DC REIT's website and on SGXNet prior to this AGM, or will address such questions at the AGM.

8. All documents (including Keppel DC REIT's Annual Report 2020, the proxy form and this Notice of AGM) and information relating to the business of this AGM have been, or will be, published on SGXNet and/or Keppel DC REIT's website at https://www.keppeldcreit.com. **Printed copies of Keppel DC REIT's Annual Report 2020 will not be despatched to Unitholders.** Unitholders and Investors are advised to check SGXNet and/or Keppel DC REIT's website regularly for updates.

9. Any reference to a time of day is made by reference to Singapore time.

NOTICE OF ANNUAL GENERAL MEETING

10. **Ordinary Resolutions 3 and 4**

Keppel Capital and Keppel T&T had on 1 July 2016 provided an undertaking (the "**Undertaking**") to the Trustee:

- to procure the Manager to seek Unitholders' re-endorsement for the appointment of each Director no later than every third AGM of Keppel DC REIT after the relevant general meeting at which such Director's appointment was last endorsed or re-endorsed, as the case may be;
- (where a person is appointed as Director, either to fill a vacancy or as an addition to the existing Directors, at any time) to procure the Manager to seek Unitholders' endorsement for his appointment as a Director at the next AGM of Keppel DC REIT immediately following his appointment; and
- to procure any person whose appointment as a Director has not been endorsed or re-endorsed (as the case may be) by the Unitholders at the relevant general meeting of Keppel DC REIT where the endorsement or re-endorsement (as the case may be) for his/her appointment was sought, to resign or otherwise be removed from the Board of Directors of the Manager either (i) within 21 days from the date of the relevant general meeting or (ii) in the event that the Board of Directors of the Manager determines that a replacement Director has to be appointed, no later than the date when such replacement Director is appointed, and the regulatory approval for such appointment (if any) has been obtained.

The endorsement or re-endorsement from Unitholders of any appointment of any person as a Director shall be by way of an ordinary resolution passed at the relevant general meeting. The Undertaking shall not restrict the Manager, Keppel Capital or Keppel T&T from appointing any Director from time to time in accordance with applicable laws and regulations (including any applicable rule of the SGX-ST) and the Constitution of the Manager.

The Undertaking shall remain in force for so long as:

- Keppel Capital and Keppel T&T continue to hold shares in the Manager; and
- Keppel DC REIT Management Pte. Ltd. remains as the manager of Keppel DC REIT.

As the appointments of Dr Tan Tin Wee and Mr Thomas Pang Thieng Hwi were last endorsed by Unitholders on 17 April 2018, the Manager is seeking the re-endorsement of the appointments of Dr Tan Tin Wee and Mr Thomas Pang Thieng Hwi at the AGM to be held in 2021.

Detailed information on Dr Tan Tin Wee and Mr Thomas Pang Thieng Hwi can be found in the "Board of Directors" section in Keppel DC REIT's Annual Report 2020.

Dr Tan Tin Wee will, upon re-endorsement, continue to serve as an Independent Director and Chairman of the Nominating and Remuneration Committee.

Mr Thomas Pang Thieng Hwi will, upon re-endorsement, continue to serve as a Non-executive Director.

11. **Ordinary Resolution 5**

The Ordinary Resolution 5 above, if passed, will empower the Manager from the date of this AGM until (i) the conclusion of the next AGM of Keppel DC REIT; (ii) the date on which the next AGM of Keppel DC REIT is required by applicable regulations to be held, or (iii) the date on which such authority is revoked or varied by the Unitholders in a general meeting, whichever is the earliest (the "**Mandated Period**"), to issue Units, to make or grant Instruments and to issue Units pursuant to such Instruments, up to a number not exceeding 50% of the total number of issued Units of which up to 20% may be issued other than on a pro rata basis to Unitholders.

The Ordinary Resolution 5 above, if passed, will empower the Manager to issue Units, during the Mandated Period, as either full or partial payment of fees which the Manager is entitled to receive for its own account pursuant to the Trust Deed.

To determine the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the total number of issued Units at the time the Ordinary Resolution 5 above is passed, after adjusting for new Units arising from the conversion or exercise of any convertible securities or options which were issued and are outstanding or subsisting at the time the Ordinary Resolution 5 is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Fund raising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual, the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

Personal Data Privacy:
By submitting the proxy form appointing the Chairman to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents or service providers) for the purpose of the processing, administration and analysis by the Manager and the Trustee (or their agents or service providers) of the appointment of the Chairman as proxy for the AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

In the case of a Unitholder who is a relevant intermediary, by submitting a consolidated list of participants for the "live" broadcast of the AGM, the Unitholder warrants that the Unitholder has obtained the prior consent of such participant(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents or service providers) of the personal data of such participant(s) for the purpose of the processing and administration by the Manager and the Trustee (or their agents or service providers) of the "live" broadcast of the AGM (including any adjournment thereof), the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

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PROXY FORM

Keppel DC REIT

(Constituted in the Republic of Singapore pursuant to
a trust deed dated 17 March 2011 (as amended))

IMPORTANT:

1. This AGM (as defined below) will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and the Joint Statement by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation issued on 1 October 2020 titled "Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation". In addition to printed copies of the Notice of AGM and this Proxy Form that will be sent to unitholders of Keppel DC REIT ("**Unitholders**"), the Notice of AGM and this Proxy Form will also be sent to Unitholders by electronic means via publication on Keppel DC REIT's website at https://www.keppeldcreit.com and SGXNet.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-and-video webcast or "live" audio-only stream), submission of questions to the Chairman (as defined below) in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman as proxy at the AGM, are set out in the Notice of AGM and the accompanying announcement dated 30 March 2021. This announcement may be accessed at Keppel DC REIT's website at https://www.keppeldcreit.com and SGXNet.
3. **In view of the current COVID-19 situation and the related safe distancing measures in Singapore, the AGM will be held by way of electronic means and as such a Unitholder will not be able to attend the AGM in person. A Unitholder will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A Unitholder (whether individual or corporate) must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the AGM. The Chairman, as proxy, need not be a Unitholder.**
4. This Proxy Form is not valid for use by investors holding units in Keppel DC REIT ("**Units**") through relevant intermediaries ("**Investors**") (including investors holding through Central Provident Fund ("**CPF**") or Supplementary Retirement Scheme ("**SRS**") ("**CPF/SRS investors**")) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor (other than a CPF/SRS investor) who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by **5.00 p.m.** on **12 April 2021**, being 7 working days before the date of the AGM to submit his/her vote.
5. **Personal Data Privacy:** By submitting this Proxy Form, a Unitholder accepts and agrees to the personal data terms set out in the Notice of AGM dated 30 March 2021.
6. **Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman as a Unitholder's proxy to attend, speak and vote on his/her/its behalf at the AGM.**

ANNUAL GENERAL MEETING

I/We ____ (Name(s)))

______________________________________ (NRIC/Passport/Company Registration Number(s)) of

____ (Address)

being a Unitholder/Unitholders of Keppel DC REIT, hereby appoint the **Chairman of the Annual General Meeting** ("**Chairman**") as my/our proxy to attend, speak and vote on my/our behalf at the Annual General Meeting of Keppel DC REIT ("**AGM**") to be convened and held by way of electronic means on **Wednesday, 21 April 2021 at 3.00 p.m.** and at any adjournment thereof in the following manner:

No.	Resolution	For*	Against*	Abstain*
Ordinary Business				
1.	To receive and adopt the Trustee's Report, the Manager's Statement, the Audited Financial Statements of Keppel DC REIT for the financial year ended 31 December 2020 and the Auditor's Report thereon			
2.	To re-appoint Messrs PricewaterhouseCoopers LLP as the Auditor of Keppel DC REIT and authorise the Manager to fix the Auditor's remuneration			
3.	To re-endorse the appointment of Dr Tan Tin Wee as Director			
4.	To re-endorse the appointment of Mr Thomas Pang Thieng Hwi as Director			
Special Business				
5.	To authorise the Manager to issue Units and to make or grant convertible instruments			

* If you wish to exercise all your votes "For" or "Against" the relevant Resolution, please mark with an "X" within the relevant box provided. Alternatively, if you wish to exercise your votes for both "For" and "Against" the relevant Resolution, please indicate the number of Units in the boxes provided. If you wish to abstain from voting on a resolution, please mark with an "X" within the relevant box provided. Alternatively, please indicate the number of Units which you wish to abstain from voting in the box provided. In the absence of specific directions in respect of a resolution, the appointment of the Chairman as your proxy for that resolution will be treated as invalid.

Dated this __________ day of ____________________ 2021

Total Number of Units Held

____

Signature(s) of Unitholder(s) / Common Seal of Corporate Unitholder

IMPORTANT: Please read the notes overleaf before completing this Proxy Form

Fold and glue all sides firmly

Fold and glue all sides firmly

Fold and glue all sides firmly

Notes to the Proxy Form

1. A Unitholder should insert the total number of Units held in the Proxy Form. If the Unitholder has Units entered against his or her name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore and maintained by The Central Depository (Pte) Limited ("**CDP**")), he or she should insert that number of Units. If the Unitholder has Units registered in his or her name in the Register of Unitholders of Keppel DC REIT, he or she should insert that number of Units. If the Unitholder has Units entered against his or her name in the said Depository Register and registered in his or her name in the Register of Unitholders, he or she should insert the aggregate number of Units. If no number is inserted, the Proxy Form will be deemed to relate to all the Units held by the Unitholder.

2. **In view of the current COVID-19 situation the related safe distancing measures in Singapore, the AGM will be held by way of electronic means and as such a Unitholder will not be able to attend the AGM in person.** A Unitholder will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A Unitholder (whether individual or corporate) must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the AGM. The Chairman, as proxy, need not be a Unitholder. Where a Unitholder (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.

3. The Proxy Form is not valid for use by Investors (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor (other than a CPF/SRS investor) who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by **5.00 p.m**. on **12 April 2021**, being 7 working days before the date of the AGM to submit his/her vote.

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Keppel DC REIT

Postage will be paid by addressee. For posting in Singapore only.

BUSINESS REPLY SERVICE
PERMIT NO. 09289

Keppel DC REIT Management Pte. Ltd.
(as Manager of Keppel DC REIT)
c/o Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

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4. The Proxy Form must be submitted in the following manner:

   (a) if submitted by post, be lodged with the Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or

   (b) if submitted electronically, be submitted via email to keppel@boardroomlimited.com,

   in either case, by **3.00 p.m.** on **18 April 2021**, being 72 hours before the time appointed for holding this AGM.

   A Unitholder who wishes to submit the Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Unitholders to submit completed Proxy Forms by post, Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.

5. The Proxy Form must be executed under the hand of the appointor or of his or her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

6. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a duly certified copy of such power of attorney, must (failing previous registration with the Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

7. The Manager and the Trustee shall have the right to reject any Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager may reject any Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his or her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by CDP to the Manager.

8. Any reference to a time of day is made by reference to Singapore time.

Keppel DC REIT Management Pte. Ltd.
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