Keppel DC REIT

ANNUAL REPORT 2023

INVESTING IN THE DIGITAL ERA TOGETHER

VISION

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

MISSION

Guided by Keppel's Core Values, we will create value for our investors by growing a quality portfolio of data centre assets that generates sustainable returns.

OVERVIEW

OPERATIONS REVIEW

SUSTAINABILITY REPORT

CORPORATE INFORMATION

FINANCIAL STATEMENTS

GOVERNANCE

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INVESTING IN THE DIGITAL ERA TOGETHER

Keppel DC REIT strategically invests in data centres, playing a pivotal role in shaping the digital future. We strive to curate a future-ready portfolio, capitalising on emerging industry trends such as artificial intelligence. We are committed to delivering and creating long-term value for stakeholders through proactive management and sustainable practices.

Key Figures for 2023

DISTRIBUTABLE INCOME

$167.7m

for FY 2023, contributed by positive reversions and income escalations.

DISTRIBUTION PER UNIT[1]

9.383 cts

for FY 2023. This represents a distribution yield of 4.81%, based on the market closing price of $1.950 as at 31 December 2023.

HEALTHY AGGREGATE LEVERAGE[2]

37.4%

as at end 2023. Average cost of debt was 3.3% per annum and interest coverage ratio was 4.7 times for FY 2023.

PRUDENT CAPITAL MANAGEMENT

74%

of loans are hedged, with the bulk of debt expiring from 2026 and beyond. Forecast foreign-sourced distributions substantially hedged till end December 2024.

DIVERSIFIED PORTFOLIO OF QUALITY DATA CENTRES

$3.7b[3]

Long-term growth underpinned by diversified global portfolio with strong Asia Pacific presence and pursuit of strategic accretive acquisitions.

HIGH PORTFOLIO OCCUPANCY

98.3%

Proactive asset management and engagement with prospective clients on new opportunities to optimise portfolio returns.

LONG PORTFOLIO WEIGHTED AVERAGE LEASE EXPIRY[4]

7.6 years

Maintained optimal mix of contract types and a well-spread expiry profile to enhance income stability.

MSCI ESG RATING

'AA' rating

Keppel DC REIT retained its 'AA' rating in the MSCI ESG Ratings assessment for the second year in a row in 2023.

1 Computed based on the distributable income to Unitholders after the deduction of Capex Reserves that has been set aside.
2 Computed based on gross borrowings and deferred payment as a percentage of deposited properties, both of which do not consider the lease liabilities pertaining to a land rent option and an extension offer.
3 Include investment in debt securities issued by M1 Network Private Limited.
4 By area. Weighted average lease expiry by rental income was 4.5 years as a higher proportion of rental income is from colocation assets, which typically have shorter contractual periods.

OVERVIEW

Corporate Profile and Strategic Direction

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

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

Keppel DC REIT has a diversified global portfolio with strong Asia Pacific presence, with assets under management of approximately $3.7 billion as at 31 December 2023.

Its portfolio comprises 23 data centres strategically located in key data centre hubs, with an attributable lettable area of approximately 3.1 million sq ft in 13 cities in nine countries across Asia Pacific and Europe. Keppel DC REIT's investments comprise a mix of colocation, fully-fitted and shell and core assets, as well as debt securities, thereby reinforcing the diversity and resiliency of its portfolio.

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

Keppel DC REIT aims to be the preferred data centre REIT, serving as a trusted partner to its stakeholders.

With sustainability at the core of its business and strategy, the Manager employs a three-pronged strategy to create value 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
- Unlock value through ongoing portfolio assessments, with capital redeployed at higher yields

PROACTIVE ASSET MANAGEMENT

- Optimise returns through proactive portfolio and asset management
- Prudent management of property expenses for operational efficiency
- Optimise portfolio performance through asset enhancement initiatives and other value-creation opportunities including sustainability initiatives
- Deliver quality offerings that meet the evolving needs and requirements of a global clientele
- Maintain an optimal mix of lease types with (i) colocation assets with diversified client profiles and contract terms, as well as (ii) fully-fitted and shell and core assets with long-term leases

PRUDENT CAPITAL MANAGEMENT

- Employ an optimal mix of debt and equity in financing acquisitions and capital expenditures to optimise returns while maintaining financial flexibility
- Apply appropriate hedging strategies to achieve good 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 growth and operational requirements
- Monitor risk exposure closely to ensure effectiveness of policies against evolving market conditions

INVESTING IN THE DIGITAL ERA TOGETHER

CHRISTINA TAN
Chairman

With a diversified portfolio of quality assets, Keppel DC REIT is at the heart of digital transformation and innovation across industries.

DEAR UNITHOLDERS,

2024 marks the 10th anniversary of Keppel DC REIT's inception as Asia's first pure-play data centre REIT.

Over this transformative period, we have grown our assets under management from approximately $1.0 billion to $3.7 billion. Our geographical footprint has expanded from eight to 23 assets, with a presence in key data centre markets in Asia Pacific and Europe. Despite the unprecedented circumstances in the past decade, such as the global pandemic, Keppel DC REIT has demonstrated resilience and agility as we adapted swiftly to the challenges to create value for our stakeholders.

Since our listing in December 2014, we have delivered a total return of 193.2% to Unitholders as at 31 December 2023.

FY 2023 KEY HIGHLIGHTS

For the financial year ended 31 December 2023 (FY 2023), Keppel DC REIT achieved distributable income of $167.7 million and distribution per Unit of 9.383 cents, amidst a challenging global operating environment marked by increased geopolitical tensions, weak growth and the steepest interest-rate hike in four decades.

Our diversified portfolio of quality data centres continued to attract a high-quality global client base comprising mainly leading cloud service providers and global technology companies. Together with our high portfolio occupancy of 98.3% and long weighted average lease expiry of 7.6 years by area as at 31 December 2023, we continue to ensure the stability and resilience of our revenue streams. In FY 2023, we were also successful in securing new and renewal contracts with positive reversions and improving our power pass through positions during contract renewals for our colocation data centres.

Our portfolio asset valuation remained stable year-on-year reflecting strong market fundamentals and growth prospects.

> "Keppel DC REIT has demonstrated resilience and agility as we adapted swiftly to the challenges to create value for our stakeholders."

INVESTING IN THE DIGITAL ERA TOGETHER

The data centre industry is poised for robust growth, driven by several secular trends. Cloud spending is expected to continue to grow as businesses and consumers increasingly adopt cloud-based solutions and services for efficiency and scalability. Further, the global rollout of 5G technology is expected to drive data centre demand as more devices are connected at higher speeds. Emerging technological trends such as the Internet of Things and generative artificial intelligence are also creating new data centre demand as they generate vast amounts of data to be processed and stored.

With a diversified portfolio of quality assets, Keppel DC REIT is at the heart of digital transformation and innovation across industries. Our data centres play a critical role in providing the much needed connectivity solutions to power the digital era.

As we shape the future of digital infrastructure, we will also stay ahead of industry trends to meet the evolving needs of our tenants and key stakeholders. We will continue to actively manage and optimise our portfolio of assets, leveraging Keppel's unique proposition of operational and technical expertise to create value in a constantly changing world.

We will build on our strong track record of delivering growth through third-party acquisitions and remain on the active lookout for accretive and quality opportunities.

Sustainable data centre solutions are imperative to balance growth in the digital era. Committed to sustainability and innovation, Keppel has shared plans to build DataPark+, an innovative, scalable, low-carbon, modular data centre campus. Keppel has also obtained government approval for the construction of a floating data centre module which uses seawater instead of potable water for cooling. As part of Keppel, Keppel DC REIT is positioned to propel the data centre industry towards a greener future.

Looking ahead, we expect more acquisition opportunities for quality data centres as the interest rate environment stabilises. Supported by a robust balance sheet, Keppel DC REIT is well positioned to capture strategic growth opportunities. We will build on our strong track record of delivering growth through third-party acquisitions and remain on the active lookout for accretive and quality opportunities. In addition, our sponsor Keppel, together with its private funds, has more than $2 billion worth of data centre assets under development and management that Keppel DC REIT can potentially acquire.

IN APPRECIATION

As part of our Board renewal process, Mr Lee Chiang Huat, Mr Dileep Nair and Dr Tan Tin Wee stepped down as independent directors in FY 2023. Having served on the Board since Keppel DC REIT's listing, they were instrumental in the growth of the REIT. On behalf of the Board, I would like to extend our appreciation to them for their strategic guidance and invaluable contributions.

Keppel, together with its private funds, has more than $2 billion worth of data centre assets under development and management that Keppel DC REIT can potentially acquire.

The Manager will actively manage and optimise the portfolio, leveraging Keppel's unique proposition of operational and technical expertise to create value in a constantly changing world.

We warmly welcome Mr Chua Soon Ghee and Mr Andrew Tan, who were appointed as Independent Directors on 1 September 2023. With their extensive expertise and insights from across multiple sectors, Keppel DC REIT will benefit from their skills and experience.

At the management team, Mr Loh Hwee Long, was appointed as Chief Executive Officer on 28 July 2023, taking over the helm from Ms Anthea Lee who left the Manager during the year. Hwee Long has served with Keppel for a total of more than ten years and has over 23 years of experience in real asset investment, asset and fund management. We are confident that under his leadership, Keppel DC REIT will continue on its next phase of growth and rise to new heights. We thank Anthea for her contributions to the REIT over the past eight years.

In closing, I would like to thank my fellow Directors, the management team and employees for their dedication and contributions to generate sustainable returns for our Unitholders. I would also like to extend my appreciation to our investors and business partners for their support as we celebrate Keppel DC REIT's 10th anniversary and work towards many more years of growth.

Yours sincerely,

Christina Tan

CHRISTINA TAN
Chairman
29 February 2024

Group Financial Highlights

RESULTS HIGHLIGHTS AND RATIOS
for the financial year ended 31 December

	2023 $'000	2022 $'000	Change %
Gross Revenue	**281,207**	277,322	1.4
Net Property Income	**244,951**	252,545	(3.0)
Distributable Income	**167,718**	184,872	(9.3)
Distribution per Unit (DPU)[1] (cents)	**9.383**	10.214	(8.1)
Distribution Yield[2] (%)	**4.81**	5.77	-96 bps
Weighted Average all-in Interest Rate (% per annum)	**3.3**	2.2	+110 bps
Interest Coverage Ratio (times)	**4.7**	7.6	-2.9 times

BALANCE SHEET HIGHLIGHTS AND RATIOS
as at 31 December

	2023 $'000	2022 $'000	Change %
Investment Properties[3]	**3,655,932**	3,639,453	0.5
Total Assets[3,4]	**4,006,551**	4,107,663	(2.5)
Deposited Properties	**3,950,224**	4,051,734	(2.5)
Gross Borrowings[4,5]	**(1,470,624)**	(1,464,792)	0.4
Deferred Payment[6]	**(7,868)**	(8,106)	(2.9)
Lease Liabilities[3,4]	**(13,021)**	(12,717)	2.4
Total Liabilities	**(1,652,590)**	(1,650,745)	0.1
Unitholders' Funds	**2,310,980**	2,414,118	(4.3)
Units in Issue ('000)	**1,721,430**	1,718,650	0.2
Net Asset Value (NAV) per Unit ($)	**1.34**	1.40	(4.3)
Adjusted NAV per Unit, excluding distribution ($)	**1.30**	1.35	(3.7)
Aggregate Leverage[4] (%)	**37.4**	36.4	+100 bps

HALF-YEARLY RESULTS

	First Half		Second Half		Full Year
	$'000	%	$'000	%	$'000
Gross Revenue					
2023	**140,464**	**50**	**140,743**	**50**	**281,207**
2022	135,540	49	141,782	51	277,322
Net Property Income					
2023	**127,353**	**52**	**117,598**	**48**	**244,951**
2022	123,235	49	129,310	51	252,545
Distributable Income					
2023	**91,311**	**54**	**76,407**	**46**	**167,718**
2022	91,158	49	93,714	51	184,872
DPU[1] (cents)					
2023	**5.051**	**54**	**4.332**	**46**	**9.383**
2022	5.049	49	5.165	51	10.214

1 Computed based on the distributable income to Unitholders after the deduction of Capex Reserves that has been set aside.
2 Based on closing unit price of $1.950 and $1.770 per Unit as at 31 December 2023 and 31 December 2022 respectively.
3 Investment properties and total assets include the carrying value of the lease liabilities pertaining to a land rent option and an extension offer.
4 Computed based on gross borrowings and deferred payment as a percentage of deposited properties, both of which do not consider the lease liabilities pertaining to a land rent option and an extension offer.
5 Gross borrowings relates to external borrowings drawn down from term loan facilities, revolving credit facilities and multicurrency debt issuance programme.
6 Deferred payment relates to the remaining amount payable on the building shell of Guangdong Data Centre 3. The lower amount year-on-year was due to foreign currency translation effect.

bps = basis points

2023 Significant Events

Keppel DC Dublin 1 and 2 (pictured) achieved LEED v4.1 Operations and Maintenance Gold certification in 2023.

Q1

- Secured an A$30 million sustainability-linked loan
- Achieved LEED v4.1 Operations and Maintenance Gold certification for Keppel DC Dublin 2

Q2

- Issued €50 million of floating rate notes due 2030 pursuant to the S$2 billion Multicurrency Debt Issuance Programme
- Achieved LEED v4.1 Operations and Maintenance Gold certification for Keppel DC Dublin 1

Q3

- Mr Loh Hwee Long appointed as Chief Executive Officer
- Improved ranking to 11th from 12th in the Singapore Governance and Transparency Index under the REIT and Business Trust category
- Mr Lee Chiang Huat and Mr Dileep Nair stepped down as Independent Directors
- Mr Andrew Tan and Mr Chua Soon Ghee appointed as Independent Directors
- Achieved 3 Star rating and Green Star status for the 2023 GRESB Real Estate Assessment submission, an improvement from 2022
- Secured a S$120 million sustainability-linked Islamic multi-currency credit facility

Q4

- Dr Tan Tin Wee stepped down as Independent Director
- Issued S$90 million of floating rate notes due 2026 pursuant to the S$2 billion Multicurrency Debt Issuance Programme
- Maintained 'AA' MSCI ESG rating

Corporate Governance at a Glance

The Board and management of Keppel DC REIT Management Pte. Ltd., as manager of Keppel DC REIT, are fully committed to upholding good corporate governance standards.

HIGHLIGHTS

100%

Board meeting attendance

Lead Independent Director appointed since November 2020

TENURE (YEARS)

3	0-3 years
2	3-6 years
2	6-9 years

BOARD GENDER DIVERSITY

2 female

5 male

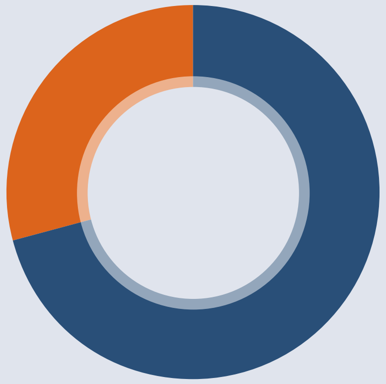
ATTENDANCE TABLE

	Board Meetings Attended	Audit and Risk Committee Meetings Attended	Nominating and Remuneration Committee Meetings Attended	Environmental, Social and Governance Committee Meetings Attended	Unitholders Meetings Attended
Ms Christina Tan	5	–	3	–	1
Mr Kenny Kwan	5	–	3	–	1
Ms Yeo Siew Eng	5	4	–	–	1
Mr Low Huan Ping	5	4	–	2	1
Mr Chua Soon Ghee*	2/2	–	–	–	–
Mr Andrew Tan*	2/2	1/1	–	–	–
Mr Thomas Pang	5	–	–	2	1
No. of Meetings held in FY 2023	**5**	**4**	**3**	**2**	**1**

* Mr Chua Soon Ghee and Mr Andrew Tan were appointed to the Board on 1 September 2023 and were appointed as members to their respective board committees accordingly.

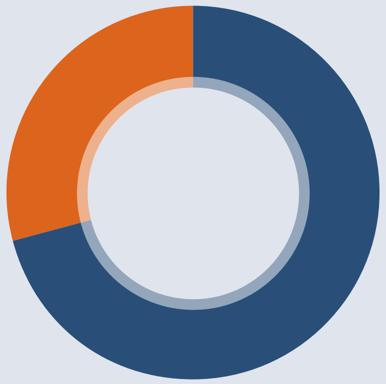
BOARD COMPOSITION DASHBOARD

INDEPENDENCE



Independent Directors	71%
Non-Independent Directors	29%

AGE PROFILE



50-59 years old	71%
60-69 years old	29%

CORPORATE GOVERNANCE POLICIES

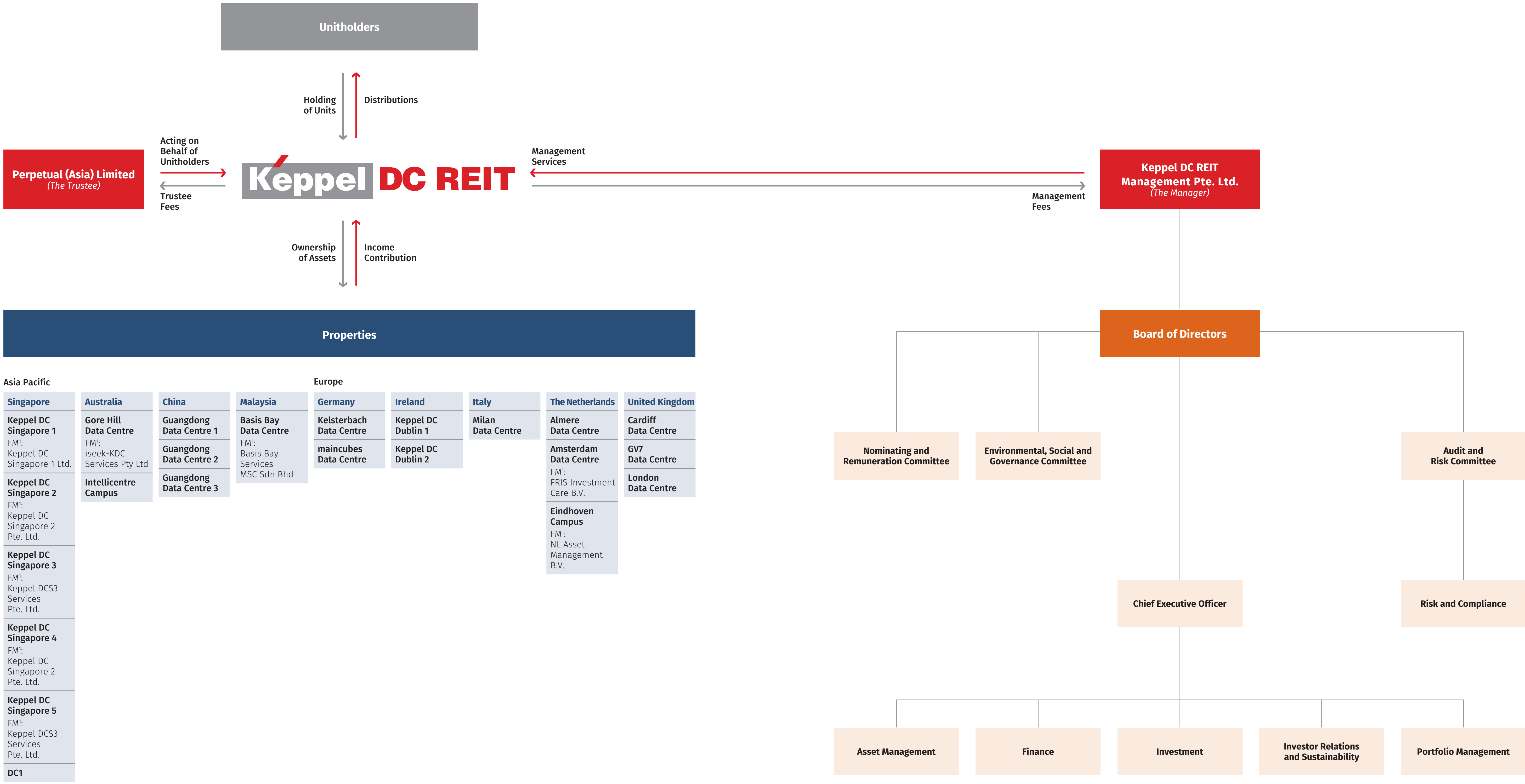
The Manager adopts the Code of Corporate Governance 2018 issued by the Monetary Authority of Singapore on 6 August 2018, as amended from time to time (the "CG Code") as its benchmark for corporate governance policies and practices. The Manager is pleased to share that Keppel DC REIT has complied with the principles of the CG Code and complied in all material aspects with the provisions and practices in the CG Code. Where there are deviations from the provisions of the CG Code, appropriate explanations have been provided in this Annual Report. Please refer to pages 162 to 191 for more information on Keppel DC REIT and the Manager's governance policies.

RISK MANAGEMENT AND INTERNAL CONTROLS

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.

HOW KEPPEL DC REIT COMPLIES WITH THE CG CODE

Trust and Organisation Structure



[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

E Environmental, Social and Governance Committee

CHRISTINA TAN, 58

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 2023):
7 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 2024):
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.;
Keppel Fund Management Limited (f.k.a. Alpha Investment Partners Limited);
Keppel Capital Alternative Asset Pte. Ltd.

Major Appointments (other than directorships):
Chief Executive Officer, Fund Management and Chief Investment Officer, Keppel Ltd.

Past Directorships held over the preceding 5 years (from 1 January 2019 to 31 December 2023):
Various subsidiaries and associated companies of Keppel Fund Management Limited and funds managed by Keppel Fund Management Limited

Others:
Nil

KENNY KWAN, 54

Lead Independent Director

N

Date of first appointment as a director:
28 February 2019

Length of service as a director (as at 31 December 2023):
4 years 10 months

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

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

Present Directorships (as at 1 January 2024):
Listed companies
Micro-Mechanics (Holdings) Ltd.

Other principal directorships
M1 Network Private Limited

Major Appointments (other than directorships):
Partner, Allen & Overy LLP, Singapore

Past Directorships held over the preceding 5 years (from 1 January 2019 to 31 December 2023):
Nil

Others:
Nil

YEO SIEW ENG, 66

Independent Director

A

Date of first appointment as a director:
1 November 2022

Length of service as a director (as at 31 December 2023):
1 year 1 month

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

Academic & Professional Qualification(s):
Bachelor of Accountancy, University of Singapore (n.k.a. National University of Singapore);
Fellow of the Singapore Institute of Chartered Accountants;
Member of the Singapore Institute of Directors

Present Directorships (as at 1 January 2024):
Listed companies
Venture Corporation Limited

Other principal directorships
Transit Link Pte Ltd; Maritime and Port Authority of Singapore (w.e.f. 2 February 2024)

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2019 to 31 December 2023):
Nam Lee Pressed Metal Industries Limited

Others:
Former Partner of Deloitte and Touche LLP, Singapore/Deloitte and Touche

LOW HUAN PING, 67

Independent Director

A E

Date of first appointment as a director:
28 February 2019

Length of service as a director (as at 31 December 2023):
4 years 10 months

Board Committee(s) served on:
Member of Audit and Risk Committee
Member of Environmental, Social and Governance 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 2024):
Listed companies
Nil

Other principal directorships
M1 Network Private Limited

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2019 to 31 December 2023):
Nil

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

CHUA SOON GHEE, 52

Independent Director

N E

Date of first appointment as a director:
1 September 2023

Length of service as a director (as at 31 December 2023):
3 months

Board Committee(s) served on:
Member of Nominating and Remuneration Committee
Member of Environmental, Social and Governance Committee

Academic & Professional Qualification(s):
Master of Science in Electrical Engineering, Stanford University, USA;
Bachelors of Science with Honors in Electrical Engineering and Economics (Double Major), California Institute of Technology (Caltech), USA

Present Directorships (as at 1 January 2024):
Listed companies
Nil

Other principal directorships
Infocomm Media Development Authority (IMDA);
A.T. Kearney Pte Ltd

Major Appointments (other than directorships):
Senior Partner, Global Talent Team, A.T. Kearney Pte Ltd

Past Directorships held over the preceding 5 years (from 1 January 2019 to 31 December 2023):
Nil

Others:
Nil

Board of Directors

TAN KOK KIONG ANDREW, 56

Independent Director

A

Date of first appointment as a director:
1 September 2023

Length of service as a director (as at 31 December 2023):
3 months

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

Academic & Professional Qualification(s):
Advanced Management Programme, INSEAD Business School, Fontainebleau, France;
Masters in Public Administration, Kennedy School of Government, Harvard University;
Postgraduate Diploma in Business Administration, National University of Singapore;
First Class Honours Degree in History from King's College, University of London, UK;
Member of Singapore Institute of Directors

Present Directorships (as at 1 January 2024):
Listed companies
Kim Heng Ltd.

Other principal directorships
Agoda Company Pte Ltd;
GoTyme Bank; Singapore Management University (SMU)'s Enterprise Board

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2019 to 31 December 2023):
Nil

Others:
Nil

THOMAS PANG THIENG HWI, 59

Non-Executive Director

E

Date of first appointment as a director:
18 November 2014

Length of service as a director (as at 31 December 2023):
9 years 2 months

Board Committee(s) served on:
Chairman of Environmental, Social and Governance Committee

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

Present Directorships (as at 1 January 2024):
Listed companies
Nil

Other principal directorships
ADCF C Private Limited;
Keppel Data Centres Pte Ltd; M1 Limited;
Keppel Anhui Food Logistics Park Pte Ltd;
Keppel Jilin Food Logistics Park Pte. Limited;
Keppel Technology and Innovation Pte Ltd;
Keppel Networks Infrastructure Pte Ltd,
Computer Generated Solutions, Inc

Major Appointments (other than directorships):
Chief Executive Officer, Data Centres and Networks Division, Keppel Ltd.

Past Directorships held over the preceding 5 years (from 1 January 2019 to 31 December 2023):
Various subsidiaries and associated companies of Keppel Telecommunications & Transportation Ltd and Keppel DC REIT;
Keppel Capital Holdings Pte. Ltd.;
SVOA Public Company Ltd

Others:
Nil

The Manager

LOH HWEE LONG, 47

Chief Executive Officer

Mr Loh has more than 23 years of experience in real asset investment, asset and fund management across major global markets in Asia Pacific, Europe, Middle East and North America. He was appointed as Chief Executive Officer of the Manager on 28 July 2023.

Prior to joining the Manager, Mr Loh was the Chief Investment Officer, Data Centres, at Keppel Capital, overseeing its data centre strategies across various investment platforms and mandates. Before joining Keppel, he held senior positions with the Government of Singapore Investment Corporation (GIC) Real Estate and Mapletree Investments, where he was responsible for investments across multiple real estate sectors as well as spearheading entry into new markets. Mr Loh began his career with Keppel Land.

Mr Loh holds a Bachelor of Science (Real Estate) degree from the National University of Singapore where he graduated with First Class Honours. He received a scholarship from Keppel in 1997.

Present Directorships (as at 1 January 2024):
Various subsidiaries and associated companies of Keppel DC REIT

Past Directorships held over the preceding 5 years (from 1 January 2019 to 31 December 2023):
Ruyi Asset Management Pte. Ltd.; Helios (DC2) Pte. Ltd.; Huailai (DC2) Pte. Ltd.; Fusion (DC2) Pte. Ltd.; Fusion Ireland (DC2) Private Limited; Keppel DC Malaysia 1 Sdn. Bhd.; GH Cloud Management Pty Ltd; Jinhuitong Creative Design (Shanghai) Co., Ltd.; PT Indokeppel Datacentre JKT, Huizhou Bike Property Development Co., Ltd.

ADAM LEE SIN JUN, 39

Chief Financial Officer

Mr Lee has over 15 years of experience in the areas of financial and statutory reporting, management accounting, taxation and audit.

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

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 real estate investment trusts 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 2024):
Various subsidiaries and associated companies of Keppel DC REIT

Past Directorships held over the preceding 5 years (from 1 January 2019 to 31 December 2023):
Lakson Technology Pte. Ltd.

CHARMAINE CAI JIALING, 42

Head of Portfolio Management

Ms Cai has over 17 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 (Rockworth), 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 and directorships 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 experiences include 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 2024):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2019 to 31 December 2024):
Nil

Investor Relations

The Manager proactively engages with the investment community to apprise them of Keppel DC REIT's developments and seek their feedback.

In its communication with the investment community, Keppel DC REIT is guided by the principles and guidelines set out in the Investor Relations (IR) policy which is published on its corporate website. The Manager employs various platforms to enhance its outreach to the investment community, with an emphasis on timely, accurate, fair and transparent disclosure of information.

EFFECTIVE AND TIMELY DISCLOSURES

Keppel DC REIT announces its financial results on a half-yearly basis and provides voluntary business updates for the first and third quarters of the year. On a quarterly basis, the Manager conducts live webcasts or analyst teleconferences to announce its results and business updates. The Manager also works with research houses to organise post-results in-person meetings and virtual teleconferences with investors to address their queries and provide updates on Keppel DC REIT's strategy, performance and outlook.

Keppel DC REIT's website serves as a repository for the latest information including the annual report, factsheet, financial and portfolio information, investor presentations and media releases. Investors may also subscribe to receive email alerts for key announcements. The IR contact is published on the corporate website and in all media releases to facilitate communication with the investment community.

ONGOING STAKEHOLDER ENGAGEMENT

In 2023, the Manager had close to 750 engagements with institutional investors and analysts in Singapore,

Keppel DC REIT's AGM was convened physically on 19 April 2023 to enhance investor engagement.

Australia, Europe, Hong Kong, Japan, Malaysia, Middle East, North America, South Korea and Thailand through a mix of in-person and virtual investor conferences, roadshows, meetings, and site visits.

In addition, the Manager participated in the Keppel REITs and Trust Investor Day held in Bangkok in partnership with DBS to reach out to institutional investors via a mix of one-on-one and group meetings as well as a panel discussion.

To broaden its outreach to retail investors, the Manager participated in the Singapore REITS Symposium 2023 with approximately 815 attendees and a webinar hosted by Phillip Securities with approximately 165 attendees. Keppel DC REIT also conducted teach-in sessions to approximately 230 private bank clients and client advisors from DBS and UBS. A small group luncheon with the online financial community was organised in 2023.

ANNUAL GENERAL MEETING

Keppel DC REIT's 8th Annual General Meeting (AGM) took place on 19 April 2023. Attended by approximately 180 Unitholders, the AGM provided a platform for two-way engagement as the Board and management addressed questions from Unitholders. Ahead of the AGM, the Manager published responses to substantial and relevant questions from Unitholders and the Securities Investors Association (Singapore) on SGXNet and the corporate website.

All AGM resolutions were polled with an independent scrutineer appointed to count and validate the AGM's votes. All resolutions tabled at the AGM were passed. Results and minutes of the AGM, as well as the presentation slides were published on SGXNet and Keppel DC REIT's website.

ACCOLADES AND MEMBERSHIPS

Keppel DC REIT is a member of the REIT Association of Singapore, which aims to promote the growth and development of the S-REIT industry.

Testament to Keppel DC REIT's efforts to uphold strong corporate governance, there was an improvement in its ranking in the Singapore Governance and Transparency Index under the REIT and Business Trust category in 2023 to 11th position in 2023 from 12th in 2022.

Constituent of Key Indices[1]

- GPR 250 Index Series
- FTSE Global Minimum Variance Index Series
- FTSE EPRA Nareit Global Real Estate Index Series
- FTSE ST Index Series
- FTSE RAFI™ Index Series
- iEdge SG ESG Leaders Index
- iEdge SG ESG Transparency Index
- iEdge-UOB APAC Yield Focus Green REIT Index
- Morningstar Singapore Yield REIT Focus Index
- MSCI Singapore Small Cap Index
- MSCI Singapore IMI Index

Research Coverage

Keppel DC REIT is covered by 14 equity research houses and Bloomberg:

- Bank of America Securities
- CGS-CIMB
- Citi Research
- CLSA Singapore
- DBS Group Research
- Goldman Sachs Equity Research
- HSBC Global Research
- J.P. Morgan Securities
- Macquarie Securities
- Morgan Stanley Research
- Morningstar Equity Research
- OCBC Investment Research
- Phillip Securities
- UOB Kay Hian

UNITHOLDING BY TYPE (%)
as at 5 February 2024

Sponsor and related parties	20.2
Institutional	38.4
Retail	41.4
Total	**100.0**

UNITHOLDING BY GEOGRAPHY[2] (%)
as at 5 February 2024

Singapore	16.2
North America	14.5
Asia (excluding Singapore)	11.0
Europe (excluding UK)	6.4
United Kingdom (UK)	4.4
Others[3]	47.5
Total	**100.0**

1 The list of key indices is not exhaustive.
2 Excluding Sponsor and related parties.
3 Others comprise the rest of the world, as well as unidentified holdings and holdings below the analysis threshold.

Investor Relations

INVESTOR RELATIONS CALENDAR

Financial Year Ended 31 December 2023

Q1	Q2	Q3	Q4
FY 2022 results announcement and webcast	1Q 2023 operational updates and analyst teleconference	1H 2023 results announcement and webcast	3Q 2023 operational updates and analyst teleconference
FY 2022 post-results group investor luncheon and virtual meeting hosted by Daiwa	1Q 2023 post-operational updates group luncheon and virtual meeting hosted by J.P. Morgan	1H 2023 post-results group investor luncheon and virtual meeting hosted by Citi	3Q 2023 post-results group investor luncheon and virtual meeting hosted by DBS
Roadshow for Malaysia investors hosted by CLSA	Keppel DC REIT's 8th AGM	Roadshow for Hong Kong investors hosted by CLSA	Group luncheon with online financial community
Webinar for retail investors and trading representatives hosted by Phillip Securities	J.P. Morgan ASEAN TMT 1X1 Forum	Keppel REITs and Trust Investor Day 2023	Virtual roadshow for Australia investors hosted by UBS
NH-DBS Singapore REITs Corporate Day 2023	Teach-in for UBS Private Banking Client Advisors	Roadshow for Malaysia investors hosted by CGS-CIMB	Morgan Stanley Twenty-Second Annual Asia Pacific Summit
Virtual roadshow for Australia Investors hosted by Morgan Stanley	UOB Kay Hian Virtual Shariah Gems Conference 2023	Macquarie ASEAN Conference	UBS Global Real Estate CEO/CFO Conference 2023
	DBS-REITAS Private Banking Luncheon	Bank of America 2023 Global Real Estate Conference	Reverse roadshow for Korea investors hosted by SGX
	Singapore REITS Symposium 2023	Roadshow for Japan investors hosted by Daiwa	
	UBS OneASEAN Conference		

Unitholder Enquiries

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(65) 6803 1679

Email
investor.relations@keppeldcreit.com

Website
www.keppeldcreit.com

OVERVIEW

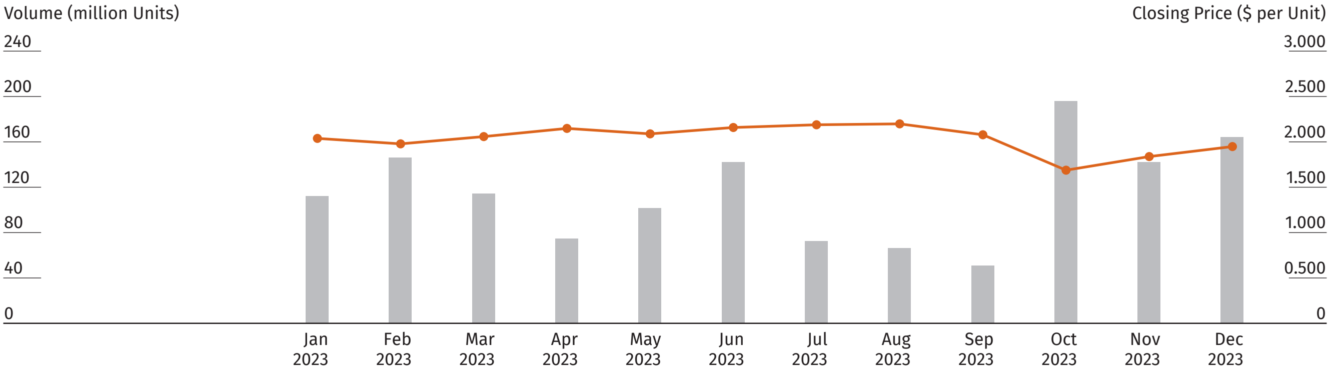
Unit Price Performance

Keppel DC REIT's market closing price was $1.950 per Unit as at 31 December 2023.

Distribution per Unit (DPU) was 9.383 cents for the financial year ended 31 December 2023, which translated to a distribution yield of 4.8% based on the market closing price per Unit of $1.950 as at 31 December 2023.

As at 31 December 2023, Keppel DC REIT delivered total Unitholder return of 15.9% for FY 2023.

MONTHLY TRADING PERFORMANCE



	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023
Monthly trading volume (million Units)	112.6	146.2	114.8	75.2	101.9	142.6	72.7	66.7	51.1	196.2	142.6	164.3
Closing Unit price month-end ($ per Unit)	2.040	1.980	2.060	2.150	2.090	2.160	2.190	2.200	2.080	1.690	1.840	1.950

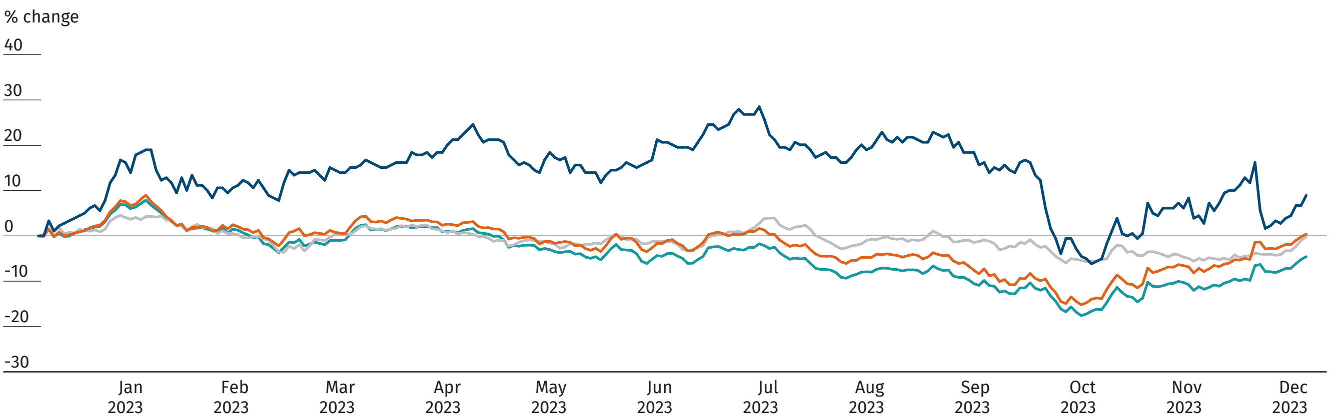
UNIT PRICE PERFORMANCE ($ per Unit)

	2023	2022
Highest closing price	**2.300**	2.470
Lowest closing price	**1.680**	1.600
Average closing price	**2.034**	2.002
Closing price on last trading day of the year	**1.950**	1.770
Trading volume (million Units)	**1,386.9**	1,363.8

COMPARATIVE YIELDS (%)
as at 31 December 2023

	Yield
Keppel DC REIT	4.8[1]
STI	5.1
FTSE ST REIT Index	5.1
FTSE ST RE Index	4.9
10-year SG Govt Bond	2.7
5-year SG Govt Bond	2.7
CPF Ordinary Account	2.5

UNIT PRICE PERFORMANCE AGAINST INDICES (%)
for the period from 1 January 2023 to 31 December 2023

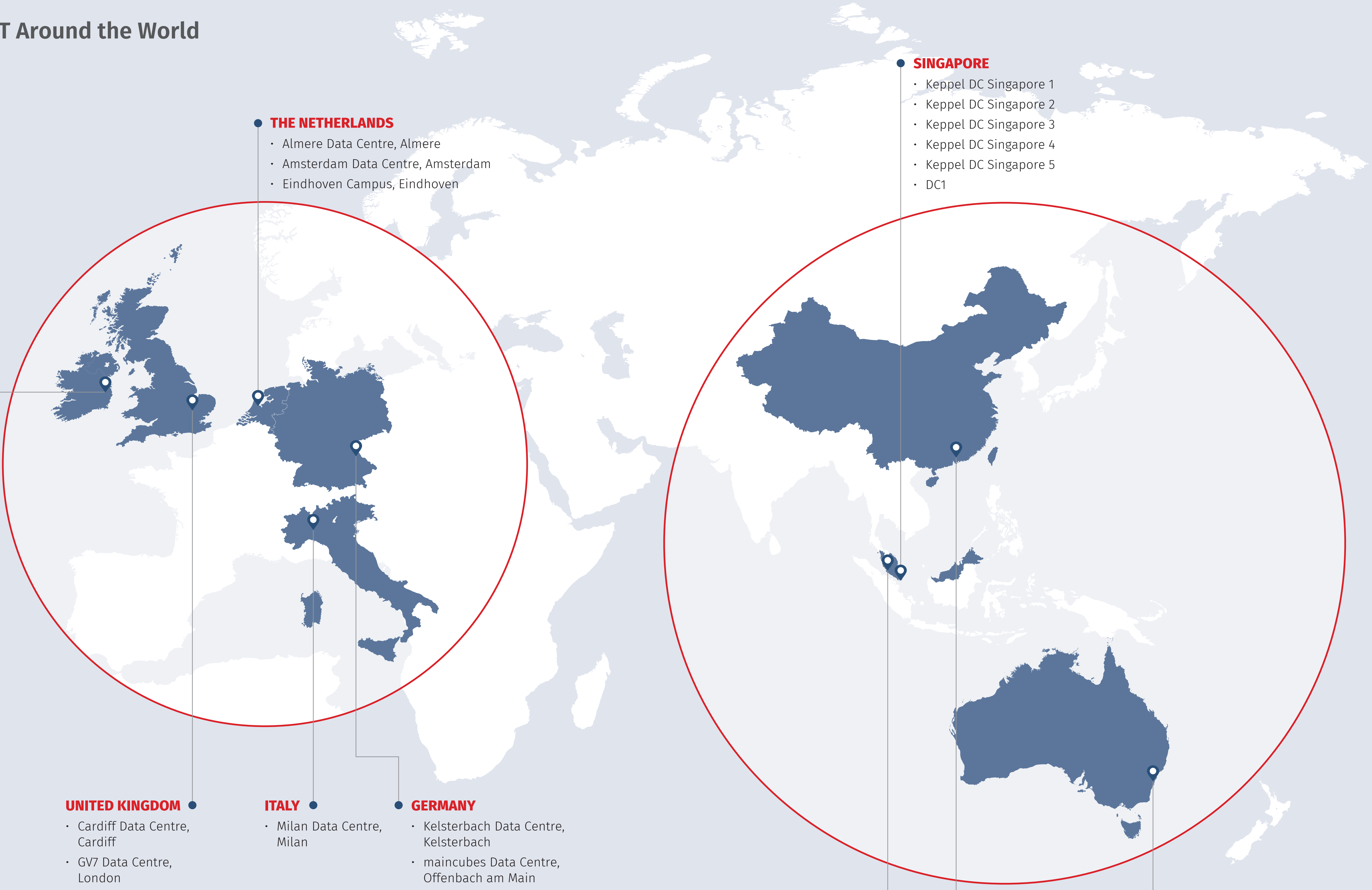


Keppel DC REIT	+8.9
FTSE ST REIT Index	+0.4
STI	-0.2
FTSE ST RE Index	-4.6

Sources: Bloomberg, Monetary Authority of Singapore and Central Provident Fund.

[1] Based on Keppel DC REIT's total DPU of 9.383 cents for FY 2023 and the market closing price per Unit of $1.950 as at 31 December 2023.

Keppel DC REIT Around the World



IRELAND
- Keppel DC Dublin 1, Dublin
- Keppel DC Dublin 2, Dublin

THE NETHERLANDS
- Almere Data Centre, Almere
- Amsterdam Data Centre, Amsterdam
- Eindhoven Campus, Eindhoven

UNITED KINGDOM
- Cardiff Data Centre, Cardiff
- GV7 Data Centre, London
- London Data Centre, London

ITALY
- Milan Data Centre, Milan

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

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

CHINA
- Guangdong Data Centre 1, Guangdong Province
- Guangdong Data Centre 2, Guangdong Province
- Guangdong Data Centre 3, Guangdong Province

AUSTRALIA
- Gore Hill Data Centre, Sydney
- Intellicentre Campus, Sydney

ASSETS UNDER MANAGEMENT (AUM)

$3.7b

as at 31 December 2023

TOTAL ATTRIBUTABLE LETTABLE AREA

3.1m sq ft

23 data centres across nine countries

INDEPENDENT MARKET REVIEW

By DC Byte

Cloud computing is expected to be the key factor underpinning global data centre growth in the age of digital transformation.

GLOBAL DATA CENTRE OVERVIEW

The global data centre market supply totals approximately 33,000 MW as at 31 December 2023, with colocation[1] facilities making up 62.5% and the rest comprising self-build[2] data centres. The largest share of this global supply is taken up by global cloud service providers (CSP) such as Amazon Web Services (AWS), Microsoft and Google, totalling 21.8% of the global supply. While the CSPs pursue a mix of self-build and colocation strategies, wholesale colocation[3], which makes up 41.3% of the colocation market, remains an attractive option as it offers a flexible and scalable option with shorter lead time to delivery of capacity when compared to a self-build strategy.

The global live colocation data centre supply grew by 10.3% year-on-year from 20,577 MW in 2022 to 22,701 MW in 2023E while demand increased by 13.2% from 17,791 MW to 20,142 MW for the same period. Supply is projected to grow at a compound annual growth rate (CAGR) of 13.2% between 2023E and 2027F, while demand growth is expected to outpace supply at a CAGR of 16.2% for the same period. Cloud computing is expected to be the key factor underpinning global data centre growth in the age of digital transformation.

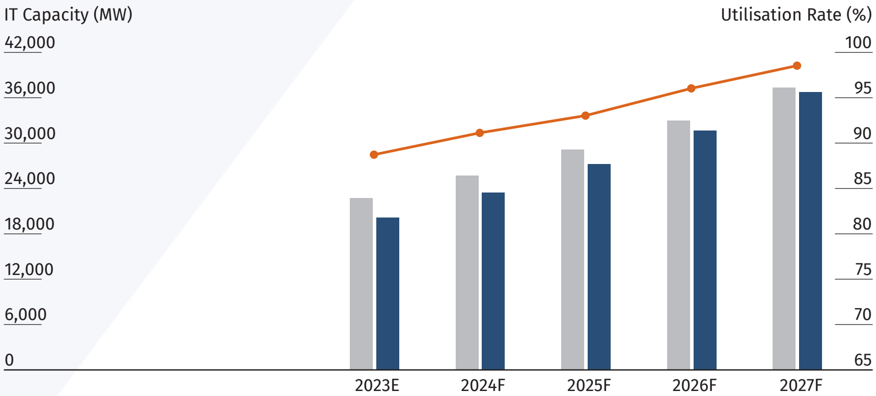
Colocation demand from the CSPs currently makes up 19.5% of the total global demand, growing by a five-year CAGR (2018 to 2023E) of 45.0%. It is projected to remain the primary driver of colocation demand over the next five years.

Asia Pacific

The Asia Pacific[4] (APAC) data centre industry has seen rapid growth and is projected to be the fastest growing region over the next five years. Colocation demand is estimated to grow at a CAGR of 18.6% from 2023E to 2027F, while the colocation supply is expected to grow by a CAGR of 16.9% for the same period.

1 Colocation facilities are built for the leasing of space and IT within from a dedicated third-party provider of data centre space. Colocation includes retail, wholesale and build-to-suit facilities.
2 Self-build operators are data centre operators who build and run their facilities for their own use. Examples may include banks, telecommunication companies or, more recently, hyperscale companies such as the US or Chinese technology giants.
3 Wholesale colocation are data centres developed at scale for large customer deployments. Rents tend to be lower and the size of individual deals commensurately larger, perhaps 1 MW or higher per deal as a typical size.
4 Asia Pacific region includes North Asia (China, Hong Kong, Taiwan, Japan, South Korea), Southeast Asia, Oceania, South Asia (India, Pakistan, Bangladesh).

GLOBAL COLOCATION DATA CENTRE SUPPLY/DEMAND/UTILISATION[1]



	2023E	2024F	2025F	2026F	2027F
Total Live Supply (MW)	22,701	25,697	29,089	32,929	37,276
Total Live Take-up (MW)	20,142	23,405	27,196	31,602	36,721
Utilisation Rate (%)	89	91	93	96	99

1 Utilisation refers to the proportion of total demand to total supply.

The region currently makes up 37.5% of the global colocation supply, growing by 13.9% from 7,481 MW in 2022 to 8,523 MW in 2023E.

CSPs make up 30.1% of APAC's colocation data centre market demand in 2023, growing by a CAGR of 19.3% from 2018 to 2023E. Meanwhile, the social media and enterprise segments saw the strongest growth in colocation demand across the APAC data centre market during the same period.

As a testament to high cloud demand, hyperscale deal sizes in excess of 20 MW are increasingly being observed in the region. In developed data centre markets in APAC, such as Japan, South Korea, Hong Kong, Singapore and Australia, there is also an increase in the redevelopment of legacy assets as well as the development of data centre campuses outside the city centres where land and power are more readily available.

Europe

Europe is a relatively mature data centre market, and makes up 22.7% of global colocation supply, growing by 11.0% year-on-year from 4,633 MW in 2022 to 5,143 MW in 2023E. Colocation supply is projected to grow at a CAGR of 12.8% from 2023E to 2027F, while the colocation demand is expected to reach a CAGR of 15.1% for the same period.

Global CSPs make up 49.1% of Europe's colocation data centre market demand in 2023, growing at a CAGR of 46.3% from 2018 to 2023E. The social media segment saw the highest five-year CAGR in colocation demand across the Europe data centre market during the same period.

Key Trends

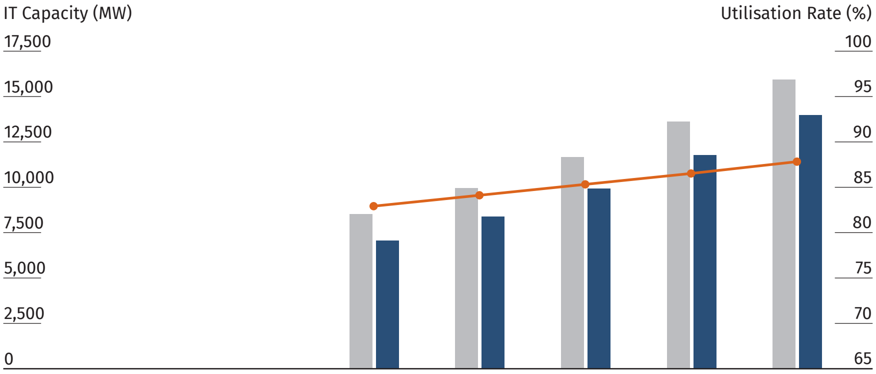
1. **Rise of Secondary Markets**
   Fierce competition for power and land in major developed data centre markets has resulted in secondary markets catering to the spillover demand, underpinned by the CSPs' decentralised strategy to set up cloud zones in areas with lower land and power costs. Cities such as Kuala Lumpur, Johor Bahru, Bangkok, Madrid and Milan are well poised to capture the spillover demand from their neighbouring key data centre markets. In the emerging markets in Southeast Asia, data centre supply jumped from 216 MW in 2018 to 511 MW in 2023E, clocking a CAGR of 18.8%.

2. **Government Policies**
   Given the high water and electricity consumption associated with data centre operations amidst rising environmental concerns, government authorities are implementing stricter sustainability standards.

Independent Market Review

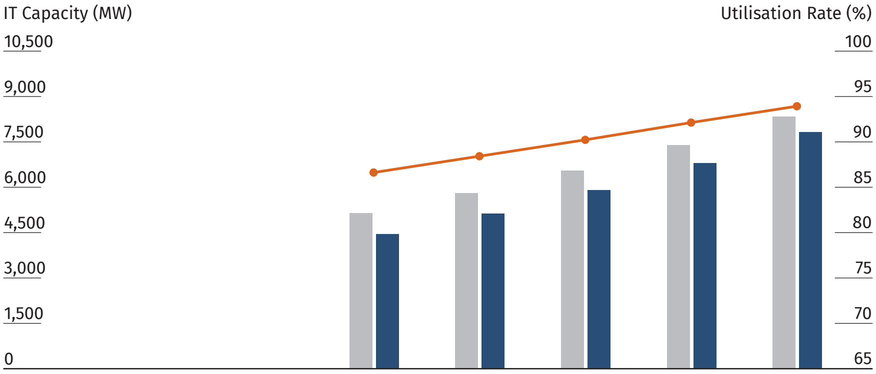
By DC Byte

ASIA PACIFIC COLOCATION DATA CENTRE SUPPLY/DEMAND/UTILISATION



	2023E	2024F	2025F	2026F	2027F
Total Live Supply (MW)	8,523	9,963	11,647	13,616	15,917
Total Live Take-up (MW)	7,061	8,375	9,932	11,780	13,971
Utilisation Rate (%)	83	84	85	87	88

EUROPE COLOCATION DATA CENTRE SUPPLY/DEMAND/UTILISATION



	2023E	2024F	2025F	2026F	2027F
Total Live Supply (MW)	5,143	5,801	6,543	7,381	8,326
Total Live Take-up (MW)	4,456	5,128	5,903	6,794	7,820
Utilisation Rate (%)	87	88	90	92	94

In APAC, the higher cost of renewables due to the lack of existing renewable energy infrastructure and inconsistent regulations has led to lower adoption rates in its information and communications technology (ICT) sector at approximately 16% as compared with 81% in Europe and 59% in Americas in 2022[1]. However, policy changes in recent years have geared the APAC region towards higher renewable energy use in the future. Key data centre markets such as Singapore, Australia, Japan and South Korea have articulated targets to achieve net carbon neutrality by 2050 by transitioning to green energy.

Major established data centre markets in Europe are also seeing stricter regulations imposed on new data centre developments to stay within their climate protection targets. For instance, in the major data centre hub of West London, the high electricity demand from data centres has put pressure on the local power grid. Despite the ongoing efforts to expand electricity capacity and upgrade infrastructure in West London, the main substation, Iver B, is set to face significant delays, potentially extending until 2037, which will impact upcoming deployments.

The European Union (EU) aims to reduce greenhouse emissions and enhance adoption of renewable energy and energy efficiency by 2030. Each member nation has implemented strategies to achieve these goals, such as increasing the use of renewables, enacting a waste-heat system to reuse heat produced from data centres in Germany, and requiring alternative energy sources to be used in the Netherlands.

More countries are mandating businesses store and process data within their borders, resulting in growing local demand for data centres and increased investments in domestic digital infrastructure. For instance, the General Data Protection Regulation in Europe mandates strict data protection measures and necessitates the storage of personal data of EU citizens within the European Economic Area while in Australia, the Privacy Act governs the handling of personal information and undergoes periodic reviews, impacting business operations and data flows. To mitigate legislative risks associated with cross-border data transfers, operators and companies are adapting by decentralising data centre operations to mitigate legislative risks associated with cross-border data transfers.

3. **Artificial Intelligence (AI)**
The demand for high computing power for AI and Machine Learning (ML) projects has led to the rise of green mega campuses, chosen primarily for their large size, as well as lower land and power costs. For example, in the US, which is leading the AI boom, agreements exceeding 20 MW are increasingly common. Less latency-sensitive functions, such as ML, are strategically planned away from major cities to maintain cost effectiveness and access to renewable energy, such as solar farms or on-site water-cooling plants.

AI workloads will result in the emergence of a new data centre segment to support the high-density AI workloads. Such facilities will feature higher rack density from the existing average of 15kW – 60kW per

[1] Engie (2022)

rack to 100kW – 125kW per rack, and updated cooling infrastructure, such as liquid cooling and direct-to-chip cooling. This transition is expected to take several years, with short-term AI demand deployed on cloud platforms in the meantime.

4. Supply Chain
Supply chain issues are expected to persist, leading to protracted construction lead times. Coupled with limited natural resources and labour shortages in major developed markets, data centre construction costs have increased by an average of 4.9%[2] year-on-year in 2023, especially in Tier 1 markets.

While the supply chain is gradually strengthening, it is still behind due to the massive projects and heightened demand. To address supply chain risks, the data centre industry is forming strong partnerships, adopting multi-vendor strategies and employing modularised systems.

Looking Ahead

The robust growth of colocation data centre supply is predicted to continue as enterprises prioritise scalable and flexible IT infrastructure, and hyperscale CSPs continue to adopt a wholesale colocation strategy to complement their self-build deployment strategy. In key developed markets, data centre demand will outstrip the tight supply in the short term, leading to higher colocation lease rates and utilisation.

In the short term, global interest rates could pose a challenge as governments enact a tighter monetary policy to rein in inflation, with potential disruptions to the energy and food markets. However, interest rates in the major markets are expected to peak in mid-2024 to 2025, in line with the gradual recovery of the global economy.[3]

The data centre sector's capitalisation rates are forecast to remain resilient, primarily due to the limited supply, as well as a wider pool of buyers looking to pivot to digital infrastructure, and will drive investor demand for both new data centre developments and stabilised assets.

[2] Cushman & Wakefield (September 2023)
[3] World Bank (January 2024)

Keppel DC Singapore 5 is located in Jurong, one of the largest clusters of data centres in Singapore.

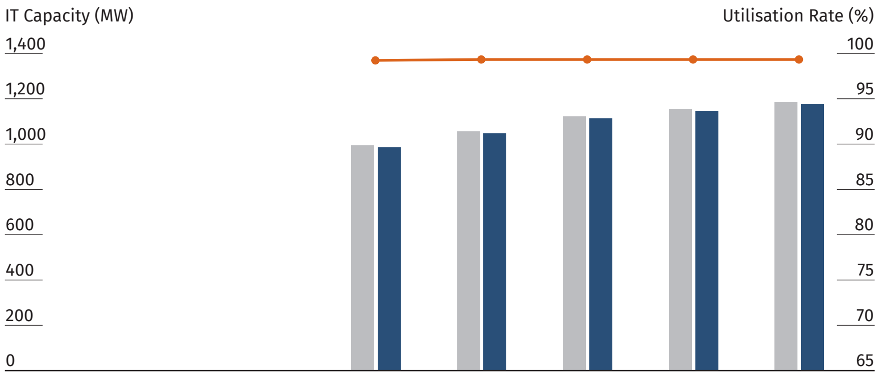
SINGAPORE

Singapore is a Tier 1 data centre market and serves as one of the key connectivity and financial centres in the APAC region. Its stable geopolitical environment, strong subsea cable connectivity and robust energy infrastructure have attracted diverse regional data centre demand from financial institutions, e-commerce, cloud and international enterprises.

There has been a constraint in data centre supply due to the moratorium on data centres implemented in 2019. While the pilot Data Centre Call for Application (CFA) held in July 2022 signals a relaxation, stringent sustainability and economic requirements were imposed on new builds, including a minimum power usage effectiveness of 1.3.

In July 2023, Equinix, GDS, an AirTrunk-ByteDance Consortium, and Microsoft were awarded a total of around 80 MW of IT capacity as part of the CFA.

SINGAPORE DATA CENTRE SUPPLY/DEMAND/UTILISATION



	2023E	2024F	2025F	2026F	2027F
Total Live Supply (MW)	993	1,053	1,119	1,153	1,183
Total Live Take-up (MW)	984	1,045	1,111	1,145	1,176
Utilisation Rate (%)	99	99	99	99	99

Independent Market Review
By DC Byte

The new supply is expected to come online from 2026 onwards given the time required for site selection, construction and fit-out works. Additional future capacity is expected to be allocated in the next 12 to 18 months from July 2023, with future CFAs expected to allocate an undisclosed additional capacity every 12 to 18 months, similar to the pilot programme.

The colocation segment takes up the largest market share in Singapore's data centre market in 2023 at 57.1%. Local operators such as Keppel Data Centres, Singtel and STT as well as international operators such as AirTrunk, Digital Realty and Equinix have significant market presence.

Demand growth is driven by increased digitalisation and cloud adoption in tandem with the Singapore government's focus on digital transformation. There is also a spillover effect to neighbouring areas, such as Johor Bahru and Batam, in line with the Economic Development Board's SG+ strategy to position Singapore as the regional 'control tower'.

There is a strong hyperscale presence from global CSPs such as Google, Microsoft, and AWS who have set up their APAC headquarters in Singapore and have significant deployments to facilitate their regional activities. Meanwhile, Chinese hyperscalers, such as Alibaba, Huawei, Bytedance and Tencent, also have regional headquarters in Singapore and take up wholesale space from colocation operators, such as Global Switch, Digital Realty, Equinix, STT and Keppel Data Centres.

Notable colocation expansions over the next few years include Keppel's Keppel DC Singapore 7, AirTrunk's SGP1, Equinix's SG4 and Singtel's DC Tuas. CSPs expansions include AWS' Jurong facility and Google's Lok Yang Way Campus.

The multi-year pause on new data centre development has led to high demand in Singapore, resulting in high utilisation rates of 99% recorded in 2023E. Singapore's data centre demand grew by 72 MW year-on-year in 2023E, clocking a historical five-year CAGR (2018-2023E) of 20.2%. Demand is projected to reach 1,176 MW in 2027F (estimated five-year CAGR of 4.5% between 2023E to 2027F), limited by the supply growth in the market.

Singapore's data centre supply grew by 77 MW to reach 993 MW in 2023E, clocking a five-year CAGR (2018 – 2023E) of 17.3% for the same period. Future supply is projected to grow at an estimated CAGR (2023E to 2027F) of 4.5% in the post-moratorium landscape.

Intellicentre Campus is located within Macquarie Park in the north of Sydney, and is 12km away from the central business district.

SYDNEY, AUSTRALIA

Sydney is a Tier 1 data centre market in Australia and makes up 60% of the national supply in 2023. Underpinned by its position as a financial hub and data localisation regulations, Sydney's key customer base includes banks and the associated institutions. The Australia government is also a key data centre client due to significant investments in digital transformation and its cloud-first movement.

The colocation segment makes up 81.4% of Sydney's data centre market and comprises a mix of domestic operators such as CDC Data Centres, Macquarie Data Centres, and NEXTDC, and international operators, such as Digital Realty, Equinix and Global Switch. AWS and Microsoft engage in self-build deployments, while Google opts for colocation data centres.

Transparent regulations and a favourable business environment have led to increased investment from CSPs, resulting in a growing supply of self-build facilities over the past few years. Key global CSPs are expected to continue expanding their capacity across Sydney through a combination of self-builds and colocation data centres.

The Sydney market clocked utilisation rates of 83% in 2023E. Demand expanded by 60 MW year-on-year in 2023E, recording a historical five-year CAGR (2018 to 2023E) of 24.9%. Future demand is projected to be an estimated CAGR (2023E to 2027F) of 20.2%.

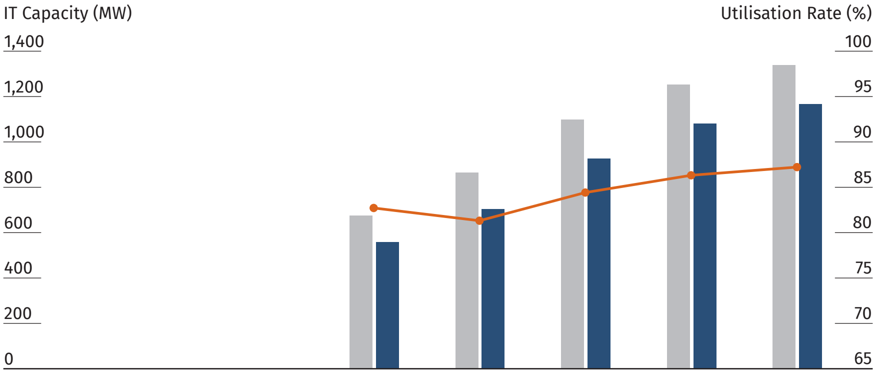
Supply grew by 100 MW to reach 675 MW in 2023E, clocking a CAGR (2018 to 2023E) of 26.5%. Future supply is projected to be an estimated CAGR (2023E to 2027F) of 18.6%. With new supply expected from 2024 to 2025, there may be short-term headwinds on lease rates before the market recalibrates. Utilisation rates are forecast to improve post-2024 once the new supply is absorbed.

GUANGDONG, CHINA

Guangdong is part of the Guangdong-Hong Kong-Macao megalopolis, commonly known as the Greater Bay Area (GBA), with a population of over 124 million in 2023. The Guangdong province is a key socio-economic powerhouse, contributing over 10% of China's national GDP in 2022.

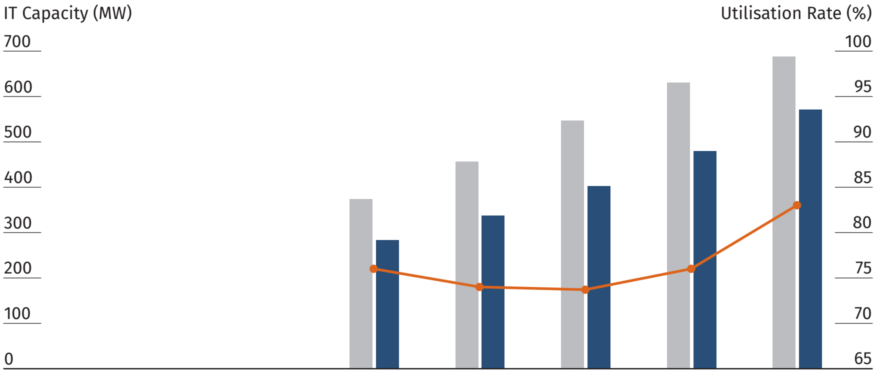
The economic downturn has significantly affected China's retail colocation market, which primarily caters to enterprise clients. There has been a decline in demand for retail colocation due to the slowdown in enterprise businesses as a consequence of the challenging economic environment.

SYDNEY DATA CENTRE SUPPLY/DEMAND/UTILISATION



	2023E	2024F	2025F	2026F	2027F
Total Live Supply (MW)	675	864	1,097	1,251	1,337
Total Live Take-up (MW)	558	703	926	1,079	1,165
Utilisation Rate (%)	83	81	84	86	87

GUANGZHOU DATA CENTRE SUPPLY/DEMAND/UTILISATION



	2023E	2024F	2025F	2026F	2027F
Total Live Supply (MW)	373	456	546	630	687
Total Live Take-up (MW)	283	337	402	479	570
Utilisation Rate (%)	76	74	74	76	83

Independent Market Review
By DC Byte

Despite the economic slowdown, hyperscalers have continued to invest in the data centre market. One push factor is the adoption of AI (i.e. generative and predictive AI) across varying industries from tech to life sciences. The Chinese government is set to release a future industry development action plan in 2024. Announced by China's Ministry of Industry and Information Technology, the action plan will target a wide range of tech-heavy sectors as well as promote large-scale 5G applications coupled with the deployment of intelligent computing facilities.

The Greater Bay Area is one of the three eastern national computing hubs identified in China's Eastern Data, Western Computing initiative aimed at facilitating the movement of China's data storage and computing from the populous regions in the east to resource-rich regions in the west. The GBA data centre hub cluster is positioned in the city of Shaoguan, which has secured approvals to develop over 500,000 cabinets by 2025. This would see a further 38% of growth to existing approved supply.

Data centres are spread across various cities in Guangdong province, serving diverse sectors such as retail, e-commerce sector, manufacturing, science, research and technology. Leading Chinese CSPs such as Alibaba, Tencent and Baidu have established cloud regions within the province and are likely to drive demand as part of China's push for 5G capabilities, artificial intelligence and digital economy.

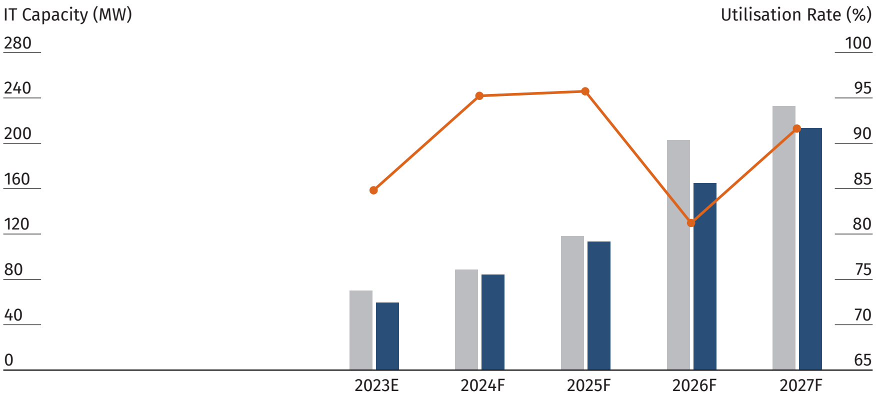
The Guangzhou market recorded utilisation rates of 76% in 2023E. Demand expanded to 284 MW in 2023E, recording a historical five-year CAGR (2018 to 2023E) of 20.8%. Future demand is projected to be an estimated CAGR (2023E to 2027F) of 19.1%.

Supply grew by 16 MW to reach 373 MW in 2023E, clocking a CAGR (2018 to 2023E) of 18.9%. Future supply is projected to be an estimated CAGR (2023E to 2027F) of 16.5% as new data centre developments, particularly those serving non-latency sensitive demand, is expected to expand beyond the core Guangzhou market.

CYBERJAYA, MALAYSIA

Cyberjaya is the largest and most established submarket within the Greater Kuala Lumpur (KL) data centre market. KL has a population of 1.9 million, and Cyberjaya forms a key part of the Multimedia Super Corridor in Malaysia.

CYBERJAYA DATA CENTRE SUPPLY/DEMAND/UTILISATION



	2023E	2024F	2025F	2026F	2027F
Total Live Supply (MW)	70	88	118	202	232
Total Live Take-up (MW)	59	84	113	164	213
Utilisation Rate (%)	85	95	96	81	92

The Malaysian government has set up dedicated taskforces such as the Malaysia Digital Economy Corporation and Malaysian Investment Development Authority to support the data centre market. The Green Lane Pathway policy also fast tracks electricity supply to data centres by reducing the implementation period through a direct tie-up with Malaysian electricity provider TNB. More than MYR 76 billion has been invested from 2021 to 2023 to establish a smart grid and increase the proportion of renewable energy from 17% in 2021 to 40% by 2035.

Colocation makes up 78.4% of the Cyberjaya data centre market. Colocation players, such as EdgeConneX, STT GDC and VantageDC, plan to build new data centre facilities, with some campuses exceeding 200 to 300 MW. The current supply pipeline expected for Cyberjaya's data centre market over the next five years is more than eight times of the existing live supply, indicating intense competition in the colocation market.

There is a shift towards a self-build strategy from CSPs as they seek to set up a regional footprint, favouring KL's ample land and power. Microsoft plans to establish its first data centre region in Malaysia as part of the 'Bersama Malaysia' initiative, while AWS has announced plans for a new cloud region in Malaysia, having acquired a 11-hectare land plot.

The Cyberjaya market recorded utilisation rates of 85% in 2023E. Demand expanded by 11 MW year-on-year in 2023E, recording a historical five-year CAGR (2018 to 2023E) of 26.5%. Future demand is projected to reach an estimated CAGR (2023E to 2027F) of 37.6%.

Supply grew by 2 MW to reach 70 MW in 2023E, clocking a CAGR (2018 to 2023E) of 20.3%. Future supply is projected to reach an estimated CAGR (2023E to 2027F) of 35.0%. A slight dip in utilisation is expected in 2026F due to the influx of supply but the market will recalibrate as the new supply is absorbed.

FRANKFURT, GERMANY

Frankfurt is a Tier 1 data centre market and the first established public cloud market in Germany. It is also Europe's digital capital and connectivity hub, home to the world's largest internet exchange, DE-CIX.

In 2022, the 'Frankfurt Data Centre Master Plan' was introduced, dividing the city into suitable, restricted suitable and exclusion areas for data centre development. However, this zoning unintentionally increased land costs as data centre operators face increased competition from the wider commercial sector. The expected bottleneck in supply might lead hyperscalers to seek space in existing colocation facilities, potentially increasing lease rates.

The newly passed Energy Efficiency Bill in October 2023, imposes energy reuse factors of at least 10%, 15% and 20% for data centres that begin operations after 1 July 2026, 1 July 2027 and 1 July 2028 respectively. However, concerns exist about the costs to build and implement the heat waste infrastructure and who it will be borne by. If lease rate increases become unreasonable, operators and users may consider migrating to other key European markets. Germany also signed a deal with the United Arab Emirates in 2022 for the supply of liquefied natural gas to reduce dependence on Russian energy.

CSPs remain the key driver for Frankfurt's data centre demand. AWS, Microsoft, Google and French cloud computing firm, OVHcloud, have established cloud regions in the city, maintaining growth through a wholesale colocation and self-build strategy. A new availability zone in the south of Frankfurt is slowly gaining visibility, as new development schemes are announced. Strong cloud adoption from businesses undergoing digital transformation and data localisation regulatory requirements continues to drive data centre demand and future CSP activities.

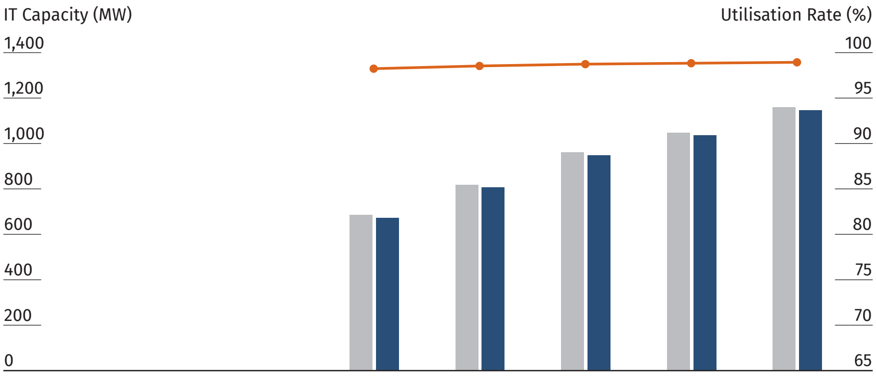
To address land and power constraints from the master plan, colocation market leaders plan to develop multi-megawatt campuses outside Frankfurt. Key upcoming developments are clustered in the north and south regions of Frankfurt, including expansions by Digital Realty, Iron Mountain and Vantage as well as new market entrants by STACK and DATA4. Key CSPs are expected to expand their capacity across southern Frankfurt and Limburg, with self-build projects by Google and AWS expected to go live by end of 2023.

Frankfurt saw high utilisation rates of 98% recorded in 2023E as new supply had been pre-committed during development. Frankfurt's data centre demand grew by 77 MW year-on-year, clocking a historical five-year CAGR (2018 to 2023E) of 21.7%. Future demand is forecast to grow by a CAGR of 14.2% from 2023E to 2027F.

Supply grew by 159 MW to reach 685 MW in 2023E, clocking a five-year CAGR (2018 to 2023E) of 17.1%. Future supply is estimated to grow by a CAGR of 14.0% from 2023E to 2027F.

maincubes DC offers high interconnectivity to the world's largest internet exchange, DE-CIX.

FRANKFURT DATA CENTRE SUPPLY/DEMAND/UTILISATION



	2023E	2024F	2025F	2026F	2027F
Total Live Supply (MW)	685	817	959	1,046	1,157
Total Live Take-up (MW)	672	805	947	1,034	1,144
Utilisation Rate (%)	98	99	99	99	99

Independent Market Review

By DC Byte

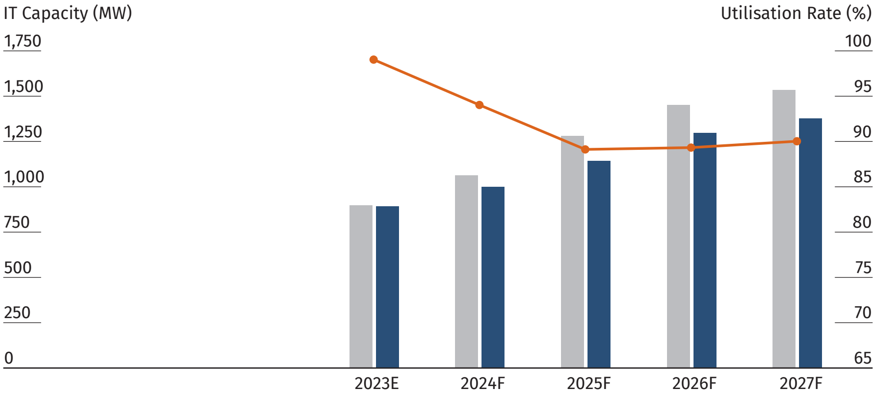
Keppel DC Dublin 2 is an energy-efficient colocation data centre located in the Citywest Business Campus, a prime suburban industrial and commercial location.

DUBLIN, IRELAND

Dublin is a Tier 1 data centre market and is the capital of Ireland, with a population of 1.3 million in 2023.

The Irish government's Climate Action Plan aims to have 80% of electricity from renewable sources by 2030, adding complexity to Dublin's power challenges. Some data centre operators are pursuing on-site gas generation, but there are environmental concerns, leading to rejected planning permissions for Equinix, EdgeConneX and Vantage, which are currently under appeal.

DUBLIN DATA CENTRE SUPPLY/DEMAND/UTILISATION



	2023E	2024F	2025F	2026F	2027F
Total Live Supply (MW)	895	1,060	1,279	1,450	1,531
Total Live Take-up (MW)	891	996	1,140	1,294	1,375
Utilisation Rate (%)	99	94	89	89	90

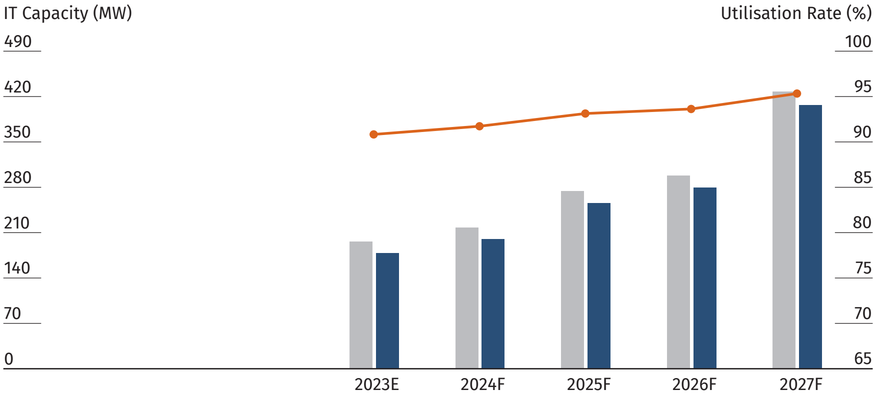
The significant public cloud demand has fuelled self-build and wholesale colocation developments in Dublin. The development of large-scale wholesale colocation facilities of over 20 MW to meet the burgeoning public cloud demand in recent years is expected to raise the share of colocation segment from approximately 23% to 48%. Wholesale colocation providers are strategically locating near hyperscale deployments to tap unmet cloud demand, creating submarket clusters in Grange Castle, Ballycoolen and Clonshaugh.

Dublin has been a self-build hyperscale data centre hub since 2013, with the self-build public cloud segment constituting 63% of the city's total live supply. Major western tech firms have an established presence in Dublin, attracted by Ireland's supply of renewable energy and free cooling capabilities.

The data centre development pipeline in Dublin remains robust as 600MW of pipeline under development comes online from 2024 to 2027. Notable developments include Pure DC's Orion, Microsoft's Naas site in Kildare and AWS' expansion of their North Dublin Mulhuddart campus.

Similar to other mature markets in Europe, new developments are moving outside of Dublin's established clusters. Data centre campuses are emerging in the Greater Dublin Area, such as in Arklow, where two of Echelon's sites are located. These new data centres are positioned in proximity to the T50 Fibre Ring, where power challenges are less severe. Further afield, sites are being developed along the west coast of Ireland, to leverage existing subsea cable connections and future renewable energy projects.

MILAN DATA CENTRE SUPPLY/DEMAND/UTILISATION



	2023E	2024F	2025F	2026F	2027F
Total Live Supply (MW)	196	217	274	298	427
Total Live Take-up (MW)	178	199	255	279	406
Utilisation Rate (%)	91	92	93	94	95

Dublin saw high utilisation rates of 99% recorded in 2023E and demand grew by 114 MW year-on-year, clocking a historical five-year CAGR (2018 to 2023E) of 15.9%. Future demand is projected to grow at a CAGR (2023E to 2027F) of 15.9%, tampered by supply constraints.

Supply grew by 114 MW to reach 895 MW in 2023E, clocking a five-year CAGR (2018 to 2023E) of 15.7% for the same period. Future supply is estimated to grow at a CAGR of approximately 14.4% from 2023E to 2027F. Utilisation may experience a slight dip from 2024F to 2026F due to the influx of supply but is expected to increase as the new supply is absorbed by the market.

MILAN, ITALY

Milan is an emerging data centre market and constitutes 79% of Italy's data centre capacity as of 2023. The city's position as the nation's primary telecommunications and financial hub has driven its data centre market growth.

Initially serving predominantly banks, telecommunications and internet service providers, Milan's customer base has shifted to include CSPs today. The city's strategic accessibility to the Mediterranean and cable landing stations in Genoa has resulted in the rapid development of Milan's digital infrastructure.

While Milan's data centre industry has not yet been acutely impacted by power constraints, challenges are anticipated in the coming years as Italy looks to reduce reliance on fossil fuels, which currently represents 60% of its total power supply.

While primarily a colocation market, with the segment representing 86% of total supply, Milan's data centre market comprises a mix of international operators including Stack Infrastructure, DATA4, Equinix, and domestic operators, such as Aruba and Telecom Italia. Microsoft has self-built deployments, and other CSPs have established a presence in Milan through colocation or partnerships such as Google's tie up with local operator Telecom Italia.

Telecom Italia plays a vital role in the government's cloud migration plans, aligning with broader policies initiated in 2016 to digitalise the nation's public and private sectors. Agreements between national defence companies and CSPs indicate that the public sector will drive Milan's data centre demand.

Milan saw utilisation rates of 91% in 2023E and while take-up remained minimal as most pre-leased capacity signed between 2021 and 2022 have yet to come live. Demand clocked a historical five-year CAGR (2018 to 2023E) of 15.0% and is projected to reach 22.9% from 2023E to 2027F.

Supply grew by 5 MW to reach 196 MW in 2023E, clocking a five-year CAGR (2018 to 2023E) of 15.0% and is forecast to grow by approximately 21.4% from 2023E to 2027F.

ALMERE, NETHERLANDS

Almere is the seventh largest city in the Netherlands, with approximately 220,000 residents as of 2023. The Almere data centre submarket is located within the greater Amsterdam data centre hub, which is approximately 30 minutes' drive to central Amsterdam.

Aligned with the Netherlands' National Strategy on Planning, Almere complies with new data centre development requirements, which requires data centres to be in areas where the existing or future energy networks can meet energy demands. This includes reusing residual heat from data centres in district heating and channelled to the electricity grid.

Due to its advantageous location, being within 30km of Amsterdam's existing data centre hub, ample land, and access to renewable energy through wind farms, Almere is poised to be the next data centre cluster outside of the Amsterdam metro area.

Discussions by the Dutch authorities are underway to enhance Almere's digital infrastructure.

Independent Market Review
By DC Byte

The Almere 2030 plan outlines improvements in infrastructure connectivity from Almere to the Amsterdam metro and Utrecht.

Future data centre growth in Almere is expected to be healthy, driven by spillover demand from central Amsterdam and sustained by the support of local authorities. Almere saw utilisation rates of 92% in 2023E. While demand and supply has remained flat from 2018 to 2023E, demand is expected to grow by a five-year CAGR of 14.5% from 2023E to 2027F while supply is projected to expand by 12.5% for the same period.

AMSTERDAM, NETHERLANDS

Amsterdam is a Tier 1 data centre market in Europe and the key market within the Netherlands. It is home to the world's second largest internet exchange, the Amsterdam Internet Exchange (AMS-IX), and a peering hub driving a significant portion of the regional internet traffic. The Amsterdam data centre market consists of four subregions: Schiphol, Science Park, Amstel and Westpoort.

Power constraints pose the greatest challenge as the national electrical network is unable to meet growing energy demands. Alliander, parent company of the Netherlands' largest utility provider, has announced an €844 million plan to improve the national electricity network. Despite the short-term efforts to expand the power grid, construction may take years to finalise, adding delays to potential data centre developments.

The colocation market makes up 59% of Amsterdam's total supply and is dominated by international players, including EdgeConneX, Equinix and Digital Realty while hyperscalers, such as Microsoft and Google, have an established presence in the wholesale colocation and self-build segments.

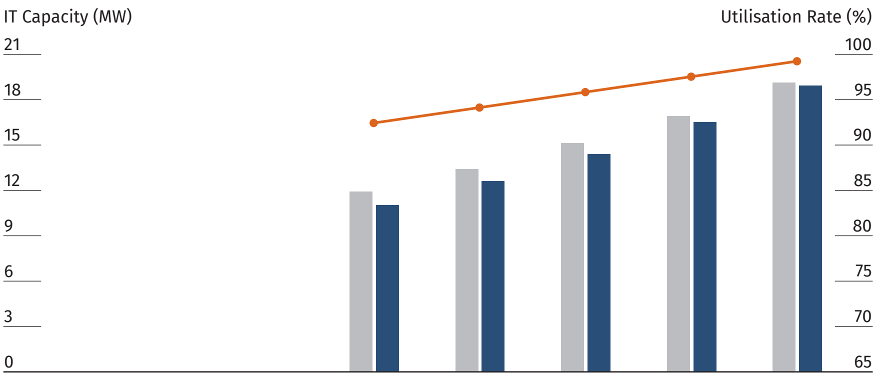
While Amsterdam has recorded strong development activity since the lifting of the moratorium on new data centre construction in mid-2020, many colocations and self-build operators are struggling to obtain power and planning approvals. As such, future projects will likely face delays, resulting in an overall slowdown in data centre developments in Amsterdam for the next couple of years before a gradual uptick.

More developments are expected in the north, where existing and upcoming hyperscale campuses are located or planned, driven by the availability of renewable energy, such as wind and solar farms. Nonetheless, the main Amsterdam metros still remain attractive to colocation operators due to its proximity to AMS-IX.

Amsterdam saw utilisation rates of 94% recorded in 2023E. The take-up grew by 28 MW in 2023E, clocking a historical five-year CAGR (2018 to 2023E) of 16.1% and is projected to grow at a CAGR of 8.8% from 2023E to 2027F.

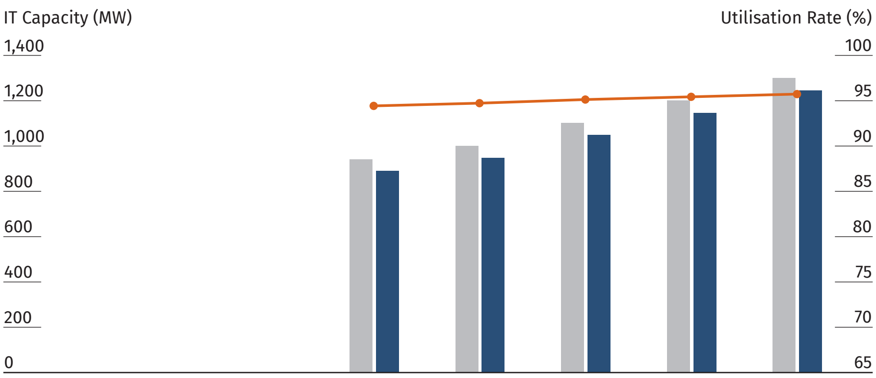
Supply grew by 29 MW to reach 941 MW in 2023E, clocking a five-year CAGR (2018 to 2023E) of 13.2% and is projected to expand at a CAGR of 8.4% from 2023E to 2027F, hampered by the congested power grid.

ALMERE DATA CENTRE SUPPLY/DEMAND/UTILISATION



	2023E	2024F	2025F	2026F	2027F
Total Live Supply (MW)	12	13	15	16	19
Total Live Take-up (MW)	11	12	14	16	19
Utilisation Rate (%)	92	94	96	98	99

AMSTERDAM DATA CENTRE SUPPLY/DEMAND/UTILISATION



	2023E	2024F	2025F	2026F	2027F
Total Live Supply (MW)	940	999	1,101	1,198	1,299
Total Live Take-up (MW)	888	946	1,047	1,143	1,243
Utilisation Rate (%)	94	95	95	95	96

Almere DC is located in the Sallandsekant business park, in the city of Almere, the Netherlands.

EINDHOVEN, NETHERLANDS

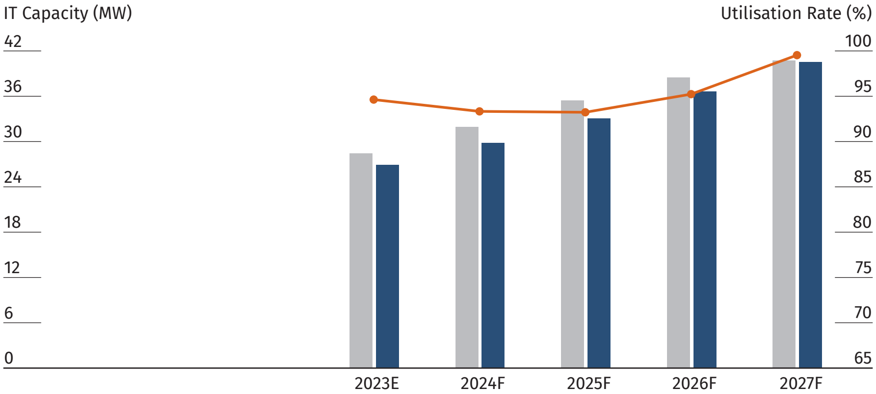
Eindhoven, a Tier 2 data centre market in the Netherlands, borders Belgium to the south and Germany to the east. It is a leading tech and design hub in Europe with a total population of 370,000 as of 2023, hosting major companies, such as ASML and NXP, alongside renowned educational institutions such as University of Technology and Design Academy Eindhoven.

The local data centre landscape comprises mainly retail colocation and self-builds by financial institutions. Colocation players include Dataplace, Colt and NorthC. Although there are currently no planned hyperscale facilities in Eindhoven, the city is one of the fastest growing economies in the Netherlands.

Key demand for colocation data centre capacity mainly comes from enterprises and institutions in tech hubs such as Brainport Industries Campus and High-Tech Campus Eindhoven. Additionally, the 'Roadmap Urban Lighting Eindhoven 2030' initiative, a 15-year smart city roadmap integrating digital infrastructure and energy-saving tech, will drive future data centre demand in Eindhoven.

A key challenge would be limitations of Eindhoven's power grid, which has hindered large electricity consumers from connecting to the power grid since 2022. This power shortage may persist until 2030, slowing down data centre developments. However, the Dutch government has plans to build two nuclear power plants by 2035, and renewable sources, such as solar and wind are receiving substantial investment.

EINDHOVEN DATA CENTRE SUPPLY/DEMAND/UTILISATION



	2023E	2024F	2025F	2026F	2027F
Total Live Supply (MW)	28	32	35	38	41
Total Live Take-up (MW)	27	30	33	37	41
Utilisation Rate (%)	95	93	93	95	100

Independent Market Review
By DC Byte

Eindhoven DC comprises two shell and core data centre buildings as well as a warehouse and an ancillary office building in De Hurk, the largest business park in Eindhoven, the Netherlands.

Eindhoven saw utilisation rates of 95% recorded in 2023E, while new supply and demand remained minimal. Demand clocked a historical five-year CAGR (2018 to 2023E) of 2.1% and is expected to grow by a CAGR of 10.8% from 2023E to 2027F.

Supply reached a historical five-year CAGR (2018 to 2023E) of 1.0% and is expected to grow by a CAGR of 9.4% from 2023E to 2027F.

CARDIFF, UNITED KINGDOM

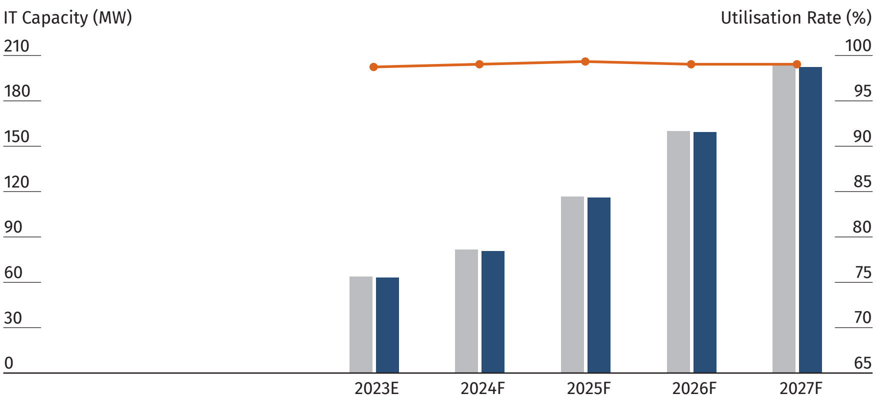
Cardiff is the capital city of Wales with a population of over 488,000 as of 2023 and the growth engine for the Welsh economy. It is a hub for financial services and ICT firms, with a strong presence from educational institutions, transport links and digital infrastructure. Areas, such as Cardiff Bay and the Cardiff City Centre, have undergone significant regeneration to attract investment and boost the economy.

Cardiff benefits from a cool climate, allowing data centres to utilise free air cooling for most of the year. The main sources of renewable energy for Cardiff are onshore wind farms and solar farms.

The Cardiff data centre market is dominated by the wholesale colocation segment, which accounts for 89% of the total supply in 2023. Vantage is the leading colocation player and is expanding their Newport facility with a total of 76 MW planned to be built-out in phases. Microsoft's entry in 2026 as the first CSP in Cardiff, is pending planning approval for a self-build project in Newport in Celtic Gateway Business Park, adjacent to Vantage's Cardiff campus.

The announcement of Microsoft's new availability zone is expected to drive future hyperscale demand in the Cardiff data centre market, alongside spillover demand from West London's constraints to peripheral areas, such as Cardiff, given its proximity to London.

CARDIFF DATA CENTRE SUPPLY/DEMAND/UTILISATION



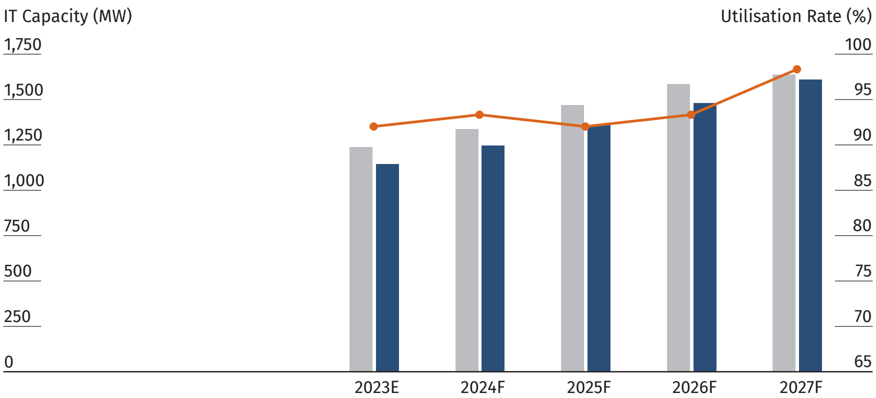
	2023E	2024F	2025F	2026F	2027F
Total Live Supply (MW)	64	81	116	160	203
Total Live Take-up (MW)	63	80	115	159	202
Utilisation Rate (%)	99	99	99	99	99

Further, the completion of a newly laid dark fibre and microduct network capable of moving petabits of data in 2024, will connect Wales to exchange points in Bristol, Slough and London, boosting the Welsh economy.

Cardiff saw utilisation rates of 99% recorded in 2023E, while new supply and demand remained minimal. Demand clocked a historical five-year CAGR (2018 to 2023E) of 16.0% and is expected to grow by 33.8% from 2023E to 2027F.

Supply reached a historical five-year CAGR (2018 to 2023E) of 16.3% and is expected to grow by 33.6% year-on-year from 2023E to 2027F.

LONDON DATA CENTRE SUPPLY/DEMAND/UTILISATION



	2023E	2024F	2025F	2026F	2027F
Total Live Supply (MW)	1,237	1,336	1,468	1,584	1,637
Total Live Take-up (MW)	1,144	1,246	1,357	1,478	1,609
Utilisation Rate (%)	92	93	92	93	98

LONDON, UNITED KINGDOM

London is a Tier 1 data centre market in Europe and reached gigawatt status in 2021. It is the leading financial hub in Europe with a population of 9.6 million in 2023.

Colocation dominates the London data centre market, with wholesale colocation accounting for over 72% of the total supply. Unlike many European markets, London has not yet seen an explosion of large-scale hyperscale self-builds due to the high land cost. Instead, public cloud providers have taken up multi-megawatt deployments from dedicated hyper-wholesale colocation providers, such as VIRTUS, NTT and NGDand Ark Data Centres.

GV7 DC is located in Greenwich View Place, a data centre hub with many operators offering high connectivity services.

Looking ahead, colocation is expected to dominate the development pipeline until 2028, while hyperscalers expand their self-build development plans. AWS, Microsoft and Google have purchased sites in Greater London, including in Leeds, Broxbourne and Hemel Hempstead.

CSPs are key drivers of London's data centre demand. AWS, Microsoft, Google and Oracle accounted for the 45.8% of the market's take-up in 2023. There have been significant cloud deployments in Slough and West London, London's largest data centre clusters. Due to West London's acute supply and power constraints, demand from significant public cloud activity is expected to spill over into different regions outside London including Manchester, Liverpool and Scotland. Despite the acceleration of sites by CSPs for self-builds, appetite for colocation capacity remains, with hyperscalers leasing whole colocation facilities in the market.

London saw high utilisation rates of 92% recorded in 2023E. Demand grew by 84 MW year-on-year, clocking a historical five-year CAGR (2018 to 2023E) of 13.9% and is projected to reach a CAGR of 8.9% from 2023E to 2027F.

Supply grew by 74 MW year-on-year to reach 1,237 MW in 2023E, clocking a five-year CAGR of 11.7% and is forecast to expand by 7.2% from 2023E to 2027F.

PORTFOLIO REVIEW

The Manager will strengthen portfolio resiliency through active portfolio rebalancing, exploring opportunities to unlock value, and pursuing accretive acquisitions.

ACTIVE ASSET AND PORTFOLIO MANAGEMENT

Keppel DC REIT maintained a healthy portfolio occupancy of 98.3% and long weighted average lease expiry (WALE) by area of 7.6 years as at 31 December 2023. 17 of the 23 assets in the portfolio enjoyed full occupancy.

In 2023, the WALE by area of new and renewal contracts, was 3.4 years and these contracts contributed to 15.0% of Keppel DC REIT's rental income as at end December 2023. Keppel DC REIT has a well-spread contract expiry profile. As at 31 December 2023, approximately 49.8% of the REIT's occupied lettable area have more than five years to expiry.

Keppel DC REIT's portfolio comprises 23 data centres with a total attributable lettable area of 3,065,989 sq ft, spanning 13 cities in nine countries as at 31 December 2023. 71.8% of the portfolio's asset under management (AUM) is located in Asia Pacific, while 28.2% is located in Europe.

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
Gore Hill Data Centre	Gore Hill DC
Intellicentre Campus	IC DC
Guangdong Data Centre 1	Guangdong DC 1
Guangdong Data Centre 2	Guangdong DC 2
Guangdong Data Centre 3	Guangdong DC 3
Basis Bay Data Centre	Basis Bay DC
Kelsterbach Data Centre	Kelsterbach DC
maincubes Data Centre	maincubes DC
Keppel DC Dublin 1	KDC DUB 1
Keppel DC Dublin 2	KDC DUB 2
Milan Data Centre	Milan DC
Almere Data Centre	Almere DC
Amsterdam Data Centre	Amsterdam DC
Eindhoven Campus	Eindhoven DC
Cardiff Data Centre	Cardiff DC
GV7 Data Centre	GV7 DC
London Data Centre	London DC

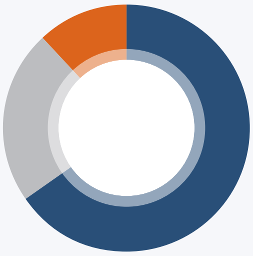
In 2023, the Manager concluded new, renewal and expansion contracts with overall positive reversions on the back of strong market fundamentals and growth prospects, especially in key data centre markets. Placing the same emphasis on client retention, the Manager adopts proactive leasing

strategies, with negotiations on contract renewals initiated at least six months in advance. As part of the due diligence process, the Manager conducts a "Know Your Customer" review before signing or renewing each contract.

The Manager also maintains strong relationships with existing clients through regular engagement, to understand their evolving needs and address any potential concerns to ensure client satisfaction.

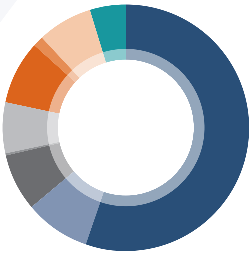
In Ireland, the Manager secured healthy new take-ups and expansion contracts, improving the asset occupancy at KDC DUB 1 from 97.4% as at end 2022 to 98.2% as at end 2023. The Manager also continued to explore asset

RENTAL INCOME BREAKDOWN BY TYPE OF CONTRACT (%)
for December 2023



Colocation	65.4
Fully-fitted	22.9
Shell and Core	11.7
Total	**100.0**

PORTFOLIO AUM BY GEOGRAPHY (%)
as at 31 December 2023[1]



Singapore	55.5
Australia	8.5
China	7.4
Malaysia	0.4
Germany	6.7
Ireland	8.2
Italy	1.6
The Netherlands	7.0
UK	4.7
Total	**100.0**

TOTAL ATTRIBUTABLE LETTABLE AREA BY GEOGRAPHY (%)
as at 31 December 2023

China	21.6
Germany	20.8
Singapore	19.2
The Netherlands	11.2
Australia	10.6
UK	6.5
Italy	5.4
Ireland	3.1
Malaysia	1.6
Total	**100.0**

[1] Includes investment in debt securities and preference shares issued by M1 Network Private Limited. This investment is excluded from the Rental Income Breakdown and Total Attributable Lettable Area by Geography (%) charts as it is not a real estate investment.

optimisation opportunities including the conversion of back-office space into attributable lettable area for additional income at KDC DUB 2, which was completed in 1Q 2023. In line with an increased focus on asset efficiency, both KDC DUB 1 and KDC DUB 2 attained the Leadership in Energy & Environmental Design (LEED) v4.1 Operations and Maintenance Gold certification in April and February 2023 respectively.

In Singapore, the Manager welcomed a positive development for the litigation that it had announced in March 2022. The dispute pertains to the partial default of payment arising from one of the clients in connection with the provision of colocation services at KDC SGP 1. In January 2024, the Singapore High Court issued a judgement in favour of Keppel DC Singapore 1 Ltd. (KDC), the master lessee and appointed facility manager of KDC SGP 1 on its interpretation of contractual rights. In February 2024, KDC and the client reached a commercial and amicable resolution to the dispute, with payment of an agreed settlement amount of $13.3 million to be made by the client to KDC by April 2024 as the full and final settlement of the dispute.

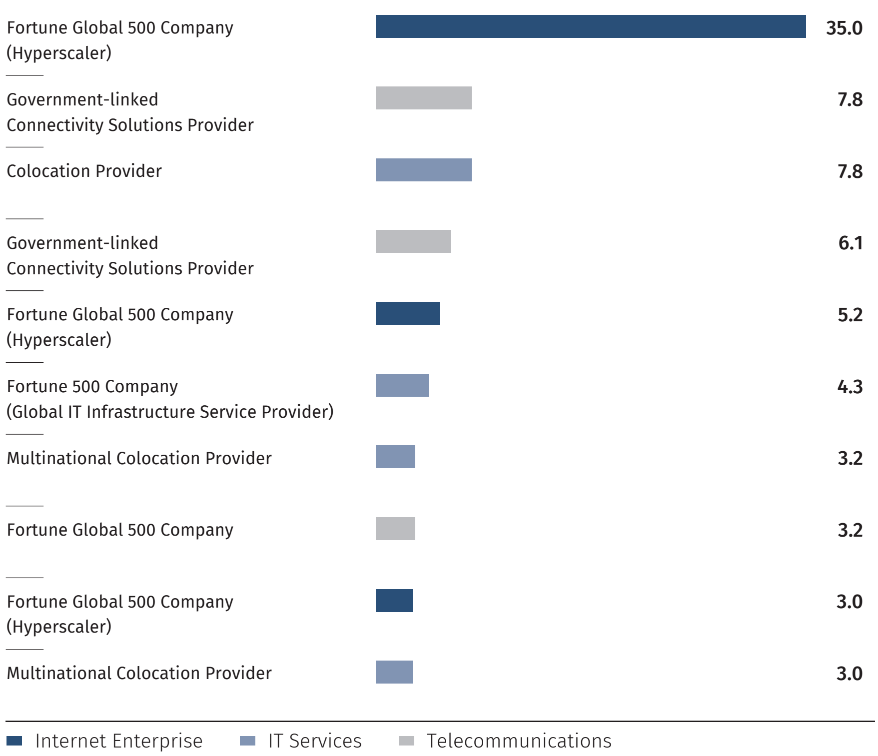
In December 2023, the Manager issued a letter of demand for default on rent and coupon payments in relation to Guangdong DC 1, 2 and 3. The Manager is working with the tenant on a recovery roadmap, and will continue to address the situation actively so as to protect the interests of the REIT. The Manager

PORTFOLIO STATISTICS

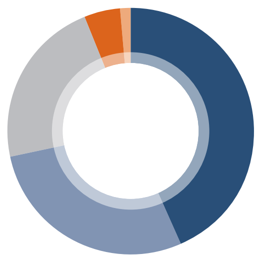
	As at 31 December 2023	As at 31 December 2022
Total Attributable Lettable Area[1]	**3,065,989 sq ft**	3,065,633 sq ft
Valuation[1]	**$3.60 billion**	$3.59 billion
Others (debt securities)	**$0.08 billion**	$0.09 billion
Number of Unique Clients[2]	**79**	80
Occupancy	**98.3%**	98.5%
WALE by Area	**7.6 years**	8.4 years

1 Based on respective ownership interests of assets.
2 Clients with contracts across multiple data centres are counted as one client.

TOP 10 CLIENTS[3,4] BY RENTAL INCOME (%)
for December 2023



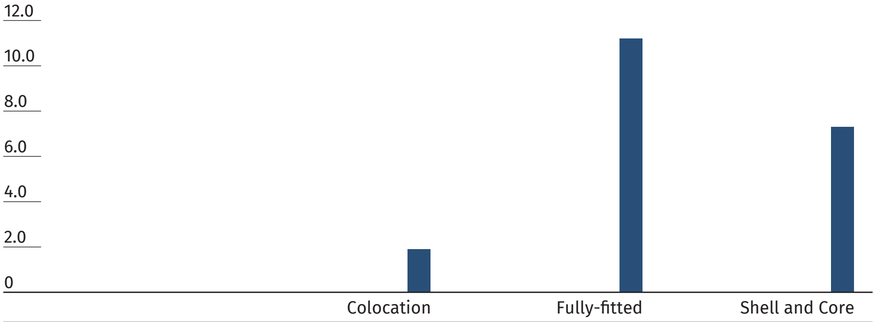
RENTAL INCOME BREAKDOWN BY CLIENTS' TRADE SECTOR (%)
for December 2023



Internet Enterprise	43.6
IT Services	28.2
Telecommunications	22.2
Financial Services	4.8
Corporate	1.2
Total	**100.0**

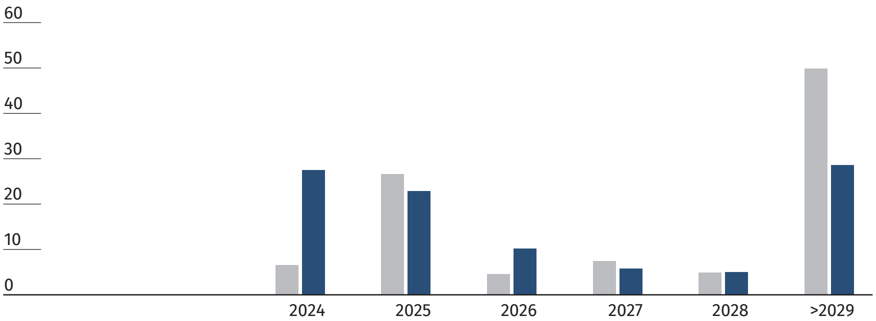
3 The names of the clients cannot be identified and matched to the information set out above as many of the lease arrangements and colocation arrangements contain confidentiality provisions. Furthermore, there are commercial sensitivities involved due to the mission critical nature of data centre operations and some clients prefer to keep their presence in a data centre facility confidential to minimise the risk of physical threats and/or intrusions into the data centre.
4 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.

WEIGHTED AVERAGE LEASE EXPIRY (WALE) BY TYPE OF CONTRACT (years)
as at 31 December 2023



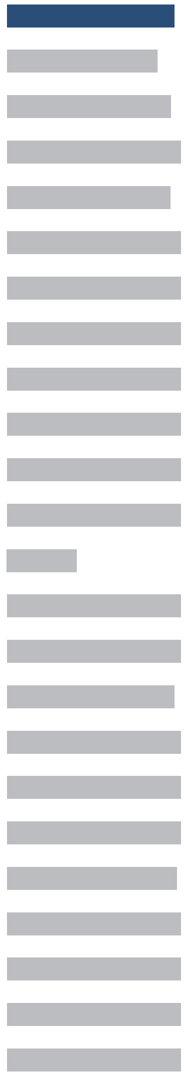
	Colocation	Fully-fitted	Shell and Core
WALE	1.9	11.2	7.3

PORTFOLIO LEASE EXPIRY PROFILE (%)
as at 31 December 2023



	2024	2025	2026	2027	2028	>2029
By Lettable Area	6.6	26.6	4.6	7.5	4.9	49.8
By Rental Income	27.5	22.9	10.2	5.8	5.0	28.6

OCCUPANCY RATES (%)
as at 31 December 2023



Portfolio	**98.3**
KDC SGP 1	86.5
KDC SGP 2	94.3
KDC SGP 3	100.0
KDC SGP 4	94.1
KDC SGP 5	100.0
DC1	100.0
Gore Hill DC	100.0
IC DC	100.0
Guangdong DC 1	100.0
Guangdong DC 2	100.0
Guangdong DC 3	100.0
Basis Bay DC	40.2
Kelsterbach DC	100.0
maincubes DC	100.0
KDC DUB 1	98.2
KDC DUB 2	100.0
Milan DC	100.0
Almere DC	100.0
Amsterdam DC	99.7
Eindhoven DC	100.0
Cardiff DC	100.0
GV7 DC	100.0
London DC	100.0

has retained its rights to terminate the master leases, and Keppel has resources to take over the operations, if appropriate. Keppel DC REIT has also reserved its rights under the framework agreement in conjunction with the acquisition of Guangdong DC 3 in June 2022.

BALANCED AND RESILIENT PORTFOLIO

Diversification across geographies, lease structures and client base help to underpin portfolio resiliency.

In December 2023, colocation assets contributed approximately 65.4% of Keppel DC REIT's rental income, while its fully-fitted and shell and core assets accounted for the remaining 34.6%. The REIT's portfolio remains diversified across a high-quality global client base from the internet enterprises, telecommunications, information technology services, financial services and corporate sectors. Majority of rental income is derived from clients with investment grade or equivalent credit profiles.

The portfolio has a good mix of colocation facilities contracted to a diversified base of clients, as well as longer term master leased facilities which provide stability.

Contracts with top clients are spread across different data centres and geographies, with a staggered expiry profile across the portfolio.

Portfolio resiliency is also reinforced with over half of the contracts having built-in income and rental escalations pegged to the annual Consumer Price Index or similar indexation, fixed rate increases, or a mixture of both, which serve to mitigate the impact of inflationary pressures.

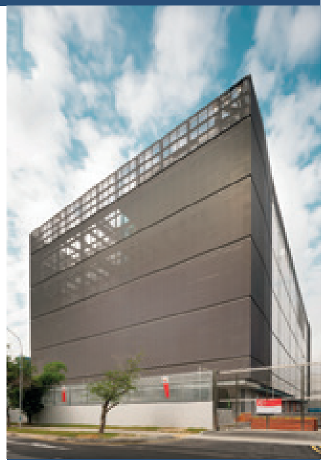
In addition, above 90% of electricity costs are passed through to colocation clients whereas master lease clients contract electricity directly with the power suppliers. Such in-place mechanisms are continuously reviewed as opportunities for negotiation during contract renewal discussion, to optimise the resultant financial impact.

Looking ahead, the Manager will continue to strengthen the portfolio's resiliency through active portfolio rebalancing, exploring opportunities to unlock value, as well as pursuing accretive acquisitions with quality covenants in key data centre markets, to provide long-term stability and income.

Portfolio Review
At A Glance

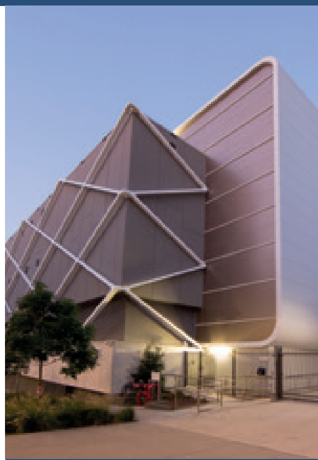
ASIA PACIFIC

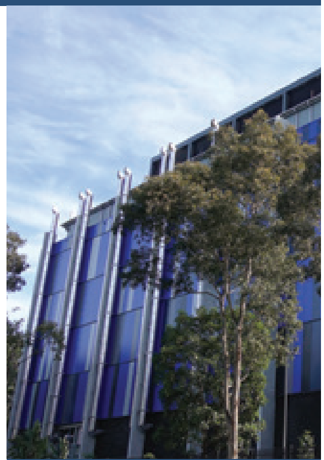


	Keppel DC Singapore 1	Keppel DC Singapore 2	Keppel DC Singapore 3	Keppel DC Singapore 4
Location	25 Serangoon North Avenue 5, Singapore 554914	25 Tampines Street 92, Singapore 528877	27 Tampines Street 92, Singapore 528878	20 Tampines Street 92, Singapore 528875
Title	Leasehold (Expiring 30 September 2025, with option to extend by 30 years)	Leasehold (Expiring 31 July 2051)	Leasehold (Expiring 31 January 2052)	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	4	2	5
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	86.5%	94.3%	100%	94.1%
Attributable Gross Revenue (million)	S$17.0	S$10.7	S$24.7[7]	S$38.4[7]
Purchase Price (million)	S$262.8	S$162.0	S$202.5	S$384.9
Valuation[3] (million)	S$339.7	S$183.0	S$293.1	S$453.7

1 Certain clients have signed more than one colocation arrangement using multiple entities. Clients refer to those contracted under service level agreements with Keppel DC REIT and/or its subsidiaries with the exceptions of 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).
3 Based on respective ownership interest and independent valuations as at 31 December 2023, unless otherwise stated.
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 and KDC SGP 5 is 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 Attributable gross revenue of KDC SGP 3 is 90%, while KDC SGP 4 and KDC SGP 5 is 99% of total gross revenue respectively.
8 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.
9 This includes the development cost for Intellicentre 3 East Data Centre.





	Keppel DC Singapore 5	DC1	Gore Hill Data Centre	Intellicentre Campus
Location	13 Sunview Way, Singapore 627541	18 Riverside Road, Singapore 739088	5 Broadcast Way (South Gate) Artarmon, New South Wales 2064, Australia	17-23 Talavera Road, Macquarie Park, New South Wales 2113, Australia
Title	Leasehold (Expiring 31 August 2050, including a further term of nine years)	Leasehold (Expiring 31 July 2044)	Freehold	Freehold
Ownership Interest	99%	100%	100%	100%
Land Area (sq ft)	83,331	91,902	72,032	215,612
Gross Floor Area (sq ft)	208,096	–	127,283	–
Attributable Lettable Area (sq ft)	92,889[5]	213,815	90,955	235,527
Number of Clients[1]	3	1	3	1
Lease Type	Keppel lease/Colocation	Triple-net lease (Fully-fitted)	Triple-net lease (Shell and Core) and Colocation	Triple-net lease (Shell and Core)
Facility Manager	Keppel DCS3 Services Pte. Ltd.[6]	–	iseek-KDC Services Pty Limited[8]	–
Occupancy Rate	100%	100%	100%	100%
Attributable Gross Revenue (million)	S$24.6[7]	S$25.9	S$17.2	S$5.9
Purchase Price (million)	S$295.1	S$200.2	S$210.9 A$190.0	S$73.0[9] A$70.0[9]
Valuation[3] (million)	S$401.5	S$289.5	S$198.6 A$225.0	S$113.4 A$128.5

Portfolio Review
At A Glance

ASIA PACIFIC

	Guangdong Data Centre 1	Guangdong Data Centre 2	Guangdong Data Centre 3	Basis Bay Data Centre
Location	No.5 Data Centre, Bluesea Intelligence Valley, Shaping Street, Heshan, Jiangmen, Guangdong Province, China	No.6 Data Centre, Bluesea Intelligence Valley, Shaping Street, Heshan, Jiangmen, Guangdong Province, China	No.7 Data Centre, Bluesea Intelligence Valley, Shaping Street, Heshan, Jiangmen, Guangdong Province, China	No. 4710, Jalan Cyber Point 5, Zone Flagship Cyberjaya 63000 Cyberjaya, Selangor Darul Ehsan, Malaysia
Title	Leasehold (Expiring 17 January 2067)	Leasehold (Expiring 17 January 2067)	Leasehold (Expiring 17 January 2067)	Freehold
Ownership Interest	100%	100%	100%	99%
Land Area (sq ft)	839,811 (shared land area of whole campus)	839,811 (shared land area of whole campus)	839,811 (shared land area of whole campus)	64,809
Gross Floor Area (sq ft)	–	–	–	88,600
Attributable Lettable Area (sq ft)	221,689	218,615	221,847	48,193[4]
Number of Clients	1	1	1	1
Lease Type	Triple-net lease[1] (Fully-fitted)	Triple-net lease[1] (Fully-fitted)	Triple-net lease[1] (Shell and Core)	Colocation
Facility Manager	–	–	–	Basis Bay Services MSC Sdn Bhd
Occupancy Rate	100%	100%	100%	40.2%
Attributable Gross Revenue (million)	S$12.7	S$11.5	S$0.6	S$1.4[5]
Purchase Price (million)	S$136.4 RMB635.9	S$141.3 RMB690.3	S$13.1[3] RMB64.2[3]	S$42.9 RM112.4
Valuation[2] (million)	S$131.1 RMB700.0	S$131.1 RMB700.0	S$12.1 RMB64.4	S$16.6 RM57.7

1 With the exception of applicable real estate tax where the lessee shall bear up to a certain threshold.
2 Based on respective ownership interest and independent valuations as at 31 December 2023, unless otherwise stated.
3 This is the purchase price for the building shell.
4 Attributable lettable area of Basis Bay DC is 99% of total building net lettable area.
5 Attributable gross revenue of Basis Bay DC is 99% of total gross revenue.

EUROPE

	Kelsterbach Data Centre	maincubes Data Centre	Keppel DC Dublin 1	Keppel DC Dublin 2
Location	Am Weiher 24, 65451 Kelsterbach, Germany	Goethering 29, Offenbach am Main, Germany	Unit 4033-4035 Citywest Business Campus, Naas Road, Dublin 24, Ireland	Unit B10, Ballycoolin Business and Technology Park, Blanchardstown, Dublin 15, Ireland
Title	Freehold	Freehold	Leasehold (Expiring 31 December 2998)	Leasehold (Expiring 31 December 2997)
Ownership Interest	100%	100%	100%	100%
Land Area (sq ft)	499,116	60,235	218,236	149,620
Gross Floor Area (sq ft)	–	–	125,044	76,747
Attributable Lettable Area (sq ft)	540,869	97,043	66,124	28,484
Number of Clients	1	1	24	4
Lease Type	Triple-net lease (Shell and Core)	Triple-net lease (Fully-fitted)	Colocation	Colocation
Facility Manager	–	–	–	–
Occupancy Rate	100%	100%	98.2%	100%
Attributable Gross Revenue (million)	S$8.1	S$9.4	S$20.0	S$13.5
Purchase Price (million)	S$125.4 €81.8	S$130.0 €84.0	S$102.8 €63.2	S$111.1 €70.7
Valuation[2] (million)	S$82.0 €56.2	S$164.4 €112.6	S$157.6 €108.0	S$145.2 €99.5

Portfolio Review

At A Glance

EUROPE

	Milan Data Centre	Almere Data Centre	Amsterdam Data Centre	Eindhoven Campus
Location	Via Bisceglie 71, 73 and 75, Milan, Italy	Rondebeltweg 62 'Sallandsekant' Business Park, Almere, the Netherlands	Tupolevlaan 101-109, Schiphol-Rijk (1119 PA), the Netherlands	Dillenburgstraat 25A-25E, 25E1, 25F, 25G and 25J-25M, 5652 AM, Eindhoven, the Netherlands
Title	Freehold	Freehold	Freehold	Freehold
Ownership Interest	100%	100%	100%	100%
Land Area (sq ft)	128,791	85,358	167,725	201,222
Gross Floor Area (sq ft)	–	–	–	–
Attributable Lettable Area (sq ft)	165,389	118,403	141,698	83,841
Number of Clients	1	1	10	3
Lease Type	Double-net lease (Shell and Core)	Double-net lease (Fully-fitted)	Double-net lease (Shell and Core)	Double-net lease (Shell and Core)
Facility Manager	–	–	FRIS Investment Care B.V.	NL Asset Management B.V.
Occupancy Rate	100%	100%	99.7%	100%
Attributable Gross Revenue (million)	S$4.9	S$9.8	S$3.0	S$3.4
Purchase Price (million)	S$61.9 €40.2	S$131.6 €80.9	S$48.1 €30.0	S$59.1 €37.2
Valuation[1] (million)	S$59.0 €40.4	S$158.8 €108.8	S$43.1 €29.5	S$54.2 €37.2

1 Based on respective ownership interest and independent valuations as at 31 December 2023, unless otherwise stated.
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 For London DC, attributable gross revenue includes rental support.

	Cardiff Data Centre	GV7 Data Centre	London Data Centre
Location	Ty Cynnal, Dunleavy Drive, Celtic Gateway, Cardiff CF110SW, United Kingdom	7 Greenwich View Place, Millharbour Road, London, E14 9NN, United Kingdom	Waterside House, Longshot Lane, Bracknell RG12 1WB, United Kingdom
Title	Freehold	Leasehold (Expiring 28 September 2183)	Freehold
Ownership Interest	100%	100%	100%
Land Area (sq ft)	279,864	N.A.[2]	204,732
Gross Floor Area (sq ft)	–	34,850	–
Attributable Lettable Area (sq ft)	79,439	24,972	94,867
Number of Clients	1	1	1
Lease Type	Triple-net lease (Shell and Core)	Triple-net lease (Fully-fitted)	Triple-net lease (Shell and Core)
Facility Manager	–	–	–
Occupancy Rate	100%	100%	100%
Attributable Gross Revenue (million)	S$5.4	S$5.0	S$4.6[3]
Purchase Price (million)	S$58.1 £34.0	S$77.0 £37.5	S$103.8 £57.0
Valuation[1] (million)	S$33.0 £19.5	S$56.5 £33.4	S$84.7 £50.1

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. KDC SGP 1 provides 24/7 technical support to its clients.

Keppel DC Singapore 2

KDC SGP 2 is situated within 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 data centre 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 provides 24/7 technical support to its clients and has been certified with the BCA Green Mark Award (Gold^{PLUS}) since 2015.

Keppel DC Singapore 3

KDC SGP 3 is adjacent to KDC SGP 2 in Tampines.

Completed in 2015, KDC SGP 3 is a five-storey carrier-neutral and purpose-built facility providing dedicated colocation suites, as well as 24/7 technical support to its clients.

Built to energy-efficient specifications, the facility is equipped with redundant power and cooling infrastructure to meet clients' requirements. KDC SGP 3 has been certified with the BCA Green Mark Award (Platinum) and LEED Gold Award since 2014.

Keppel DC Singapore 4

KDC SGP 4 is located in Tampines Industrial Park A, within walking distance to KDC SGP 2 and KDC SGP 3.

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

KDC SGP 4 was designed and constructed with environmentally friendly features. The facility has been certified with the BCA Green Mark Award (Platinum) and LEED Gold Award since 2017.

Keppel DC Singapore 5

KDC SGP 5 is located in Jurong, one of the largest clusters of data centres in 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 infrastructure, providing 24/7 technical support to its clients. KDC SGP 5 has been conferred the BCA Green Mark Award (Platinum) since 2020.

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 fully-fitted 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.

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 (CBD).

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 24/7 technical support and additional capital works undertaken in 2012 and 2013 to meet clients' business needs.

Intellicentre Campus

IC DC, comprising IC2 DC and Intellicentre 3 East Data Centre (IC3 East DC), is located within Macquarie Park in the north of Sydney, and is 12km away from the 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 whereas IC3 East DC was completed in July 2021. IC2 DC and IC3 East DC were collectively renamed Intellicentre Campus in 2021.

Guangdong Data Centres 1, 2 and 3

Guangdong DC 1, Guangdong DC 2 and Guangdong DC 3 are three individual data centre buildings located within the Bluesea Intelligence Valley Mega Data Centre Campus in Jiangmen, Guangdong Province, China. The campus is well connected via expressway to the Guangzhou CBD, Guangzhou's international airport and the wider Guangdong Province, which is a major technology hub and one of China's most established data centre markets.

Each data centre is a seven-storey facility designed in accordance with the Code for Design of Data Centre Grade A GB, the highest standard for data centres in China as at completion.

Completed in 2019 and 2020 respectively, Guangdong DC 1 and Guangdong DC 2 are fully-fitted data centres. The building shell of Guangdong DC 3 was completed in 2020 and it is currently being fitted out.

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.

Kelsterbach Data Centre

Kelsterbach DC is located near Frankfurt Airport and approximately 18km from Frankfurt's city centre. Frankfurt is an established international connectivity hub with significant investments from hyperscale cloud and international players. It is home to DE-CIX, one of the world's leading internet exchange points.

Constructed in 1989, Kelsterbach DC is a campus comprising a five-storey shell and core purpose-built data centre connected to a six-storey office block.

maincubes Data Centre

maincubes DC is a fully-fitted data centre in Offenbach am Main, Germany. Located approximately 10km from Frankfurt, maincubes DC is within a data centre hub and offers high interconnectivity to one of the world's leading internet exchange points, DE-CIX.

The proximity of maincubes DC to DE-CIX minimises latency issues, a key consideration for end-users such as financial institutions and e-commerce firms.

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

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. The Citywest Business Campus comprises of high-specification industrial properties and is located south of the N7 Dublin-Limerick Road via its dedicated interchange.

KDC DUB 1 is a two-storey detached facility built in 2000 with data halls of varying sizes and provides 24/7 technical support to its clients. In 2017, the project went through a refurbishment, which was completed in October 2020 to improve the energy efficiency and increase power capacity at the facility. In 2023, KDC DUB 1 achieved LEED v4.1 Operations and Maintenance Gold certification.

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, Ireland, approximately 12km from the Dublin city centre and 13km from Dublin Airport. KDC DUB 2 is well-served by major transportation modes and provides 24/7 technical support to its clients.

Built in 2013, KDC DUB 2 is a single-storey detached facility with a two-storey office block. Asset enhancement initiatives to increase the facility's power capacity and facilitate client expansion requirements were completed in February 2021. In 2023, KDC DUB 2 achieved LEED v4.1 Operations and Maintenance Gold certification.

Milan Data Centre

Milan DC comprises three interconnected 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.

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.

Amsterdam Data Centre

Amsterdam DC is located in the Amsterdam Metropolitan Area, which is approximately 27km from the city of Amsterdam.

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 technology companies.

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

Eindhoven Campus

Eindhoven DC comprises two shell and core data centre buildings as well as a warehouse and an ancillary office building in De Hurk, the largest business park in Eindhoven, the Netherlands.

Originally built in the 1970s, Eindhoven DC is located close to Eindhoven's city centre and international airport, and is well connected to the Netherlands' national road network.

As one of the major cities in the Netherlands, Eindhoven hosts the Neutral Internet Exchange, one of the top 10 largest internet exchanges in the world. The region continues to gain momentum as a key location for companies developing solutions for the digital economy.

Cardiff Data Centre

Cardiff DC 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.

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 an 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.

London Data Centre

London DC comprises three interlinked two-storey buildings that house data centre space and ancillary offices. The asset is located in Bracknell, UK, which forms part of the Greater London Urban Area. Bracknell is a growing commercial centre in the Thames Valley, a region known as the Silicon Valley of the UK due to its large concentration of multinational technology companies and conglomerates.

Constructed in 1986, London DC is strategically located near Bracknell's town centre, 32km from London Heathrow Airport, and 55km from Central London.

FINANCIAL REVIEW

The Manager's financial and capital management strategy supports its pursuit of continued growth to provide Unitholders with sustainable returns.

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 2023 (FY 2023).

DISTRIBUTABLE INCOME AND DISTRIBUTION PER UNIT

Distributable income for FY 2023 was $167.7 million, 9.3% lower than the distributable income of $184.9 million for FY 2022. This was mainly due to higher finance costs and loss allowances accounted for the Guangdong Data Centres. There were also net lower contributions from some of the Singapore colocation assets arising from the higher facilities expenses, and less favourable forex hedges. This was partially offset by positive reversions and escalations, contributions from acquisitions made in FY 2022, higher finance income and tax savings following approvals obtained for NetCo Bonds to be qualified as Qualifying Project Debt Securities.

Distribution per Unit (DPU) for FY 2023 was 9.383 cents, 8.1% lower than FY 2022's 10.214 cents.

Based on the market closing price of $1.950 per Unit as at 31 December 2023, Keppel DC REIT's distribution yield was 4.81% for FY 2023.

REVENUE AND EXPENSES

Keppel DC REIT recorded gross revenue of $281.2 million in FY 2023, which was $3.9 million or 1.4% higher than that of FY 2022.

Gross rental income for FY 2023 was $277.0 million, an increase of $3.5 million or 1.3% from FY 2022 of $273.5 million. This was mainly due to contributions from prior year acquisitions, as well as positive reversions and escalations.

Other income of $4.2 million was $0.4 million higher than FY 2022 mainly due to higher ad-hoc service income from overseas assets, offset by lower government incentive sum received for the investments in Guangdong. Rental top up income for FY 2023 of $379,000 (2022: $377,000), translated to an effect on the DPU by approximately 0.022 cents (2022: 0.022 cents).

Property operating expenses for FY 2023, which included facility management fees of $9.7 million, was $36.3 million, an increase of $11.5 million or 46.3% from FY 2022 of $24.8 million. This was mainly due to loss allowances accounted for the Guangdong data centres.

As a result, net property income of $245.0 million for FY 2023 was $7.5 million or 3.0% lower than FY 2022.

PROFIT ATTRIBUTABLE TO UNITHOLDERS

Profit after tax for FY 2023 was $122.2 million, after taking into account the net fair value loss in investment properties of $27.9 million (2022: net fair value gain of $68.3 million) and deferred tax credit of $3.6 million (2022: deferred tax expense of $13.3 million) provided on the fair value movement for the portfolio.

Excluding the fair value changes and related deferred tax impact, profit after tax for FY 2023 was $146.5 million, a decrease of $32.7 million or 18.2% as compared to FY 2022 of $179.2 million. This was mainly due to higher finance costs, loss allowances made and net losses on derivatives recorded, partially offset by net higher contributions from the portfolio.

Profit attributable to Unitholders was $118.5 million for FY 2023, $112.4 million or 48.7% lower than the $230.9 million recorded in FY 2022.

DISTRIBUTION POLICY

Keppel DC REIT's 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 SGD and are generally paid within 90 days after the end of each distribution period.

DISTRIBUTABLE INCOME
$167.7m

DISTRIBUTION PER UNIT
9.383 cts

SUSTAINABILITY-LINKED LOANS
$150m

Entered into two sustainability-linked loan facilities totalling ~S$150 million in FY 2023.

Financial Review

GROUP FINANCIAL OVERVIEW

	2023 $'000	2022 $'000	Change %
Gross rental income	276,990	273,517	1.3
Other income[1]	4,217	3,805	10.8
Gross revenue	281,207	277,322	1.4
Property operating expenses	(36,256)	(24,777)	46.3
Net property income	244,951	252,545	(3.0)
Finance income	10,929	9,254	18.1
Finance costs	(48,518)	(31,072)	56.1
Trustees' fees	(536)	(524)	2.3
Manager's base fee	(18,457)	(17,741)	4.0
Manager's performance fee	(8,350)	(8,598)	(2.9)
Audit fees	(528)	(435)	21.4
Valuation fees	(251)	(251)	–
Net (losses)/gains on derivatives	(969)	8,627	Nm
Other trust expenses	(4,276)	(5,943)	(28.0)
Profit before joint venture	173,995	205,862	(15.5)
Share of results of a joint venture	(8,284)	(8,983)	(7.8)
Profit before net change in fair value of investment properties	165,711	196,879	(15.8)
Net change in fair value of investment properties	(27,933)	68,289	Nm
Profit before tax	137,778	265,168	(48.0)
Tax expenses	(15,574)	(30,994)	(49.8)
Profit after tax	122,204	234,174	(47.8)
Profit after tax attributable to:			
Unitholders	118,530	230,905	(48.7)
Non-controlling interests	3,674	3,269	12.4
Profit after tax	122,204	234,174	(47.8)
Profit attributable to Unitholders	118,530	230,905	(48.7)
Net tax and other adjustments to profit after tax attributable to Unitholders	49,188	(46,033)	Nm
Distributable income[2]	167,718	184,872	(9.3)

1 Other income includes rental top up income provided by a vendor of an asset acquired.
2 Distributable income includes capital expenditure set aside for certain properties (Capex Reserves).

INVESTMENT PROPERTIES

The carrying value of investment properties was $3,655.9 million as at 31 December 2023 as compared to $3,639.5 million as at 31 December 2022. This included lease liabilities capitalised pertaining to a land rent option and an extension offer of $13.0 million (31 December 2022: $12.7 million). The net increase of $16.4 million or 0.5% in the carrying value was mainly due to the Singapore assets, partially offset by the weaker valuation from the assets located in United Kingdom. There were also net gains from foreign exchange translation of the overseas assets in FY 2023.

NET ASSET VALUE (NAV) PER UNIT

NAV per Unit as at 31 December 2023 was $1.34 (31 December 2022: $1.40). Excluding the distributable income for the financial period from 1 July 2023 to 31 December 2023 (2022: financial period from 1 July 2022 to 31 December 2022), the adjusted NAV per Unit was $1.30 (31 December 2022: $1.35).

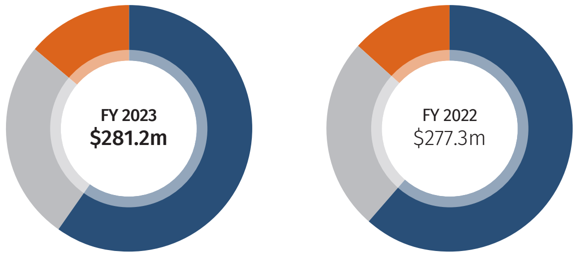
CASH FLOWS AND LIQUIDITY

As at 31 December 2023, Keppel DC REIT's cash and cash equivalents were $149.7 million (31 December 2022: $190.4 million).

Cash generated from operating activities for FY 2023 was $210.8 million, $7.5 million lower than $218.3 million for the corresponding period a year ago. This was mainly due to higher working capital requirements.

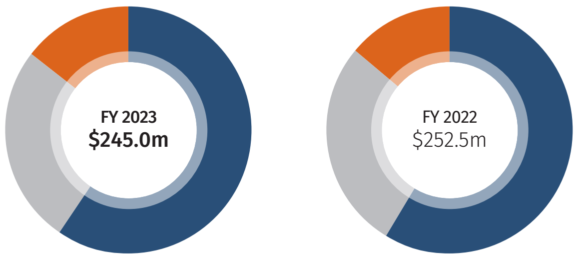
Net cash used in investing activities for FY 2023 was $15.4 million, comprising mainly capital expenditures. This was partially offset by coupon received and partial repayment of notes receivables. Net cash used in investing activities for FY 2022 was $298.7 million, comprising mainly the acquisitions of London Data Centre, Guangdong Data Centre 2 and building shell of Guangdong Data Centre 3 as well as capital expenditures. This was partially offset by coupon received and partial receipt of notes receivables.

GROSS REVENUE ($ million)



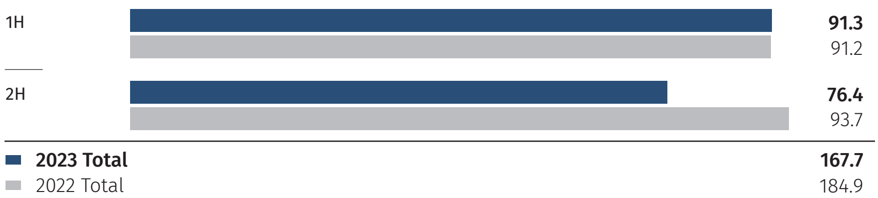
	2023	2022
Colocation	**168.3**	170.7
Fully-fitted	**74.6**	69.7
Shell and Core	**38.3**	36.9
Total	**281.2**	277.3

NET PROPERTY INCOME ($ million)



	2023	2022
Colocation	**146.3**	148.6
Fully-fitted	**63.4**	69.1
Shell and Core	**35.3**	34.8
Total	**245.0**	252.5

DISTRIBUTABLE INCOME[1] ($ million)



[1] Distributable income includes capital expenditure set aside for certain properties.

The Group recorded net cash used in financing activities of $236.2 million in FY 2023 as compared to net cash generated of $83.7 million a year ago. Net cash used in FY 2023 was mainly from the distributions paid to Unitholders, refinancing of borrowings and finance costs. These were partially offset by drawdown of bank borrowings. Net cash generated from financing activities for FY 2022 was mainly from the drawdown of bank borrowings. These were partially offset by distributions paid to Unitholders, repayment of borrowings, settlement of lease liabilities and finance costs.

FUNDING AND BORROWINGS

The Group's total borrowings as at 31 December 2023 were $1,470.6 million (31 December 2022: $1,464.8 million). The increase was mainly due to appreciation of certain foreign currencies against the Singapore Dollar, partially offset by repayment of borrowings.

During the year, the Group secured new facilities, including two sustainability-linked credit facilities totalling approximately S$150 million.

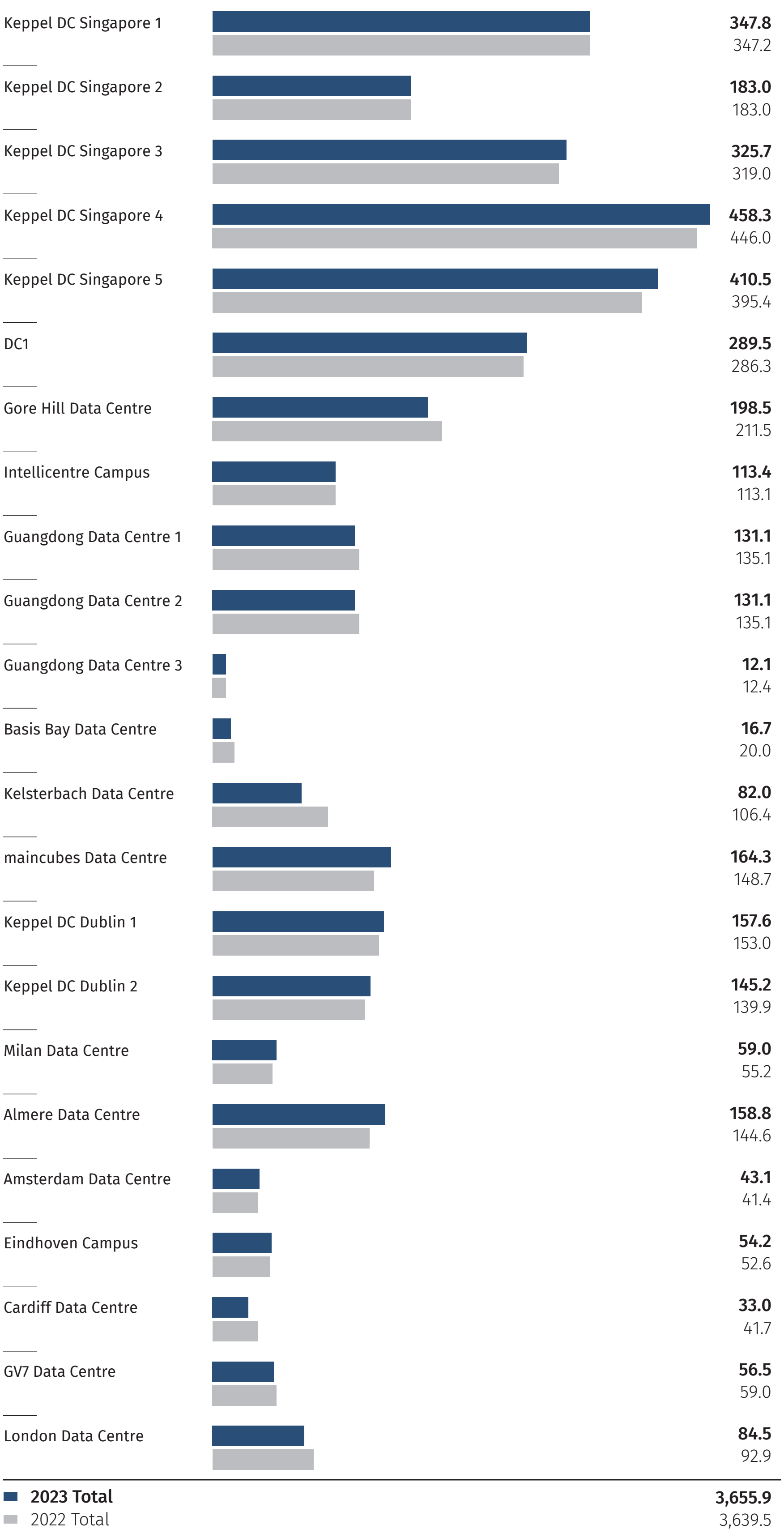
As at 31 December 2023, there were $601.5 million unutilised facilities (31 December 2022: $486.9 million) for the Group. Weighted average debt tenor and weighted average hedge tenor were 3.4 years and 3.1 years respectively, as at 31 December 2023. The all-in weighted average cost of debt was 3.3% per annum for FY 2023, with an interest coverage ratio of 4.7 times as at 31 December 2023.

In arriving at the aggregate leverage of 37.4% as at 31 December 2023 under the Property Funds Appendix in the Code on Collective Investment Schemes (CIS Code) issued by the Monetary Authority of Singapore (MAS), $13.0 million of lease liabilities pertaining to a land rent option and an extension offer were excluded.

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.

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



[1] Investment properties include the carrying value of the lease liabilities pertaining to a land rent option and an extension offer.

The Manager seeks to maintain an optimal combination of debt and equity to manage the cost of capital and maximise 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 2023.

KEY STATISTICS
as at 31 December

	2023	2022
Aggregate leverage[1] (%)	**37.4**	36.4
Interest coverage ratio[2] (ICR)	**4.7 times**	7.6 times
Weighted average debt tenor (years)	**3.4**	3.7
Percentage of assets unencumbered (%)	**100.0**	100.0

1 Computed based on gross borrowings and deferred payment as a percentage of deposited properties, both of which do not consider the lease liabilities pertaining to a land rent option and an extension offer.
2 As the Group has not issued any hybrid securities, the adjusted ICR is identical to ICR.

FINANCIAL RISK MANAGEMENT

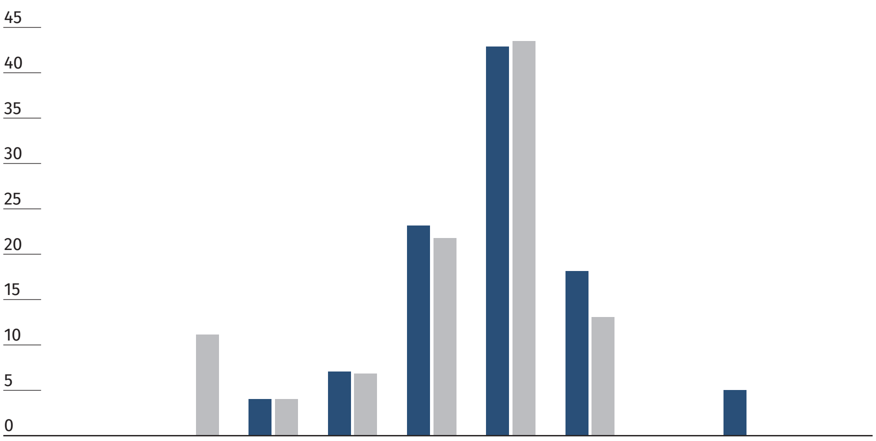
The Group operates across multiple jurisdictions and is exposed to a variety of financial risks, including credit, liquidity, market (mainly currency and interest rate) and climate risks. The Manager carries out financial risk management in accordance with its established policies and guidelines while 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 continues to adopt appropriate hedging strategies to mitigate interest rate and foreign currency exposure for the Group.

Interest rate swaps and forward currency contracts have been entered into to mitigate interest rate exposures of long-term loans and foreign currency exposures of forecast foreign-sourced income respectively. Natural hedging is in place with borrowings in currencies that match the corresponding investments. As at 31 December 2023 the REIT's forecast foreign-sourced distributions were hedged till end 2024. In January 2024, the Manager progressively hedged part of forecast foreign sourced distributions till end of June 2025.

Fair value of derivative assets of $22.3 million (31 December 2022: $55.2 million) is disclosed in Note 10 to the Financial Statements, representing 1.0% (31 December 2022: 2.3%) of the net assets of the Group as at 31 December 2023.

DEBT MATURITY PROFILE (%)
as at 31 December



	2023	2024	2025	2026	2027	2028	2029	2030	Total
2023	**0.0**	**4.0**	**7.0**	**23.1**	**42.8**	**18.1**	**0.0**	**5.0**	**100.0**
2022	11.1	4.0	6.8	21.7	43.4	13.0	0.0	0.0	100.0

ACCOUNTING POLICIES

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

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

The Group's significant accounting policies are discussed in more detail in the notes to the financial statements. The preparation of the financial statements in conformity with SFRS(I) requires the Manager to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures made. In particular, the valuation of investment properties is a 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.

SUSTAINABILITY REPORT

We recognise the importance of conducting business responsibly and delivering sustainable returns for Unitholders. Our sustainability framework ensures that sustainability is effectively integrated into our business.

Sustainability Framework

ENVIRONMENTAL STEWARDSHIP

Aligned with Keppel's Vision 2030, we will do our part to address climate change. We will enhance resource efficiency, improve our environmental performance, and contribute to addressing climate change.

» For more information, go to: pages 74 to 83

RESPONSIBLE BUSINESS

Through good corporate governance and prudent risk management, we secure the long-term sustainability of our business.

» For more information, go to: pages 84 to 89

PEOPLE AND COMMUNITY

We strive to foster a safe and healthy workplace, provide comprehensive training and development opportunities for our workforce, and contribute to community initiatives.

» For more information, go to: pages 90 to 96

Sustainability Highlights for 2023

ENVIRONMENTAL STEWARDSHIP

EMISSIONS

Halve by 2030

The Manager continues to work towards reducing its combined Scope 1 and Scope 2 emissions with an aim to halve this by 2030 from a 2019 baseline.

MSCI ESG

'AA' Rating

Maintained 'AA' rating in the MSCI ESG Ratings Assessment in December 2023.

RENEWABLE ENERGY

~17%

Renewable energy has been procured for approximately 17% of total electricity consumed at colocation assets as at end 2023, and procured by clients at all of the portfolio's master lease assets in Europe.

RESPONSIBLE BUSINESS

GRESB

3 Star Rating

Achieved 3 Star rating and Green Star status for 2023 GRESB Real Estate Assessment submission and 'A' for Public Disclosure Assessment.

GREEN CERTIFICATION

LEED O+M Gold

Achieved LEED v4.1 Operations and Maintenance (O+M) Gold certification for Keppel DC Dublin 1 and 2.

GOVERNANCE

11th

In the Singapore Governance and Transparency Index under the REIT and Business Trust category.

PEOPLE AND COMMUNITY

DIVERSITY AND INCLUSION

~30%

Female Board representation as at 31 December 2023.

TRAINING AND DEVELOPMENT

~32 hrs

Of training on average per employee, exceeding goal of at least an average of 20 hours per employee.

VOLUNTEERISM

>900 hrs

Dedicated to community outreach activities by the Manager, as part of Keppel's Fund Management & Investment platforms (Keppel FM&I).

LETTER TO STAKEHOLDERS

LOH HWEE LONG
Chief Executive Officer

As Keppel DC REIT marks its 10th anniversary this year, we remain focused on building a financially resilient and future-proof business, alongside the support of our stakeholders on this journey.

DEAR STAKEHOLDERS,

Amidst macroeconomic challenges and geopolitical tensions, we remain committed to advancing our sustainability efforts to create long-term value for Keppel DC REIT's stakeholders. I'm happy to share the achievements in 2023 that underscore our dedication to the three strategic pillars of our sustainability framework – environmental stewardship, responsible business, and people and community.

ENVIRONMENTAL STEWARDSHIP

In 2023, we enhanced our reporting in accordance with recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), further refining our scenario analysis and quantifying the financial impact of associated risks.

Secondly, our Environmental, Social and Governance (ESG) efforts were recognised when we attained a 3 Star rating and a Green Star status in the 2023 GRESB Real Estate Assessment. This was an improvement from a 2 Star rating and a Green Star status for our inaugural submission in 2022. Notably, our score for the 2023 GRESB Real Estate Assessment was above the average GRESB score of 75 points, which is a testament to our continuous sustainability efforts. We also scored 'A' in our GRESB Public Disclosure in 2023. Keppel DC REIT achieved a 'B-' rating for our inaugural submission for the full CDP Climate Change Questionnaire 2023.

Beyond improving our disclosures and ratings, our assets continue to meet high sustainability standards. Keppel DC Dublin 1 and 2 achieved the LEED v4.1 Operations and Maintenance Gold certification, showcasing our commitment to environmental responsibility and operational excellence.

RESPONSIBLE BUSINESS

Our refreshed Board composition with the addition of two independent directors in September 2023 demonstrates our commitment to upholding corporate governance standards. The Board ESG Committee continues to guide our sustainability strategy and initiatives as we navigate the dynamic landscape of evolving regulations and stakeholder expectations.

Our commitment to strong corporate governance and ethical business conduct was reflected in our improved ranking in the Singapore Governance and Transparency Index. We moved up to 11th place in 2023 from 12th place in 2022 under the REITs and Business Trust category. We also maintained the 'AA' rating in the MSCI ESG Ratings Assessment in December 2023.

ESG criteria is considered in both our financing and investment decisions to evaluate long-term viability and performance. In 2023, Keppel DC REIT secured two sustainability-linked loan facilities.

To ensure business resilience, we maintained rigorous cybersecurity standards and adopted best practices in data security, aligned with the Keppel Technology and Data Risk Management standards and framework.

Engagement with stakeholders remains a priority, and we had close to 750 engagements with analysts and institutional investors, as well as more than 1,200 engagements with retail investors in 2023. The feedback received will guide us in refining our business strategies and enhancing our ESG performance and disclosures.

PEOPLE AND COMMUNITY

Recognising the value of a skilled and engaged workforce, we continued to invest in the development of our staff, achieving an average of 32 hours of training per employee in 2023. This not only ensures individual development, but fortifies the collective capabilities of Keppel DC REIT. We are also happy to share that we maintained a zero-fatality workplace in 2023, in line with our emphasis on a safe and supportive workplace environment.

Aligned with our commitment to make a positive impact in the local communities, Keppel DC REIT Management Pte. Ltd. (the Manager) devoted over 900 hours to community outreach activities together with Keppel FM&I and donated $30,500 in contributions to the Keppel Care Foundation in 2023[1].

LOOKING AHEAD

As Keppel DC REIT marks its 10th anniversary this year, we remain focused on building a financially resilient and future-proof business, alongside the support of our stakeholders on this journey.

Yours sincerely,

Loh Hwee Long

LOH HWEE LONG
Chief Executive Officer
29 February 2024

[1] Based on the tax-deductible receipt dated 2 August 2023.

About This Report

The scope of the Report covers Keppel DC REIT's colocation data centre assets, which the Manager has operational oversight of.

REPORTING PERIOD AND SCOPE

This is Keppel DC REIT's ninth sustainability report (the Report) and contains information pertaining to the financial year 1 January 2023 to 31 December 2023 (FY 2023). Keppel DC REIT was listed on the Singapore Exchange (SGX) as the first pure-play data centre REIT in Asia and headquartered in Singapore. The scope of the Report covers Keppel DC REIT's colocation data centre assets, which the Manager has operational oversight of.

The scope of financial reporting and sustainability reporting differs in that assets where the Manager does not have full operational control have been excluded from the scope of this Report. The master lease assets not included within this Report are DC1, Intellicentre Campus, Guangdong Data Centres 1, 2 and 3, Kelsterbach Data Centre, maincubes Data Centre, Milan Data Centre, Almere Data Centre, Eindhoven Campus, Cardiff Data Centre, GV7 Data Centre and London Data Centre.

Unless otherwise stated, data consolidation approach for this Report is consistent across its assets.

GLOBAL REPORTING INITIATIVE (GRI) STANDARDS

The Report has been prepared in accordance with the GRI Standards and applies the reporting principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability, as required by the GRI Standards. For a full list of disclosures reported, please refer to the GRI Content Index on pages 97 to 99.

INTERNAL REVIEW

While the Report has not been externally verified, the data in this Report has undergone rigorous review and the Manager will consider external assurance for future publications. In line with Singapore Exchange Listing Rules, the Manager had in 2022 initiated an internal review of the sustainability report process, procedures and controls, conducted by Keppel's internal audit team.

ASSETS IN REPORTING SCOPE

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

Australia
Gore Hill Data Centre (Gore Hill DC)

Malaysia
Basis Bay Data Centre (Basis Bay DC)

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

Contact

The Manager welcomes feedback as it continuously strives to refine its approach to sustainability.

Please contact the Manager at investor.relations@keppeldcreit.com.

Approach to Sustainability

SUSTAINABILITY FRAMEWORK AND POLICIES

The Manager takes reference from Keppel's policies to guide its management of ESG factors. The Keppel policies are reviewed and approved by Keppel's Board, Board Committees, or senior management in charge of the relevant policies required. In addition, Keppel DC REIT's Whistle-Blower Policy is reviewed and approved by the Manager's Audit and Risk Committee (ARC). These policies are periodically reviewed to ensure they are up-to-date and relevant. For more information on Keppel DC REIT's policies, please refer to the Responsible Business and People and Community sections in this Report.

Policy commitments are also embedded in Keppel's Employee Code of Conduct, which the Manager adopts. These policies are consistently communicated and reinforced annually to all employees through activities such as online training courses and declarations of adherence to the Keppel policies.

Upholding Human Rights

The Manager takes human rights seriously and exercises a zero-tolerance approach toward unethical labour practices which include child labour, forced labour, slavery, human trafficking and more. The Manager adopts Keppel's Corporate Statement on Human Rights which respects the fundamental principles set out in the United Nations (UN) Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights.

Major suppliers are required to sign and abide by the Supplier Code of Conduct and are subject to audits when required.

The Manager also adopts Keppel's Diversity, Equity and Inclusion Policy to promote an inclusive and harmonious workplace.

The Manager takes reference from Keppel's policies to guide its management of ESG factors. These policies are periodically reviewed to ensure they are up-to-date and relevant.

SUSTAINABILITY GOVERNANCE

Board of Directors

The Board oversees and steers Keppel DC REIT's sustainability strategy and initiatives. ESG-related updates are provided regularly to the Board through quarterly Board meetings, emails and training, which aid the Board in reviewing and approving Keppel DC REIT's material topics, impact, approach to sustainability-related issues, and reported information within this Report. Information in this Report has been reviewed by the Board with the sustainability highlights presented for approval at Board meetings. Where critical concerns arise, they are communicated to the Board through emails and meetings, if necessary. In 2023, there were no critical concerns, and consequently none was raised to the Board within this reporting period.

The Board has entrusted the direct management of ESG factors and their relevant impacts to the ESG Committee and the Sustainability Committee, which were established in 2022.

BOARD STATEMENT

"As part of its strategic oversight, the Board has reviewed, considered and approved the material ESG factors in Keppel DC REIT's strategy formulation and business. The Board will continue to review and monitor the management and performance of these ESG factors periodically, together with the management team and incorporate feedback from key stakeholders."

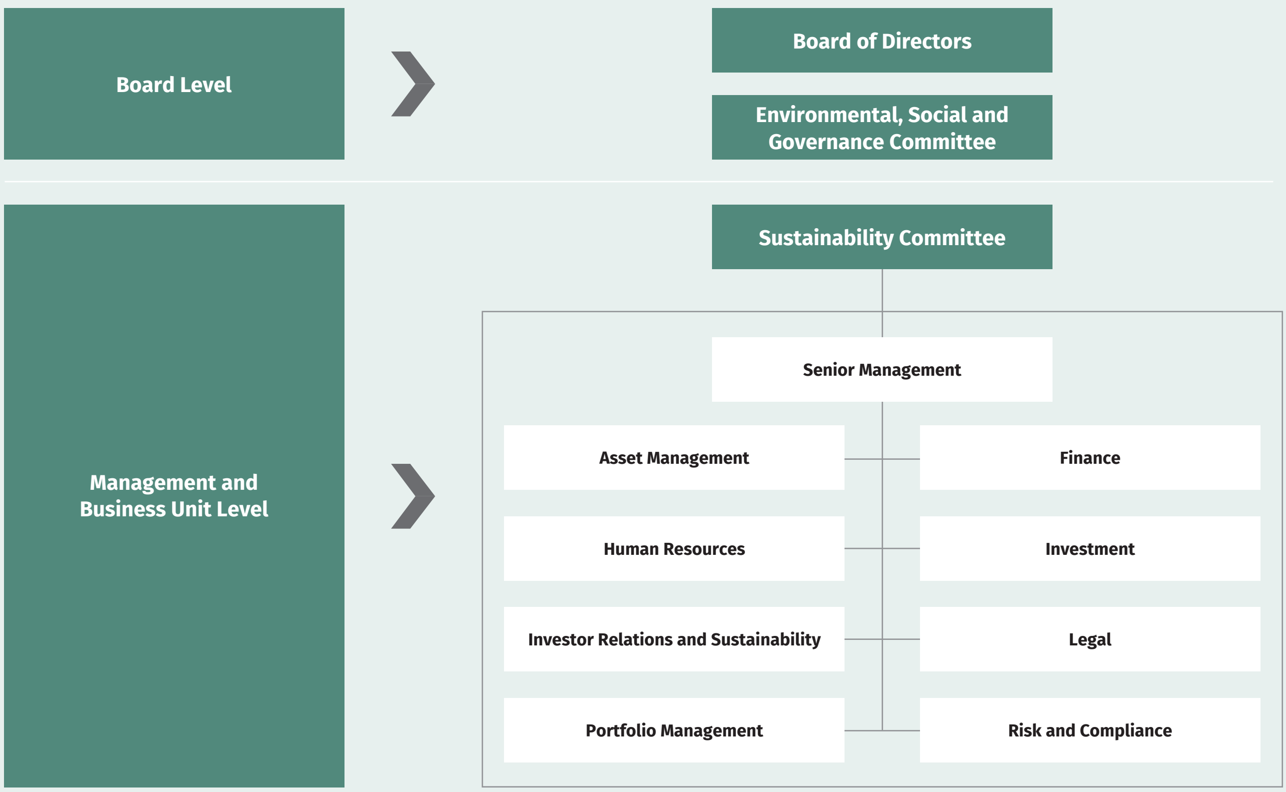
ESG Committee

The ESG Committee, which meets at least twice a year, provides oversight of the ESG strategy, policies and initiatives, and monitors the Manager's progress in driving long-term climate risk management and decarbonisation initiatives.

Sustainability Committee

The Sustainability Committee implements the Manager's sustainability strategy and monitors performance against targets. It also apprises the ESG Committee and the Board on

SUSTAINABILITY GOVERNANCE STRUCTURE



updates on sustainability regulations, outcomes of sustainability risk assessments and recommendations for follow-up actions. ESG considerations are integrated into strategic decision-making processes including acquisitions and divestments, capital expenditures, financing and risk management.

As part of the Manager's commitment to sustainability, ESG factors are incorporated into senior management's corporate scorecard and linked to remuneration.

MATERIALITY ASSESSMENT

The Manager undertakes regular materiality assessments to identify and review the ESG factors most significant to Keppel DC REIT's business, stakeholders, and external impacts on the economy, environment and people.

A comprehensive materiality assessment was last conducted in 2021 by an independent sustainability consultancy. The materiality assessment was conducted in three stages, with in-depth engagement with both internal and external stakeholders.

In 2023, management and the Board reviewed the material ESG factors and determined that all material factors identified previously remain relevant.

Materiality Assessment Process

Understand Context & Identify Factors

- Conducted desk research, benchmarking and internal document review to identify relevant industry trends and sustainability factors
- Reviewed current list of ESG factors against this context and developed an updated shortlist of ESG factors to be prioritised

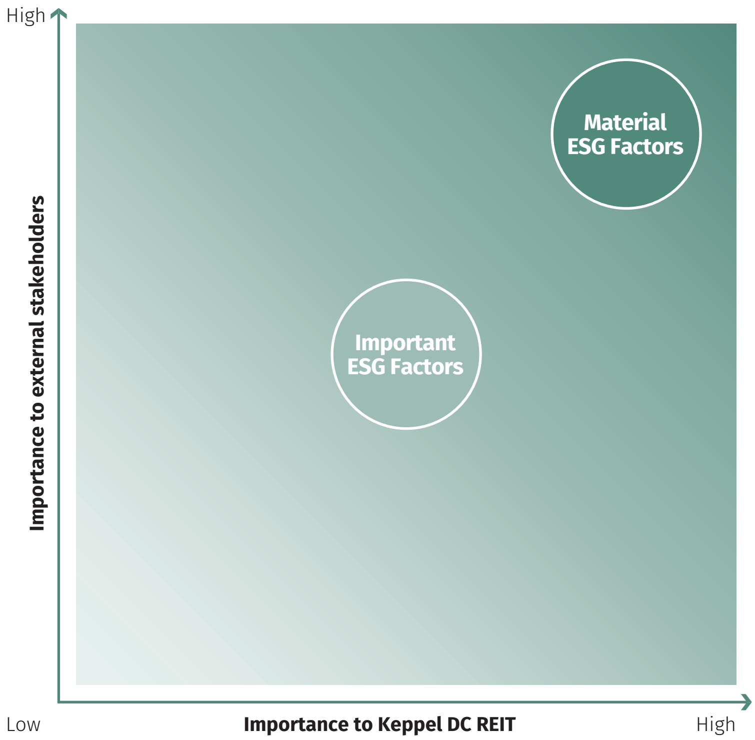
Stakeholder Engagement

- Invited internal and external stakeholders to respond to an online survey to prioritise the shortlist of identified ESG factors
- Conducted interviews with investors to understand their perspectives on the sustainability context of the industry and their priorities

Analysis & Validation

- Analysed quantitative and qualitative findings to prioritise material ESG factors
- Discussed and validated the list of material ESG factors with management
- Final list of material ESG factors reviewed and approved by the Board

PRIORITISATION OF ESG FACTORS



Material ESG Factors

Factors of very high importance to Keppel DC REIT and its key stakeholders, and considered most material and of top priority. These form the focus of its sustainability strategy and reporting, for which it aims to disclose targets and performance.

- Building and Service Quality
- Corporate Governance
- Cybersecurity and Data Privacy
- Diversity and Inclusion
- Economic Sustainability
- Emissions
- Employee Health and Wellbeing
- Energy
- Ethics and Integrity
- Human Capital Management

Important ESG Factors

Factors of moderate to high importance to Keppel DC REIT and its key stakeholders. These are actively monitored and managed, and will be included in external reporting as relevant, based on the sustainability context and stakeholder interest.

- Climate Change Adaptation
- Community Development and Engagement
- Sustainable Supply Chain Management
- Waste Management
- Water Management

Note: The factors are arranged in alphabetical order.

ESG TARGETS AND COMMITMENTS

This section summarises Keppel DC REIT's key targets and commitments, and its performance. In support of the UN Sustainable Development Goals (SDGs), and the 2030 Agenda for Sustainable Development, the Manager has incorporated eight SDGs as a supporting framework to supplement its sustainability strategy. To ensure progress and accountability, the Manager has set short-term (2025) and medium to long-term (beyond 2025) targets and commitments for Keppel DC REIT's material ESG factors.

ESG Factor	UN SDGs	Targets/Commitments	Performance and Progress in 2023	Page
Environmental Stewardship				
Climate Change Adaptation	13 CLIMATE ACTION	• Align reporting with the recommendations of the TCFD	• Further progress was made in 2023 to adopt the recommendations of TCFD, with a focus on enhancing Keppel DC REIT's climate scenario analysis through quantification of selected physical risks. • Keppel DC REIT is also carrying out a quantitative assessment of key transition risks. This builds on previous qualitative assessments to identify potential material risks and opportunities for the portfolio.	77 to 82
Emissions	11 SUSTAINABLE CITIES AND COMMUNITIES	• Progressively reduce combined Scope 1 and Scope 2 emissions with an aim to halve this by 2030 from a 2019 baseline	• In 2023, Keppel DC REIT's combined Scope 1 and Scope 2 emissions were 64,345 tCO_2e, which is 7.1% lower than 2022 levels.	74 to 77
Energy	11 SUSTAINABLE CITIES AND COMMUNITIES	• Introduce renewable energy[1] (RE) to at least 50% of the colocation assets by 2030, as well as encourage RE use at all other portfolio assets	• RE has been procured for approximately 17% of total electricity consumed at colocation assets. • RE is procured by clients at all of the portfolio's master lease assets in Europe.	76 to 77
		• Achieve at least a 10% reduction in effective power usage effectiveness (PUE[2]) for colocation assets that undergo major asset enhancement[3] works, by 2025 from a 2019 baseline	• Ongoing	76 to 77
Waste Management	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Responsible waste management and minimise waste generation	• Ongoing	82 to 83
Water Management	6 CLEAN WATER AND SANITATION	• Responsible water management and reduce water consumption	• In 2023, total water consumption was 514.4 ML, a 14.0% decrease from 2022.	83
Responsible Business				
Building and Service Quality	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES	• Obtain and maintain green certification for all Singapore colocation assets by 2025 and obtain green certification for all colocation assets by 2030	• Maintained green certifications for 80% (4 out of 5 buildings) of Singapore colocation assets. • Attained LEED v4.1 Operations and Maintenance (Existing Buildings) Gold Award at KDC DUB 1 and 2. • Achieved and/or maintained various sustainability and ISO certifications.	86 to 88
		• Achieve an above satisfactory score for the Annual Customer Satisfaction Survey[4]	• Achieved	86 to 88
		• Achieve zero client dissatisfaction over the physical security of all colocation properties in the Annual Customer Satisfaction Survey	• Achieved	86 to 88

[1] This includes exploring the use of solar powered ancillary equipment.
[2] Power usage effectiveness is a ratio that describes how efficiently a data centre uses energy. The lower the PUE, the better the energy efficiency of the data centre.
[3] Major asset enhancement – any capex above $1 million targeted at enhancing asset value and/or revenue but excludes repairs, maintenance and replacement.
[4] Ratings based. A scale of 1 – 5 is used in the survey. The higher the score, the more satisfied the client is with Keppel DC REIT's assets.

ESG Factor	UN SDGs	Targets/Commitments	Performance and Progress in 2023	Page
Corporate Governance	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	• Uphold strong corporate governance, robust risk management, as well as timely and transparent communications with stakeholders	• In compliance	84 to 86
Cybersecurity and Data Privacy		• Uphold high standards of cybersecurity and data protection best practices through the Keppel Cybersecurity governance structure • Zero incidents of data breaches and non-compliance with data privacy laws	• In compliance	88 to 89
Economic Sustainability	8 DECENT WORK AND ECONOMIC GROWTH	• Generate sustainable distributions and economic value	• Delivered resilient financial performance for FY 2023, with DPU of 9.383 cents.	84
Ethics and Integrity	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	• Maintain high standards and best practices in ethical business conduct and compliance, with zero incidents of fraud, corruption, bribery and non-compliance with laws and regulations	• In compliance	85 to 86
Sustainable Supply Chain Management	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Sustainable supply chain management	• In compliance	89
People and Community				
Community Development and Engagement	17 PARTNERSHIPS FOR THE GOALS	• Engage with local communities and contribute to Keppel FM&I's target of >500 hours of staff volunteerism in 2023	• The Manager, as part of Keppel FM&I, dedicated over 900 hours to community outreach activities and donated $30,500 in contributions to the Keppel Care Foundation in 2023[5]. • In 2024, the Manager strives to continue to contribute to Keppel FM&I's target of over 500 hours of staff volunteerism to aid and engage the local communities.	96
Diversity and Inclusion	8 DECENT WORK AND ECONOMIC GROWTH	• Have female directors represent at least 25% of the Board by 2025	• Achieved • The Manager targets to maintain gender diversity by ensuring that approximately 30% of the Board will comprise female directors.	94
Employee Health and Wellbeing	3 GOOD HEALTH AND WELL-BEING	• Provide a safe and healthy environment for all stakeholders, adopting the Keppel Zero Fatality Strategy to achieve a zero-fatality workplace	• In compliance	94 to 95
Human Capital Management	8 DECENT WORK AND ECONOMIC GROWTH	• Achieve at least an average of 20 training hours per employee in 2023	• Achieved an average of 31.8 training hours per employee in 2023. • In 2024, the Manager strives to achieve at least an average of 20 training hours per employee.	90 to 94
		• Conduct employee engagement surveys to track and enhance employee engagement	• The engagement score for 2023 remained strong at above 80%. • In 2024, the Manager will continue conducting engagement surveys to track and enhance employee engagement.	90 to 94

[5] Based on the tax-deductible receipt dated 2 August 2023.

Approach to Sustainability

INDUSTRY MEMBERSHIPS

RATERS AND RANKERS

	In 2023, Keppel DC REIT maintained its 'AA' rating in the MSCI ESG Ratings assessment[1].
	Achieved 3 Star rating and Green Star status for 2023 GRESB Real Estate Assessment submission and 'A' for Public Disclosure Assessment in 2023.
	Achieved a 'B-' rating for inaugural submission for the full CDP Climate Change Questionnaire 2023.

SIGNATORY

	The Manager, through Keppel FM&I, is a signatory of the United Nations supported Principles for Responsible Investment (PRI), committed to adopting the PRI's six Principles where possible.
	Keppel DC Ireland is a signatory of the Climate Neutral Data Centre Pact in Europe, which is a voluntary commitment to take actions to make data centres climate neutral by 2030.
	Keppel DC Ireland is a signatory of the European Code of Conduct for Data Centres, a voluntary standard that focuses on encouraging energy-efficient best practices.

MEMBERSHIPS

Large Industry Energy Network (LIEN) (supported by Sustainable Energy Authority of Ireland)	Keppel DC Ireland is a member of the LIEN, supported by the Sustainable Energy Authority of Ireland. LIEN member companies collaborate to improve energy management and implement sustainable energy solutions.
	Keppel DC REIT is a member of the REIT Association of Singapore, an organisation that aims to collaboratively strengthen and promote the Singapore REIT industry through education, research and professional development.
	The Manager, through Keppel, works with the Securities Investors Association (Singapore) in its efforts to empower the investment community through continuous investor education and outreach.
United Nations Global Compact	The Manager, through Keppel, is also a signatory of the United Nations Global Compact and is committed to the Global Compact's Ten Principles, which include human rights, labour, environment, and anti-corruption.

[1] The use by Keppel DC REIT of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Keppel DC REIT by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

STAKEHOLDER ENGAGEMENT

The Manager engages with key stakeholders on an ongoing basis through various platforms to gain insights into their concerns and expectations. The identification of key stakeholder groups is determined by whether, and the level to which, they may be potentially impacted by Keppel DC REIT's operations and ESG performance.

The Manager communicates its ESG performance and incorporates stakeholder feedback into its sustainability strategy.

The table below outlines the key topics of concern of key stakeholders and the modes of engagement.

Investors

Key Topics
- Business strategy and corporate developments
- Financial and portfolio performance
- ESG strategy and performance

Objectives of Engagement

Ensure timely and accurate disclosure of information

Engagement Platforms
- Annual and sustainability reports
- Corporate website
- Email feedback
- General meetings
- Investor presentations
- Media releases
- Quarterly teleconferences or webcasts
- Regular meetings and conference calls
- SGX announcements

Clients

Key Topics
- Building and service quality
- Health, safety and environmental matters

Objectives of Engagement

Build deep relationships with existing and prospective clients

Engagement Platforms
- Annual survey
- Onsite audits
- In-person and virtual meetings
- Industry conferences

Business Partners

Key Topics
- Compliance
- Collaboration
- Health, safety and environmental matters

Objectives of Engagement

Align business partners to Keppel values to enhance operational resilience

Engagement Platforms
- Regular meetings
- Safety and operations workshops
- Annual reviews and feedback sessions

Governments and Regulatory Bodies

Key Topics
- Adherence to rules and regulations
- Consultation on policies regarding the REIT sector
- Communication on industry/sector trends including sustainability

Objectives of Engagement

Collaborate on topics of mutual interest

Engagement Platforms
- Meetings
- Consultation exercises and surveys

Local Communities

Key Topics
- Community engagement
- Sharing of industry insights and knowledge

Objectives of Engagement
- Understand and support community needs
- Build lasting positive relationships

Engagement Platforms
- Community outreach activities
- Promote and organise community-related activities
- Participation in industry events and/or talks

Employees

Key Topics
- Employees' personal and professional growth
- Sharing of ideas
- Build culture of recognition and appreciation

Objectives of Engagement
- Build talent pool through continuous investments in training and development, as well as employee wellbeing and welfare
- Enhance careers through self-directed learning
- Inspiring others through leading by example

Engagement Platforms
- Dialogue sessions with senior leaders
- Annual employee engagement survey
- Appreciation month
- Physical, mental and financial wellbeing month
- Staff communication sessions
- Leadership programmes
- Team building activities
- Dinner and dance
- Involvement in different employee interest groups

ENVIRONMENTAL STEWARDSHIP

To reduce emissions and other environmental impact, the Manager is committed to optimising operational efficiencies and tapping on renewable energy sources where possible.

The Manager adheres to the Monetary Authority of Singapore Guidelines on Environmental Risk Management and looks to continuously improve Keppel DC REIT's environmental footprint and impact wherever possible. Actions taken include integrating environmental sustainability considerations into business decisions, conducting due diligence on environmental risks relevant to each location such as flooding and contamination as well as evaluating opportunities to enhance energy efficiency and climate risk mitigation where possible. These assessments are incorporated as part of the investment considerations prior to any acquisition. Environmental and climate events impacting the portfolio are also monitored on a regular basis.

Refer to the Keppel Environmental Sustainability Policy for more information on policies and commitments.

EMISSIONS AND ENERGY

Management Approach

The Manager seeks to uphold its commitment as a responsible corporate citizen and support climate action and the transition to a low-carbon economy.

This involves an ongoing assessment of the feasibility of integrating energy-efficient equipment and technologies, studying the use of advanced energy management practices such as artificial intelligence for predictive machine learning, and deploying energy optimisation measures. All Singapore and Dublin colocation facilities maintained ISO 50001 certifications for energy management systems and ISO 14001 certifications for environmental management systems, ensuring sustainable environmental performance while upholding operational resilience and zero downtime, enabling the Manager to identify opportunities for further energy optimisation.

Keppel DC Ireland, a signatory of the Climate Neutral Data Centre Pact, collaborates with consultants and peers to minimise energy consumption and achieve climate neutrality by 2030.

Renewable energy continues to be procured for the Dublin assets, with both facilities receiving the LEED v4.1 Operations and Maintenance (Existing Buildings) Gold Award, a standard for green building design, construction, operations and performance, in 2023.

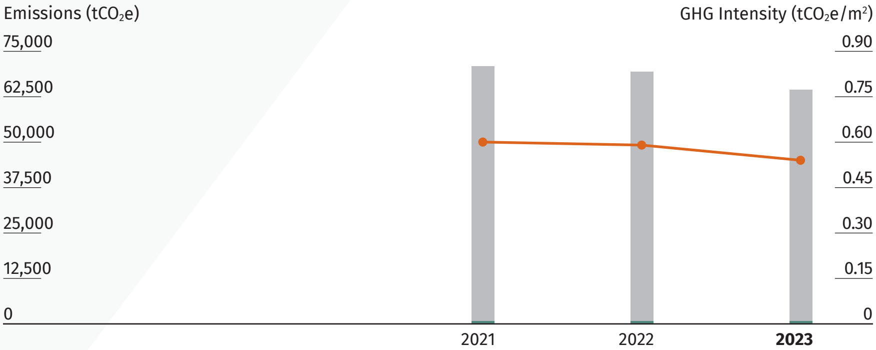
Performance and Progress

Greenhouse Gases (GHG) Emissions

Keppel DC REIT's GHG emissions profile comprises Scope 1 emissions originating mainly from diesel consumption for backup generators, Scope 2 emissions from electricity use, and Scope 3 value chain emissions.

In 2023, total Scope 1 and 2 GHG emissions were 64,345 tCO_2e, a 7.1% year-on-year decrease from 2022. This was largely due to an interim electricity usage reduction from the cooling equipment owned by the Manager as a result from a major client's ongoing upgrading works. Consequently, GHG emissions reduced by 13.6% compared to base year 2019 and GHG intensity declined to 0.54 tCO_2e/m^2 in 2023. The procurement of renewable energy at KDC DUB 1 and KDC DUB 2 resulted in 26,190 tCO_2e of avoided emissions in 2023.

TOTAL SCOPE 1 AND 2 GHG EMISSIONS (tCO_2e)



	2021	2022	**2023**
Scope 1 (tCO_2e)	863	821	**783**
Scope 2 (tCO_2e)	70,018	68,424	**63,563**
Total Emissions (tCO_2e)	70,881	69,245	**64,345**
GHG Intensity (Scope 1 and 2) (tCO_2e/m^2)	0.60	0.59	**0.54**

Notes:
GHG emissions are calculated in accordance with the operational control approach of the GHG Protocol standard – the most widely accepted international standard for GHG accounting. 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).

Conversion factors for Scope 1 and Scope 2 (market-based) GHG emissions were obtained from the UK Department for Business, Energy Market Authority (DEFRA) and the International Energy Agency (IEA) for country-specific emission factors. Scope 3 emission factors are referenced from the DEFRA and IEA for fuel and energy, waste, and from the International Civil Aviation Organisation for business air travel. Emission factors for downstream leased assets are based on country-specific grid emission factors. Employee commuting emissions are estimated based on Singapore Census of Population 2020 survey with emission factors provided by SMRT Corporation and the Land Transport Authority.

GHG intensity calculation is based on total gross floor area in square metres. It includes Scope 1 and 2 emissions.

Scope 2 GHG emissions exclude energy consumption at KDC DUB 1 and KDC DUB 2 as renewable energy is procured at these assets.

Keppel DC REIT uses 2019 as the base year for its emissions benchmarking.

Environmental Stewardship

TOTAL GHG EMISSIONS IN 2023 (tCO_2e)

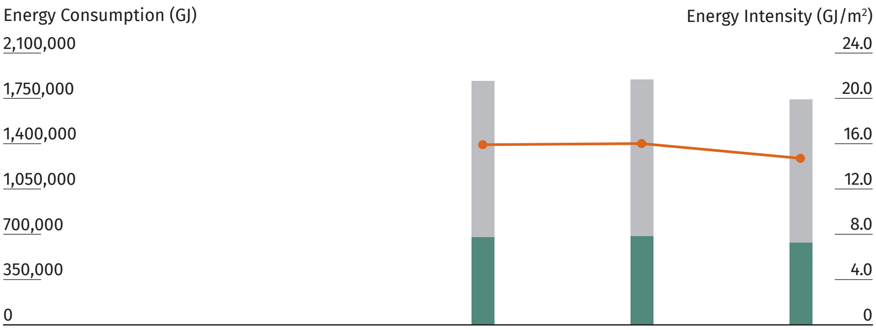
Scope 1 (Direct emissions)[1]	783
Scope 2 (Indirect emissions)[2]	63,563
Scope 3 (Indirect emissions)[3]	138,219
Total	**202,565**

Notes:
1 Fuel (diesel) consumption.
2 Use of electricity.
3 Based on the nine relevant categories for Keppel DC REIT.

Scope 3 Category	Emissions in 2023 (tCO_2e)
Purchased goods and services	2,409
Capital goods	3,504
Fuel and energy related activities	20,674
Upstream transportation and distribution	833
Waste generated in operations	33[1]
Business travel	150[2]
Employee commuting	8
Downstream leased assets	107,702
Investments	2,907

Notes:
1 Total emissions for Scope 3 category 'Waste Generated in Operations' in 2022 and 2021 have been restated to 33 tCO_2e and 33 tCO_2e respectively to factor in replacement of previous estimates with actual data and improvement in data collection methodology.
2 Total emissions for Scope 3 category 'Business Travel' in 2022 has been restated to 142 tCO_2e due to a previously unaccounted portion now included in the final calculations.

TOTAL ENERGY CONSUMPTION (GJ)



	2021	2022	**2023**
Landlord Consumption (GJ)	677,300	684,844	**634,506**
Client Consumption (GJ)	1,204,414	1,208,510	**1,105,121**
Total Energy Consumption (GJ)	1,881,714	1,893,354	**1,739,627**
Energy Intensity (GJ/m²)	15.9	16.0	**14.7**

Notes:
Landlord Consumption and Client Consumption figures include renewable energy procured at KDC DUB 1 and KDC DUB 2.

Energy intensity calculation is based on total energy consumption in gigajoules (GJ) of both landlord and clients, and the total gross floor area in square metres.

The Scope 3 categories relevant to Keppel DC REIT's business are disclosed on the left.

Energy

In 2023, total energy consumption amounted to 1,739,627 GJ, reflecting a decrease of 8.1% year-on-year. Correspondingly, energy usage intensity, measured by gross floor area, declined to 14.7 GJ/m^2 in 2023 from 16.0 GJ/m^2 a year ago.

99.4% of Keppel DC REIT's energy consumption in 2023 was attributable to the use of electricity, and 0.6% from diesel consumption from backup generators. All of the electricity consumed at KDC DUB 1 and KDC DUB 2 was procured from renewable sources.

The Manager is working towards progressively reducing its combined Scope 1 and 2 emissions in the medium to long term, with an aim to halve this by 2030 from a 2019 baseline. To address Scope 2 emissions, the Manager targets to introduce RE to at least 50% of its colocation assets by 2030. Enabling this target are initiatives exploring

Energy Optimisation Measures

- Continuous monitoring and recalibration of temperature setpoints within each data centre are conducted to avoid overcooling, reduce excessive energy consumption, and identify and prevent leakage
- Optimise or right-size the number of chillers and computer room air conditioners needed to ensure energy-efficient cooling
- Manage factors affecting envelope thermal transfer value
- Install LED lights and motion sensors to reduce electricity usage
- Calibrate equipment test durations to optimise diesel consumption
- Implement a hot or cold aisle containment whenever possible to manage airflow, thereby reducing energy usage

the use of solar-powered ancillary equipment and the procurement of renewable energy. In instances where major asset enhancement works above $1 million in capital expenditure are undertaken, the Manager has set an additional target of achieving at least a 10% reduction in effective PUE by 2025 from a 2019 baseline.

Moving forward, the Manager will continue to leverage technology and innovation to optimise operational efficiencies, reduce environmental impacts and meet its emission targets.

CLIMATE CHANGE ADAPTATION

The Manager made further progress in 2023 to adopt the TCFD recommendations, enhancing the scenario analysis with more quantitative outcomes of Keppel DC REIT's climate-related risks and opportunities.

Keppel DC REIT's Approach to Climate Change Adaptation

2021 Established roadmap

2022 Conducted scenario analysis

2023 and 2024 Enhanced scenario analysis through quantification of selected physical and transition risks

Establish Governance Structure	Climate Scenario Analysis	Identify Potential Business Responses	Integration
• Established sustainability governance structure	• Identified current and anticipated climate-related risks and opportunities • Developed appropriate climate scenarios and narratives • Assessed potential impact of climate-related risks and opportunities across scenarios	• Identify appropriate business responses to mitigate and manage material risks and opportunities	• Integrate analysis of climate-related risks and opportunities into decision making, financial planning and risk management • Review and update climate-related metrics and targets • Monitor implementation and performance

Monitor implementation progress of roadmap

Governance

Please refer to page 68 for more information on Keppel DC REIT's sustainability governance structure.

Across Keppel DC REIT, senior management provides oversight and executive decision-making regarding all ESG topics. The table on the right outlines the specific responsibilities of each team in relation to the assessment and management of climate-related issues.

SUSTAINABILITY COMMITTEE

Teams	Responsibilities
Asset Management	• Drive implementation of climate-related mitigation and adaptation initiatives across assets • Engage with property managers and clients to identify potential ESG topics and implement mitigating measures
Finance	• Assess financial implications of climate-related risks and opportunities, and integrate climate-related risks into financial reporting
Investment	• Integrate ESG considerations into evaluation of opportunities to ensure long-term resilience and alignment with sustainability targets
Investor Relations and Sustainability	• Articulate ESG strategy, achievements and progress • Understand investors' ESG requirements and incorporate them into the portfolio, as relevant • Benchmark against peers and industry leaders, to understand and implement best practices, as relevant
Human Resources	• Develop strategies related to talent management, capacity building and engagement in relation to ESG
Legal	• Ensure strategies and disclosures are in compliance with relevant laws and manage legal and regulatory risks
Portfolio Management	• Set overall direction and targets related to sustainability and climate change including the identification and assessment of climate and sustainability-related risks • Develop and update sustainability roadmap • Assess portfolio performance to ensure alignment with sustainability targets across the portfolio • Management of ESG data across assets
Risk and Compliance	• Integrate climate and sustainability-related risks into overall enterprise risk management • Develop risk mitigation strategies

Strategy
Keppel DC REIT conducted a climate scenario analysis and qualitative assessment in 2021 and 2022 to identify potential material climate-related risks and opportunities. In 2023, the Manager progressed towards quantifying the potential financial impact from physical risks. Based on the quantitative physical risks assessment in a 2023 to 2030 time horizon, Keppel DC REIT's current portfolio remains resilient, across all potential climate scenarios.

Moving forward, the Manager seeks to enhance the comprehensiveness of its assessment through the quantification of transition risks. The process of quantifying transition risks has commenced, beginning with the risks prioritised based on its potential financial impact and data availability.

The Manager regularly reviews measures to ensure the adequacy in addressing the potential impacts of both physical and transition risks. The details of the enhanced scenario analysis are presented below.

SCENARIO ANALYSIS

Scenario analysis acts as an essential decision-making tool. It does not constitute a forecast or prediction but is utilised to stress-test the resilience of current strategies, assets and projected transition plans against plausible futures. Scenario analysis may also be used to identify the need to strengthen portfolio resilience and capacity to capitalise on potential opportunities.

Physical Risk Assessment
Methodology
In 2022, eight of Keppel DC REIT's assets were assessed as part of its physical climate risk assessment[1]. 11 individual physical risks variables comprising a mix of chronic and acute risks were identified.

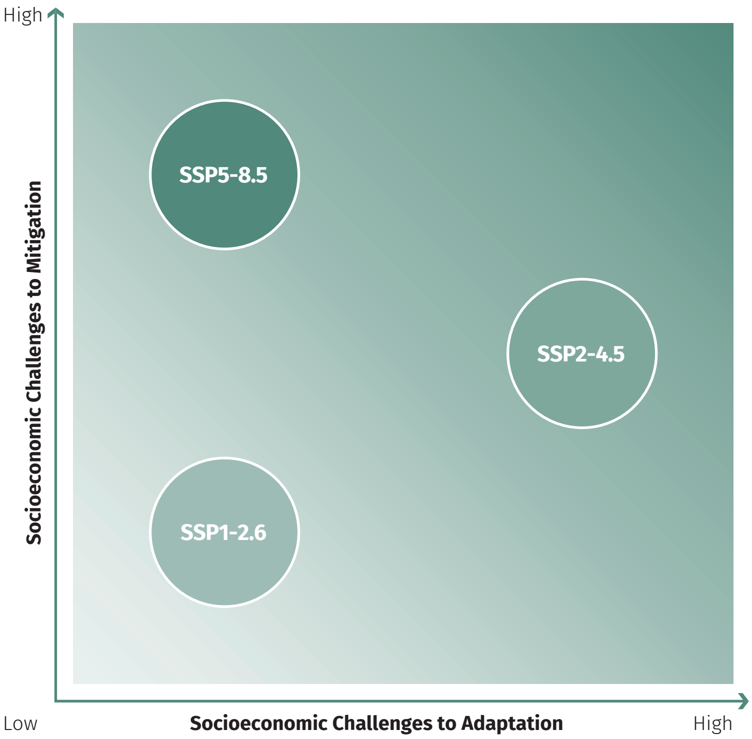
Aligned with best practices, Keppel DC REIT's assessment was conducted using a combination of both publicly available data and internal asset-specific data. Pathways were selected in alignment with the TCFD recommendations, requiring companies to consider a 2°C or lower scenario with higher transition risks and a scenario with increased physical climate-related risks.

The three scenarios selected were analysed across three key geographies (Singapore, Australia and Ireland) for a period from 2023 to 2030. In view of the dynamic business landscape, the Manager also included longer term time frames in the analysis and continues to evaluate the potential impact beyond 2030.

External Data	Internal Data
Data Sources	
• Data from Climate Insights from CLIMsystems comprising Global Climate Models of the coupled model intercomparison project for periods from 2005 to 2030 for the selected Shared Socioeconomic Pathways (SSPs) scenarios SSP1-2.6, SSP2-4.5 and SSP5-8.5 from the latest Intergovernmental Panel on Climate Change Sixth Assessment Report • Country/location-specific historical climate and weather data	• Building characteristics (such as building types and materials) • Building asset value[2]
Key Assumptions	
The model considers the following assumptions: • No changes in portfolio of assets • No implementation of mitigations	
Limitations	
The assessment includes current assets and does not contain: • Assets acquired after the point of assessment	

[1] This refers to KDC SGP 1 to 5 (Singapore), Gore Hill DC (Australia) and KDC DUB 1 and 2 (Ireland).
[2] Asset value is inclusive of the land value.

SELECTED SHARED SOCIOECONOMIC PATHWAYS



SSP5-8.5

- Current CO_2 emissions projected to double by 2050
- Fossil-fueled development
- High temperature increase of 4.4°C by 2100

SSP2-4.5

- Delayed emissions reduction
- Slow progress made by governments and businesses toward sustainability
- Moderate temperature increase of 2.7°C by 2100

SSP1-2.6

- Severe emissions reduction
- Inclusive development that respects environmental boundaries
- Limited temperature increase, below 2°C by 2100

QUALITATIVE PHYSICAL RISK ASSESSMENT

Risk Description	Description of Potential Business Impact	Business Response
Extreme precipitation Exposure of assets to substantial exceedance in the amount of rainfall delivered.	• Destruction of built and natural environment • Reduced accessibility or function of building for users, impacting productivity	• Flood risk evaluation is an integral part of data centre site selection to avoid flood-prone and coastal sites • Onsite facility managers actively monitor climate, and implement systems to prevent disruptions where possible • Regular assessment of options for retrofitting and improving existing assets, such as installation/ enhancement of drainage systems, water leak sensors, and building elevation
Extreme water level Coastal extreme sea-level elevations occurring with a confluence of events such as storms, high tides, and sea level change.		
Mean sea level rise Location-specific variations in sea-level changes influenced by factors such as vertical land movement and regional ocean currents.		
Extreme temperature Unexpected severe temperature variations above or below normal conditions.	• Increased energy and water consumption costs • Business disruptions resulting in penalties • Health and safety risks due to human discomfort • Reduced building material durability, thus affecting indoor climate	• Monitor indoor temperatures and adjust cooling systems as needed • Regular maintenance with planned technical refresh or end-of-life replacements of cooling systems to optimise efficiency replacements • Manage envelope thermal transfer to enhance overall efficiency, minimising building heat absorption
Heat wave days Persistent period of high temperatures.		• Data centre design and equipment selection to consider historical local environmental data • Cooling infrastructure includes built-in redundancies for unexpected operational conditions • Review insurance coverage as necessary • Implement energy-efficient materials and colour schemes to reduce heat absorption or aid in external façade heat dissipation
Fire risk Increased potential and frequency of fire-related risks associated with warmer, and low moisture conditions due to climate change.	• Destruction of built and natural environment • Economic losses for repairs or business interruption losses not covered by insurance	• Prioritise evaluation of fire risks in data centre site selection and design process. Minimise vegetation around data centres to reduce potential fire spread • Business continuity plans in place to address potentially affected operational conditions, with insurance coverage reviewed as necessary

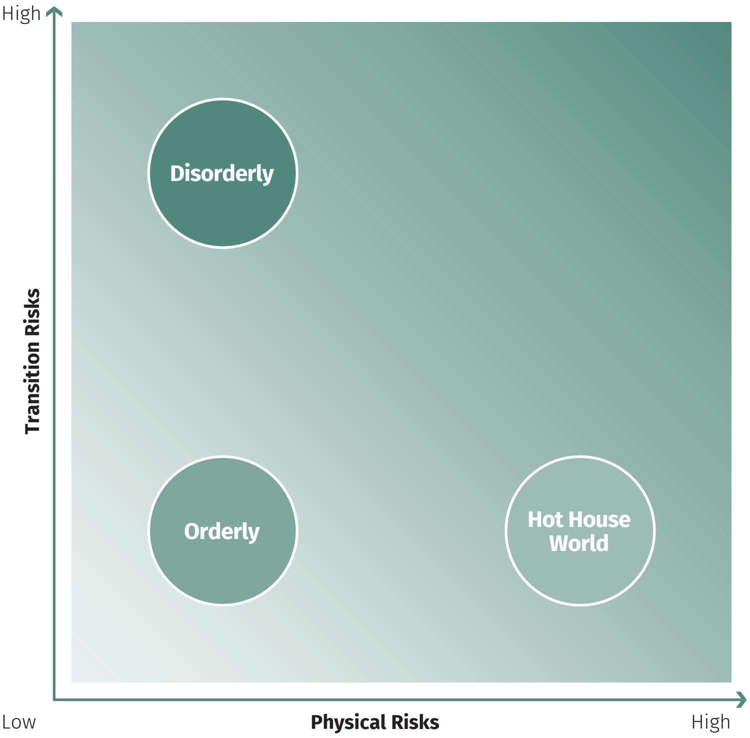
Quantitative Physical Risk Assessment Results
Based on the identified material physical risks, the estimated average annual incremental value at risk from damages (VaRD) from 2023 up to 2030 ranges from $5 million to $6 million across the three scenarios and are not financially material in the short term. The calculations were based on the whole asset valuation, including both the building and land values. Thus, if only the building values were considered, the VaRD values would be lower. In addition, these results do not account for mitigation measures (such as repairs, maintenance, upgrading of assets to adapt to potential damages) which would lower the VaRD and assume a consistent portfolio.

VaRD represents the possible financial losses stemming from repairs needed as a result of physical climate damages. The VaRD calculation assumed a consistent portfolio, that revenue and site values remain unchanged, and does not account for mitigation measures.

The results are not a financial forecast, but instead provide an understanding of the trajectory of potential financial exposure to physical risks that can be referenced and factored into decision-making and financial planning.

Transition Risks and Opportunities Assessment
Methodology
In 2022, Keppel DC REIT conducted a qualitative transition risk assessment. The assessment considered selected scenarios from the Network for Greening the Financial System (NGFS) and incorporates information on other factors from established data sources[1]. This enables Keppel DC REIT to better assess the evolving implications on the REIT and its operations in various potential futures.

SELECTED NGFS SCENARIOS



Disorderly

Delayed transition

- Divergent introduction of climate policies across nations
- Annual emissions do not decrease until 2030
- Strong policies introduced after 2030 to limit warming to below 2°C

Orderly

Net Zero 2050

- Immediate introduction of climate policies globally
- Limit global warming to 1.5°C from 2020 to 2030

Hot House World

Current policies

- Limited climate policies introduced globally
- Significant global warming
- Increased exposure to physical risks leads to irreversible impact

[1] Keppel DC REIT referenced indicators and projections from the Intergovernmental Panel on Climate Change and NGFS databases.

QUALITATIVE TRANSITION RISK ASSESSMENT

Risk Description	Description of Potential Business Impact	Business Response
Regulatory		
Increasing price of carbon Direct/indirect exposure to carbon tax in Singapore, Australia and Ireland due to current and future potential legislation.	• Increased operating costs due to both direct and indirect carbon taxes from electricity consumption • Loss of clients seeking alternative low-carbon operators	• Reduce reliance on carbon intensive fuels through the procurement of RE • Commitment to emissions reduction and energy optimisation initiatives such as regular maintenance, overhauls and end-of-life replacements of equipment • Active assessment of impact of carbon tax on both current portfolio and future potential investments
Enhanced reporting obligations SGX has mandated climate reporting. Other planned initiatives to strengthen climate reporting include International Sustainability Standards Board (ISSB)-aligned climate-related disclosures from financial year 2025.	• Additional costs to hire and upskill employees to maintain continued compliance with regulations • Potential financial penalties for non-compliance and associated reputational damage	• Keppel DC REIT is compliant with current Singapore listing obligations and reports in accordance with GRI reporting standards • Actively monitor the development of relevant regulations and reporting frameworks • Continuously upskill and develop in-house reporting capabilities
Stricter building/sector regulations Building sector regulations and performance standards are likely to progressively increase, becoming more stringent over time globally.	• Increased retrofitting costs to upgrade existing buildings to meet new standards • Increased capital expenditures to invest in cleaner technologies • Non-compliance may lead to financial penalties and associated reputational damage	• Keppel DC REIT is compliant with current building sector regulations, possessing various green certifications • Regular maintenance and portfolio optimisation efforts to maintain green certifications and look to future-proof assets
Market		
Revenue loss due to increase in cost Increase in electricity costs may lead to revenue loss.	• Lower profits due to higher operating costs • Revenue loss due to clients' preference for more energy efficient data centres	• Commitment to emissions reduction and energy optimisation initiatives such as regular maintenance, overhauls and end-of-life replacements of equipment • Reduce reliance on carbon intensive fuels through the procurement of RE
Reputation		
Change in stakeholder (client and investor) expectations Increased demand for low/net zero data centres to align investor climate ambitions with the Paris Agreement.	• Reduced capital availability due to failure to meet stakeholder expectations • Decreased revenue as more clients opt for low carbon buildings	• Majority of Keppel DC REIT's colocation properties have obtained green certifications • Commitment to energy optimisation initiatives • Increase RE usage • Actively engage with stakeholders to understand preferences and incorporate changes where relevant and feasible

Quantification of Transition Risks and Opportunities

Building upon the completion of the qualitative transition risk assessment, Keppel DC REIT is now in the phase of quantifying the potential financial impact of the identified transition risks, with reference to the UN Environment Programme Finance Initiative guidance[2], including exposure to the increasing price of carbon and increasing energy costs, to enhance its understanding and improve the comprehensiveness of its assessment of the potential financial exposure related to climate-related risks and opportunities.

Aligned with the qualitative assessment, the quantification analysis and modelling will consider science-based projections and indicators of the selected scenarios from the NGFS and incorporates information on other factors from established data sources[3]. The model will take into account the evolving consumption patterns of Keppel DC REIT's assets and its 2030 energy and emission targets. This enables the Manager to better assess the evolving implications on the REIT and its operations, stress testing Keppel DC REIT's strategy and resilience with the most extreme potential futures including i) Net Zero 2050 and ii) Current Policies scenario.

Through its enhanced understanding of its potential financial exposure to climate-related risks and opportunities from the results of ongoing and completed climate scenario analyses, Keppel DC REIT has initiated the process to develop a transition plan outlining the measures to holistically address climate-related risks and opportunities, building on previous and ongoing mitigation and adaptation efforts.

Risk Management

The Enterprise Risk Management (ERM) Framework governed by Keppel DC REIT's System of Management Controls (KSMC) is a holistic and systematic approach to risk management.

[2] UNEP Finance Initiative, "Beyond the Horizon: New Tools and Frameworks for Transition Risk Assessments from UNEP FI's TCFD Banking Programme".
[3] Keppel DC REIT referenced indicators and projections from the Intergovernmental Panel on Climate Change and NGFS databases.

Environmental Stewardship

OPPORTUNITIES

Opportunity Description	Description of Potential Business Impact	Business Response
Cost savings from tapping on energy-efficient technology and cooling infrastructure Improving energy efficiency can help to reduce operating costs and attract clients in the medium to long-term. It is expected that new sustainable technologies will be introduced and become economically and operationally feasible to implement over time, to help data centres to become more efficient in a net zero world.	• Reduced exposure to changes in energy prices • Decreased operating costs due to energy savings • Increased revenue from clients looking for higher energy efficiency/ low-carbon data centres	• Continue to explore and invest in potential energy efficient technologies and initiatives
Increased access to green capital Increase in demand and supply for green bonds and investments as the number of sustainability-oriented debt and equity investors increase.	• Greater access to additional financing sources which can be used to fund energy-efficient initiatives and associated reputational benefits	• Keppel DC REIT has entered into sustainability-linked loans leading to interest cost savings if it meets certain criteria
Incentives provided by government entities Public sector incentives may likely increase over time to encourage companies to pursue decarbonisation.	• Increased access to financing and support for energy efficiency incentives • Improved reputational benefits from government partnerships • Improved energy efficiency	
Shift in stakeholder (client and investor) expectations Preferences from clients to utilise data centres with green building certifications and sustainability initiatives may improve market competitiveness and lead to increased revenue. Increased investors' interest in companies with an ESG focus.	• Increased revenue arising from increased demand for green data centres • Increased access to potential investors that have an ESG focus	• Majority of Keppel DC REIT's colocation properties have obtained green certifications • Actively engage with stakeholders to understand preferences and incorporate changes where relevant and feasible

KSMC outlines the reporting structure, monitoring mechanisms, specific risk management processes and tools, as well as policies and limits in addressing and managing the key risks that have been identified. These mechanisms guide the Manager in assessing the key risks and identifying mitigating actions. As part of the Manager's ERM process, both physical and transition climate risks are considered and all risks are prioritised. These analyses integrate climate change with other identified business risks, utilising common metrics and indicators to evaluate risks based on magnitude and likelihood, and prioritise the significance of climate change alongside all other risks. The Manager acknowledges the rapidly changing landscape of ESG risks and opportunities and consistently reviews its mitigating actions.

For more information on risk management, please refer to pages 190 to 191.

Metrics and Targets

Keppel DC REIT continues to track its GHG emissions following the GHG Protocol Corporate Standard and Corporate Value Chain (Scope 3) Standard using the operational control approach and reports all Scope 1, 2 and relevant Scope 3 emissions. Keppel DC REIT continues to make progress against its roadmap to meet its targets and is actively pursuing various initiatives such as achieving green certifications, purchasing renewable energy where possible, as well as carrying out energy optimisation initiatives.

Keppel DC REIT deploys funds for sustainability related initiatives annually. The progress of these initiatives are monitored as part of the overall strategy to minimise the environmental footprint.

The Manager also adopts Keppel's shadow carbon pricing policy, where applicable, to evaluate major new investment decisions to contribute to climate action, mitigate climate-related risks, prepare for tougher climate legislation, and higher carbon prices, and avoid assets being stranded.

For more information, please refer to pages 74 to 77.

WASTE MANAGEMENT

Management Approach

While operations at the data centres produce minimal waste in its day-to-day operations, the Manager remains steadfast in its commitment to address waste management.

Typically, any significant waste generated is a by-product of renovation works carried out by clients and handled by the clients' appointed contractors. As part of the Manager's commitment to responsible waste management, it engages with clients to reduce, reuse and recycle whenever possible. On-site disposal and recycling bins have been strategically placed at each data centre to encourage proper waste disposal. Waste collection is entrusted to a licensed third-party waste disposal company, who consolidates the waste and recycling data for sharing with the Manager. The Manager also prioritises client contract renewals to limit reinstatement debris.

Performance and Progress[1]

In 2023, Keppel DC REIT's colocation assets generated a total of 166.2 tonnes of non-hazardous waste. Of this, 100.6 tonnes underwent incineration,

[1] Total non-hazardous waste generated in 2022 and 2021 have been restated to 197.9 tonnes and 187.9 tonnes respectively to factor in replacement of previous estimates with actual data and improvement in data collection methodology. In 2022, 107.9 tonnes underwent incineration, 63.6 tonnes were directed to landfills, and 26.4 tonnes were recycled. In 2021, 115.8 tonnes underwent incineration, 66.0 tonnes were directed to landfills, and 6.1 tonnes were recycled.

58.8 tonnes were directed to landfills, and 6.8 tonnes were successfully recycled. No hazardous waste was generated in 2023.

WATER MANAGEMENT

Management Approach

Data centres use water for chillers and cooling towers to maintain an optimal temperature for equipment to function. As part of responsible water management, the Manager actively monitors water consumption and undertakes measures to reduce water consumption through water conservation efforts and the water-efficient fittings. For example, low flow sanitary appliances and reclaimed stormwater are used at Gore Hill DC, contributing to water reduction and water recycling efforts.

All colocation facilities obtain water through municipal water suppliers, where water use is measured through direct metering. In Singapore, some colocation facilities also use reclaimed wastewater (NEWater) supplied by Singapore's national water agency, PUB, to reduce its water footprint. All Singapore colocation facilities attained the ISO 46001:2009 Water Efficiency Management Systems certification.

Performance and Progress

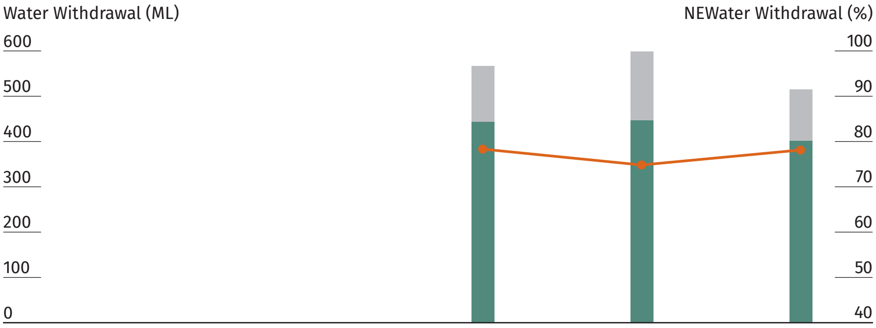
In 2023, total water withdrawal amounted to 514.4 ML, a 14.0% decrease from 2022. The decrease in water consumption was mainly due to a decline in water usage from the cooling equipment owned by the Manager as a result of a major client's ongoing upgrading works.

ENVIRONMENTAL MANAGEMENT

Working together with its facility managers, the Manager looks to identify and implement initiatives that reduce Keppel DC REIT's environmental impact.

A key focus area in the short term is to optimise energy efficiency of assets through planned capital expenditure works. This involves prioritising energy-efficient options and leveraging innovative technologies. To maintain high standards, all colocation facilities in Singapore and Dublin have achieved the ISO 14001:2015 certification in Environmental Management Systems. In time, the Manager will progressively expand on relevant certifications and initiatives to help manage its environmental impacts. The Manager also closely monitors ongoing initiatives within Keppel, maintaining communications with relevant personnel and exploring opportunities to further introduce renewable energy in Keppel DC REIT's portfolio.

TOTAL WATER WITHDRAWAL



	2021	2022	**2023**
NEWater Withdrawal (ML)	443.6	447.1	**401.6**
Total Water Withdrawal (ML)	566.2	598.1	**514.4**
NEWater Withdrawal as % Total Water Withdrawal	78.3	74.8	**78.1**

RESPONSIBLE BUSINESS

Strong corporate governance and robust risk management underpin Keppel DC REIT's ability to generate long-term value and ensure business continuity.

ECONOMIC SUSTAINABILITY

Management Approach

The Manager is committed to driving value creation via its focused investment strategy, proactive asset management and prudent capital management. Incorporating ESG considerations into the corporate strategy and business operations help to ensure sustainable business performance and stakeholder accountability.

Looking ahead, ESG considerations are expected to play a larger role alongside returns on investments. The Manager will continue to integrate ESG practices into operations for resilience and risk management, which includes assessing the potential financial impact of climate-related risks and opportunities on its portfolio and tapping on sustainability-linked loan facilities where possible.

Performance and Progress

Keppel DC REIT reported FY 2023 DPU of 9.383 cents, supported by resilient portfolio performance. During the year, the Manager secured two sustainability-linked credit facilities.

More information on financial performance can be found on pages 56 to 61.

CORPORATE GOVERNANCE

Management Approach

Robust corporate governance builds stakeholders' confidence in Keppel DC REIT's ability to create long-term value, enables the Manager to effectively identify and manage risks, and attracts talent that can drive Keppel DC REIT forward, amongst other benefits.

Setting the tone from the top, majority of the Board is comprised of independent directors. Aligned to the guidelines on diversity prescribed in the Code of Corporate Governance, the Board also reflects a diverse, knowledgeable and experienced group of leaders.

Sustainable development and ESG factors are part of senior management's corporate scorecard, with performance linked to remuneration. This reflects the Manager's commitment to high standards in encompassing accountability, transparency and sustainability in its business practices.

Separately, Keppel DC REIT's ERM framework provides a comprehensive and systematic approach to risk management. This framework

encompasses reporting structures, monitoring mechanisms, specific risk management processes, tools, and policies, offering guidance for assessing key risks and identifying mitigating actions. The ongoing evaluation of the effectiveness of these actions enables the Manager to respond promptly and effectively to an evolving business landscape, including emerging ESG risks and opportunities. Guided by the ERM framework, the Board and the ESG Committee collaboratively ensure the identification and mitigation of ESG-related risks that could impact long-term Unitholder value. This approach aligns responsible business practices and operational continuity.

In recognition of its strong corporate governance practices, Keppel DC REIT was ranked 11th in the 2023 Singapore Governance and Transparency Index (SGTI) under the REIT and Business Trust category, with an improved score over 2022. The SGTI assesses companies on their corporate governance disclosure and practices including the timeliness, accessibility and transparency of financial results announcements.

For further insights into Keppel DC REIT's corporate governance guidelines, practices, and risk management strategy and processes, refer to pages 162 to 189.

ETHICS AND INTEGRITY

Management Approach

At Keppel DC REIT, there is zero tolerance for corruption, bribery, fraud and unethical business practices. All employees are expected to uphold the utmost standards of personal and corporate integrity in their engagements with customers, suppliers, fellow employees and key stakeholders.

Keppel DC REIT is guided by Keppel's policies on responsible business conduct.

Key Policies	
Employee Code of Conduct	This sets out the principles of conduct to guide employees and directors in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity when dealing with Keppel's competitors, customers, suppliers, other employees and the community.
Whistle-Blower Policy	• Individuals have a secure avenue to raise concerns in good faith about any perceived irregularity or misconduct without fear of reprisal. • All concerns or issues raised go through a whistle-blower reporting channel operated by an independent third-party. • Matters under the Whistle-Blower Policy are reported to the Head of Internal Audit who reports directly to the ARC Chairman (an independent director) on all matters arising under the Whistle-Blower Policy. The ARC reviews the Whistle-Blower Policy annually to ensure a proper process for investigation and follow-up of any incident. • For more information, see pages 184 to 185.
Global Anti-Bribery Policy	• The policy outlines framework, management systems and standards for employees to conduct business and operations ethically and in full alignment with Keppel's commitment to a zero-tolerance approach towards bribery. • Compliance training for employees is periodically provided to enhance understanding. The policy is also reviewed annually by Keppel's Risk and Compliance to ensure its relevancy.
Competition Law Compliance Manual	The Competition Law Compliance Manual provides guidelines on avoiding anti-competitive behaviour in business activities.
Insider Trading Policy	The Manager has established an Insider Trading Policy concerning transactions involving Keppel DC REIT's securities. Applicable to all Directors and officers of Keppel DC REIT, the policy delineates the consequences of insider trading. For more information, see page 178.
Dealing in Securities Policy	This applies to all employees and the securities accounts that employees have a beneficial interest in. Pursuant to this Dealing in Securities Policy, the trading of rights and the subscription of excess rights of Keppel DC REIT Units are subject to trade clearance/restrictions. For more information, see pages 178 to 179.

For Keppel's Corporate Statement of Human Rights, Diversity, Equity and Inclusion Policy and Supplier Code of Conduct, see Approach to Sustainability on pages 67 to 73.

The Employee Code of Conduct is introduced to new employees as part of the onboarding process, alongside the anti-bribery and whistle-blower policies. Additionally, 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 policies. The policies are accessible by employees via an online portal.

Beyond employees, third-party associates including joint venture partners, are also required to acknowledge the Employee Code of Conduct, which includes anti-bribery and anti-corruption sections.

Performance and Progress

All personnel, including part-time and contracted staff, along with senior management and the Board, underwent compulsory training on key policies including those pertaining to anti-bribery and anti-corruption measures in 2023.

BUILDING AND SERVICE QUALITY

Management Approach

Stringent operational standards and building excellence are upheld at Keppel DC REIT's data centres, with a focus on providing optimal performance with minimal downtime and maximum physical security. Working with the facility managers, the Manager strives to uphold high standards that support clients' needs, including providing a safe and healthy environment for building occupants and visitors.

Aligning practices with international standards to achieve high technical specifications and operational resilience, the Manager works with facility managers to implement robust health, safety and environment (HSE) practices across its colocation facilities. These include ensuring compliance with local regulatory requirements and adherence to regulatory changes. To exemplify and inculcate the importance of HSE into the operational culture, annual HSE site visits are also conducted by senior management. Periodically, external consultants conduct technical and facility manager audits across the assets to independently assess their condition and ensure compliance with regulatory requirements and service level agreements. These audits include detecting any Single Point of Failures and areas for enhancement within Keppel DC REIT's assets.

Given the importance of physical security and confidentiality, strict security standard operating procedures are in place. These include the

HSE site visit to Dublin.

requirement for all visitors to undergo pre-approval, advance registration and privacy safeguards such as the non-display of client directories or logos.

To enhance the resilience of the data centre operations, routine Business Continuity Management exercises are conducted, to test and train employees' readiness in managing adverse business interruptions such as power outages, fires and influenza pandemics. The Manager also actively monitors the occurrence of incidents across its colocation assets to identify potential issues promptly.

As and when needed, preventive maintenance and replacements are also implemented with the intention to minimise potential incidents.

Performance and Progress

Keppel DC REIT's commitment to sustainability is reflected in the attainment of diverse national and international sustainability and ISO certifications. The following sustainability certifications and awards for Keppel DC REIT's colocation assets have been achieved and/or maintained this year. Notably, Dublin assets have attained two new green building certifications in 2023 – the LEED v4.1 Operations and Maintenance (Existing Buildings) Gold Award for KDC DUB 1 and 2. This is in addition to being certified with ISO 45001:2018 Occupational Health Management System and voluntary participation in the European Code of Conduct on Data Centres as Participant.

In Singapore, KDC SGP 1 to 5 have been certified with IMDA Data Protection Trustmark, demonstrating strong accountable data protection practices with relevant stakeholders. The Manager renewed its BCA Green Mark Award (GoldPLUS) for KDC SGP 2 and BCA Green Mark Award (Platinum) for KDC SGP 5.

For KDC DUB 1 and 2, ISO 50001:2018 Energy Management System, ISO 9001:2015 Quality Management System and Certificate of Compliance Payment Card Industry Data Security Standard certifications were also renewed in 2023.

Progressing towards its goal to obtain and maintain green certifications for all Singapore colocation assets by 2025 and obtain green certifications for all colocation assets by 2030, the Manager will continue to drive sustainable practices and initiatives across its colocation assets.

Client satisfaction is also of paramount importance. The Manager thus maintains an active dialogue with its colocation clients, conducting an annual customer satisfaction survey to systematically gather feedback on infrastructure resiliency, service delivery and physical security of the facilities. The insights garnered serve as a foundation for identifying potential areas of improvement. In the 2023 survey, the Manager achieved an above satisfactory rating across all categories of Data Protection & Client Privacy,

SUSTAINABILITY AWARDS, ACCREDITATIONS AND CERTIFICATIONS

	KDC SGP 1	KDC SGP 2	KDC SGP 3	KDC SGP 4	KDC SGP 5	Gore Hill DC	Basis Bay DC	KDC DUB 1	KDC DUB 2
BCA Green Mark Award (GoldPLUS)		✓							
BCA Green Mark Award (Platinum)			✓	✓	✓				
bizSAFE Level Star	✓	✓	✓	✓	✓				
Leadership in Energy & Environmental Design (LEED) Gold Award			✓	✓					
LEED v4.1 Operations and Maintenance (Existing Buildings) Gold Award								✓	✓
ISO 14001:2015 Environmental Management Systems	✓	✓	✓	✓	✓			✓	✓
ISO/IEC 27701:2019 Privacy Information Management System	✓	✓	✓	✓	✓				
IMDA Data Protection Trustmark	✓	✓	✓	✓	✓				
Certificate of Compliance Payment Card Industry Data Security Standard								✓	✓
ISO 37001:2016 Anti-Bribery Management System	✓	✓	✓	✓	✓			✓	✓
ISO 45001:2018 Occupational Health and Safety Management System	✓	✓	✓	✓	✓			✓	✓
ISO 46001:2019 – Water Efficiency Management System	✓	✓	✓	✓	✓				
ISO 50001:2018 Energy Management System	✓	✓	✓	✓	✓			✓	✓
ISO 9001:2015 Quality Management System	✓	✓	✓	✓	✓			✓	✓
ISO/IEC 27001:2013 Information Security Management System	✓	✓	✓	✓	✓	✓	✓		
ISO 27001:2013 Information Security Management System								✓	✓
ANSI/TIA-942-B:2017 – Rated 3	✓	✓	✓	✓	✓		✓		
SS 507:2015 Provision of Business Continuity and Disaster Recovery Facilities Services	✓	✓	✓	✓	✓				
SS 564 Part-1:2020 Energy and Environment Management System	✓	✓	✓	✓	✓				
Water Efficient Building by PUB	✓	✓	✓	✓	✓				
EU Code of Conduct Participation								✓	✓

To ensure safeguards remain adequate, policies and procedures governing the management and monitoring of cybersecurity incidents are reviewed on an annual basis.

Physical Security and Building & Service Quality. There were zero cases of client dissatisfaction over the physical security of all its colocation properties.

Aligned with the previous year's methodology, the 2023 survey was conducted internally, utilising a rating scale of one to five. A higher score on this scale indicates a higher level of satisfaction with the building and service quality provided. Collaborating closely with facility managers, the Manager regularly reviews client feedback, addressing concerns where feasible.

CYBERSECURITY AND DATA PRIVACY

Management Approach

With the support of Keppel's Cybersecurity and IT teams, the Manager is dedicated to implementing comprehensive cybersecurity measures to fortify against potential vulnerabilities. Cybersecurity incidents are closely monitored by Keppel Cyber Security Centre (KCSC). KCSC performs criticality assessment, threat analysis, security monitoring, and proactive threat detection. Upon detection of a cybersecurity incident, the team will manage the incident in accordance with the Keppel Cybersecurity Incident Response Plan. The plan details steps to identify, contain, eradicate and recover from the detected cybersecurity incident. The plan is regularly reviewed to ensure that it is up to date with the relevant regulatory requirements, evolving technologies and industry best practices.

To further safeguard sensitive information, the Manager has adopted the Keppel IT Governance Framework as an overarching framework to strengthen business resilience through the enhancement of IT Security Operations Centre capabilities and IT infrastructure transformation. In addition, the Manager has incorporated Keppel's Technology and Data Risk Management (TDRM) standards and framework which provides guidance on risk management practices and controls to achieve data confidentiality and integrity, system security and reliability, and secures the stability and resilience of Keppel DC REIT's IT operating environment. The TDRM framework helps identify and assess the risks of information technology and operational technology systems, including technology, data and cyber risks, and provides guidance to develop and implement risk mitigation and control measures that are commensurate with the criticality of the information assets.

The policies in place cover the following:

a. Cybersecurity incidents must be assigned to the cybersecurity incident response team.
b. All risks including technology, data and cyber risks must be considered in the annual assessment of risk.
c. Compliance with cybersecurity is documented in agreements with vendors.

d. For projects, system security requirements should be identified based on applicable compliance requirements and the cybersecurity risk profile of the systems.
e. Policies and procedures governing the management of cyber incidents including preparation, identification, tracking and closure are established and reviewed on an annual basis for efficiency and effectiveness.

Performance and Progress
To ensure safeguards remain adequate, policies and procedures governing the management and monitoring of cybersecurity incidents are reviewed on an annual basis. In addition, to reinforce good cyber hygiene across the organisation, regular advisories and trainings, including an annual mandatory training session on cybersecurity threats, policies and good practices are conducted. All employees attended the training in 2023.

There were zero incidents of data breaches and non-compliance with data privacy laws.

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

Management Approach
Keppel DC REIT's supply chain primarily comprises mechanical and electrical equipment suppliers and facility management service providers for physical security, technical maintenance and cleaning services.

The Manager assesses the track record, quality and reputation of potential suppliers and partners to ensure that best practices are upheld. As part of the initial screening process, suppliers undergo screening against a database and extensive online searches to identify any compliance issues or potential red flags. Sustainability policies, performance, procedures, and accreditations, such as ISO 14001 and bizSAFE certifications, are also assessed. All new suppliers and vendors must complete a pre-qualifying questionnaire and submit necessary supporting documents for clearance. This thorough screening flags information related to litigations, politically exposed personnel[1], and adverse news including instances of forced or compulsory labour practices. Suppliers exhibiting poor health and safety practices, or environmental performance are tracked on a blacklist and are not engaged.

As of April 2023, the Manager took a next step forward with a greater push towards ensuring a sustainable supply chain by making it a requirement for all suppliers to sign the Keppel's Supplier Code of conduct. Suppliers are required to certify that they have received, read and understood Keppel's Supplier Code of Conduct. They are also required to certify that their company has complied with and will continue to comply with Keppel's Supplier Code of Conduct. Within Keppel's Supplier Code of Conduct, there are specific sections on business conduct, human rights, safety and health, and environment management. In addition, key suppliers attended a Carbon Management Training in November 2023 which allowed them to understand the carbon management fundamentals and how they can manage carbon emissions in their businesses to support Keppel's sustainability goals.

Performance and Progress
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 during the reporting period. Additionally, there were also no known instances of operations or suppliers with significant risks of forced or compulsory labour practices.

[1] Politically exposed personnel include all government or state-employed workers; military personnel; representatives of political parties; candidates for political office; directors, managers or employees of state-owned or controlled entities; and any entity hired by a Government Entity for any purpose.

PEOPLE AND COMMUNITY

The Manager cultivates a supportive environment that encourages individuals to flourish, fostering a culture that values collaboration, innovation, recognition and appreciation.

Five Key Areas for Building Human Capital

Making a Difference
Provide platforms for employees to contribute to communities

Having a Voice
Encourage employees to engage in company conversations and share ideas for improvement

Feeling Valued
Foster a culture of recognition and appreciation with an emphasis on employee wellbeing

Growing a Career
Enhance career development by providing pathways for skills acquisition and mentorship

Inspiring Growth
Provide platforms for leadership development and encourage employees to lead by example

HUMAN CAPITAL MANAGEMENT

Management Approach

A skilled and engaged workforce is essential for Keppel DC REIT's continued growth and success. The Manager is dedicated to attracting, developing and retaining top talent, through adherence to fair employment practices and provision of ample learning and development opportunities.

Performance and Progress

Employee Profile

As at end 2023, the Manager's workforce totalled 14 full-time permanent employees, based in Singapore, comprising 10 females and 4 males. The Asset Management, Finance, Investment and Portfolio Management headcounts for the REIT from Keppel FM&I are dedicated to the Manager. Additionally, the Manager continues to be supported by Keppel FM&I for shared functions such as Human Resources, Information Technology, Investor Relations and Sustainability, Legal and Corporate Secretarial, as well as Risk and Compliance.

Employees are governed by Keppel Policies for terms of employment and none of the Manager's employees are currently covered under any collective bargaining agreements.

For more information on the Manager's Board of Directors and management team, please refer to pages 14 to 16.

Investing in Talent

At Keppel DC REIT, recruiting and developing talents remains at the forefront of the people agenda. The Manager has also implemented the 'UP' Framework, which seeks to foster a high-performance culture by facilitating employees in pursuing their career goals via Keppel's structure which consists of a range of internal and external learning opportunities.

Upskill, Uplift and Upstream

Upskill
Development of employees' organisational agility and growth mindset through skills upgrades and exposure to different roles in preparation for growth opportunities

Uplift
Encouraging career mobility across Keppel as part of the OneKeppel culture and aligning employees' career ambitions with Keppel's purpose

Upstream
Building employee resilience and engagement through inculcating the Keppel *Can Do* spirit

NEW HIRES AND TURNOVER BY GENDER AND AGE GROUP[1]

	New Hire		Turnover	
	No. of Employees	Rate (%)	No. of Employees	Rate (%)
By Gender				
Female	2	14	4	29
Male	–	–	2	14
By Age Group				
Under 30 years old	1	7	2	14
30–50 years old	1	7	4	29
Over 50 years old	–	–	–	–

[1] Numbers are reported based on full-time equivalent.

In addition, career mobility supports employees' ambition and professional development goals.

Adopting a performance-based framework, employee performance is assessed across four key areas: financial, process, customers and stakeholders, and people. In 2023, all eligible employees received annual performance and career development reviews.

The Manager provides competitive compensation and comprehensive benefits, and ensures that recognition and relevant rewards are provided based on a merit-based approach. Full-time employees are provided benefits that include life insurance, healthcare benefits, disability and invalidity coverage, annual, medical and parental leave entitlements, as well as contributions to the local pension fund, i.e., the Central Provident Fund in Singapore.

Developing People

Keppel's tagline of "One Keppel, Many Careers" demonstrates the ethos of providing different opportunities and avenues for employees to advance in their career while creating value within the REIT. The Manager strives to provide employees with training and development opportunities that enable them to stay ahead of industry trends, acquire crucial knowledge, and cultivate the skills necessary to propel their careers forward, all while contributing to the REIT.

People and Community

AVERAGE TRAINING HOURS PER EMPLOYEE BY GENDER

AVERAGE TRAINING HOURS PER EMPLOYEE BY EMPLOYEE CATEGORY

[1] Managerial includes senior management and heads of department.

To ensure that the right skills are being developed within the organisation, people leaders are tasked to identify skills development areas within their team and to make available learning and development opportunities. Separately, employees have access to an in-house skills navigation tool to identify their training needs and pinpoint existing skills gaps.

In 2023, the Manager's employees received an average of 31.8 hours of training, compared to 38.3 hours in 2022, reflecting the shift towards more targeted training programmes and increased on-the-job learning. Beyond achieving its 2023 goal of clocking at least 20 training hours per employee, majority of employees surveyed felt that what they learn at work helps them achieve their career goals.

Keppel DC REIT has an employee development scheme that supports employees' aspirations to pursue professional certifications, subject to the permanent employee having completed at least two years of service. Eligible employees are also entitled to up to seven working days of examination leave each calendar year that may be utilised for both company-sponsored and self-sponsored courses that are relevant to their roles.

In recognition of its commitment and efforts, Keppel clinched the Silver Award for Excellence in Learning and Development at the 2023 HR Excellence Awards.

Employees may also be reimbursed for expenses related to personal development or enrichment courses via the Flexible Benefits Programme. These courses include, but are not limited to, professional or academic programmes, as well as educational fees for pursuits such as Master of Business Administration programmes, degree programmes and financial planning.

Keppel's annual Learning Festival in 2023 featured an array of topics such as ESG in Real Estate & Asset Management. Post-event, session recordings were also uploaded on the Corporate HR platform for employees to access at their convenience. With investors and global stakeholders placing a premium on strong ESG performance, access to ESG courses on the UN Global Compact Academy was made available to employees.

Taking into account different learning styles and needs, bite sized on-demand learning is made available to employees through LinkedIn Learning. Employees have access to over 16,000 courses in a flexible and personalised learning environment.

Talent Management and Succession Planning

The Manager adopts a holistic talent management approach from talent identification, talent development, talent retention to succession planning. A consistent Leadership Potential Assessment framework that is used across Keppel clearly defines the behavioural traits of high potential and high performing employees which facilitates the talent identification process.

The Career Review Committee comprising senior management from Keppel FM&I, conducts regular discussions on the career development plans of high potential employees. Identified talents are provided with job rotation opportunities to expose them laterally and prepare them to succeed leadership roles. This culture of internal mobility coupled with the ongoing coaching and support from their line managers aids in talent retention. In addition, they are invited for engagement sessions with senior leaders and Board members which allows them to gain additional perspectives from senior stakeholders.

To build an early career pipeline, the Keppel Associate Programme (KAP), a two-year management associate programme, offers high-potential fresh graduates with varied opportunities for leadership development through a series of job rotations and structured learning. High-performing management associates who exhibit the potential to take on leadership positions in the organisation will be invited to join the Keppel Young Leaders programme after graduating from the KAP.

Keppel's centralised talent management unit coordinates across all divisions to optimise human capital management as well as to offer executive development programmes such as Emerging Leaders Programme and Advanced Leaders Programme. Through these programmes, talents across different divisions learn and grow, and cross functional synergies are fostered. Where skill gaps exist, experienced hires are strategically integrated into the talent pool to provide the relevant skills. This strategy encourages the development of a diverse workforce and establishes a mentorship structure where experienced leaders provide guidance to emerging talent, fostering a robust pipeline for leadership roles.

This integrated talent management approach facilitates dynamic succession planning and ensures seamless leadership transitions and interactions with the Board and senior leaders.

Grievance Handling

Keppel has a grievance handling process to enable employees to raise concerns without fear of reprisal. Should there be a grievance which is work-related, employee-related or problems between employee and persons having business dealings with the Company or any complaint or issues in relation to employee terms and conditions of employment, remuneration, working conditions, job responsibilities or health and safety, employees can submit their grievances through different channels. The grievance handling process is published in the company intranet for employees' reference.

The reporting of any discrimination and harassment incident goes through a defined escalation process. Keppel has an Investigation Procedure Manual which sets out the investigation protocols including the methodology for initiating and conducting investigations into suspected misconduct[1]. Keppel's Internal Audit investigation team conducts independent investigations in consultation with the Investigation Advisory Committee, with oversight from Keppel's Audit Committee. Appropriate disciplinary action, including counselling, training, suspension or termination of employment, will be taken in the event that an employee is found to have violated the rules set out in the Code of Conduct.

Engaging Employees

The Manager collects employees' feedback to fine tune programmes and its people strategy. The chief feedback avenue is the annual Employee Engagement Survey (EES) carried out by an external independent survey provider. The survey measures key employee engagement metrics and employee sentiments relating to leadership, execution, collaboration and agility, growth and development, psychological safety, engagement, and job satisfaction. Keppel DC REIT's engagement score for 2023 remained strong at above 80%.

Mental Wellbeing Month – Matcha Appreciation Workshop

Tea Session with Senior Leaders for New Joiners

Annual Dinner and Dance

Global Inclusion Festival

[1] Includes bribery, corruption, fraud and misconduct such as dishonest or criminal acts, breach of laws and regulations, unethical conduct including discrimination and harassment, reprisal against a whistle-blower, or any other conduct which may cause financial or non-financial loss to Keppel or damage to Keppel's reputation.

The survey results influenced the optimisation of strategies concerning innovation and agility, collaboration, sustainability, people development and employee engagement.

Subsequently, focus group discussions provided in-depth data on identified areas for action, informing the formulation of action plans and work plans for 2023. Progress on these plans was communicated to employees during townhall meetings, in line with management's commitment to address feedback received from the ground.

Besides the EES, employee engagement activities included team building events, the annual dinner and dance, an appreciation month where senior management served lunch to all employees, and through townhalls and tea sessions where employees can interact with senior leaders.

In 2023, Keppel organised its first Global Inclusion Festival spanning two days to mark World Inclusion Day and promote inclusivity within the organisation. The event drew over 980 individuals from more than eight countries and featured topics such as building inclusive teams, etiquette for supporting individuals with disabilities, and how to demonstrate empathy and compassion in challenging conversations.

DIVERSITY AND INCLUSION

Management Approach

Adopting a zero-tolerance approach for discrimination, the Manager strives to ensure equal opportunities in hiring, career development, promotion and compensation, irrespective of race, gender, religion, marital status or age. At Keppel DC REIT, an inclusive workplace is one that not only embraces diverse points of view and talents but also creates a sense of belonging in which employees feel valued, enabling a conducive environment for professional and personal growth, driving innovation and value creation.

The Manager adheres to the Tripartite Guidelines on Fair Employment Practices, which guides organisations in adopting fair and merit-based employment practice. The Employee Code of Conduct and Keppel's Corporate Statement on Human Rights also prohibits discrimination and reinforces principles of human rights.

As part of Keppel's commitment to building an inclusive workplace, a Diversity, Equity and Inclusion Policy was introduced in November 2023 to supersede the previous Diversity and Inclusion Statement. The Policy provides a framework on expected workplace behaviours and human resources practices that foster a fair and harmonious environment.

Performance and Progress

The Manager remains steadfast in its commitment to fostering a culture of diversity and inclusion.

In 2023, approximately 30% of directors on the Board were female, which continues to be in line with targets to have female directors represent at least 25% of the Board. In 2024, the target was revised to have approximately 30% of the Board comprising female directors.

In 2023, there were no incidents of discrimination reported.

EMPLOYEE HEALTH AND WELLBEING

Management Approach

The Manager prioritises employee health and wellbeing, and has implemented measures to identify and eliminate potential hazards, thereby reducing associated risks. A health and safety management

PERCENTAGE OF MALES AND FEMALES PER EMPLOYEE CATEGORY

	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
Board	71.4	28.6	75.0	25.0	85.7	14.3
Managerial[1]	66.7	33.3	40.0	60.0	60.0	40.0
Executive	18.2	81.8	27.3	72.7	30.0	70.0

PERCENTAGE BY AGE GROUP PER EMPLOYEE CATEGORY

	2023			2022			2021		
	<30 years old	30–50 years old	>50 years old	<30 years old	30–50 years old	>50 years old	<30 years old	30–50 years old	>50 years old
Board	–	–	100.0	–	–	100.0	–	–	100.0
Managerial[1]	–	100.0	–	–	100.0	–	–	100.0	–
Executive	18.2	81.8	–	18.2	81.8	–	30.0	70.0	–

[1] Managerial includes senior management and heads of department.

system is in place, with all Singapore colocation facilities maintaining their ISO 45001:2018 Occupational Health and Safety Management Systems certification. Building occupants, including employees and contractors appointed by the facility managers, are required to adhere to the implemented health and safety management framework and process in its data centres.

The Keppel Zero Fatality Strategy, is a central element of Keppel's employee health and safety approach, outlining specific actionable measures aimed at averting workplace fatalities. Compliance with safety policies is expected from all employees. Employees are empowered to report any safety concerns and remove themselves from work situations that they believe could cause injury or ill health and can do so without fear of reprisal.

Various platforms, including the annual Keppel Safety Convention, Global Safety Timeout events and dissemination of HSE alerts, facilitate the learning and sharing of best practices in health and safety. Data centre employees receive regular training in first aid, emergency response, fire evacuation training and fire warden responsibilities.

The Manager collaborates with facility managers to implement industry best practices for its data centres. Specialists conduct regular inspections and maintenance of facilities and equipment to ensure adherence to relevant safety standards. Immediate corrective actions and procedure enhancements are implemented in response to identified health and safety concerns. To maintain oversight, the senior management team conducts site visits periodically.

All assets in Keppel DC REIT's portfolio are equipped with fire protection systems and fire evacuation routes are displayed prominently. Data centre employees, clients and visitors receive thorough briefings on emergency evacuation routes and procedures in the event of a fire.

In the event of a safety incident, the Manager has established a structured process for investigation, identification of relevant risks and hazards, and to determine corrective actions.

Performance and Progress

There were no fatalities, work-related injuries or safety injuries reported in 2023.

Keppel Zero Fatality Strategy
Build a high-performance safety culture
Adopt a proactive approach to safety management
Leverage technology to mitigate safety risks
Harmonise global safety practices and competency
Streamline learning from incidents

SUPPORTING HEALTH AND WELLBEING

March	
Financial Wellbeing Month – Level Up, Money Smart	Focused on enhancing financial literacy of Keppelites through webinars and games covering retirement income, emergency fund, investments and estate planning.
June	
Physical Wellbeing Month – Level Up, Step up	In the K'Steps Challenge, Keppel employees surpassed the 180 million steps target by clocking 217,632,404 steps. This effort raised $21,000 for Conservation International, which seeks to improve people's lives by protecting oceans, forests and other living ecosystems. Additionally, Keppel Care Foundation donated $1,000 to Conservation International Singapore, for every 10 million steps clocked.
October	
Mental Wellbeing Month – Level Up, Mind Fit	In conjunction with Global World Mental Health Day, Keppelites shared personal stories about managing priorities and caring for mental wellbeing in the K'ED Talks series. Other activities include webinars on stress management and burnout prevention, mindfulness workouts, tea appreciation workshop which helps to promote relaxation and improve mood.

> “I have never had the opportunity to go to a cafe, much less a unique cafe with board games. I like the environment, and it was an enjoyable experience. We had fun spending the afternoon playing games as a team. Thank you Keppel for organising this activity.”

JASMINE YAU, MDAS Member

> “The volunteering experience at Red Shield Industries reminded me to make time for meaningful activities. The beauty of giving back to the community is that giving back is its own gift. It can be small, but impactful.”

ASHLEY MOK, employee of the Manager

COMMUNITY DEVELOPMENT AND ENGAGEMENT

Management Approach

The Manager strives to contribute meaningfully to and uplift the local communities wherever it operates through various Corporate Social Responsibility initiatives of Keppel. This involvement extends to charitable donations and engagement in community activities. To encourage employee participation, all staff are granted up to two days of paid volunteerism leave annually.

Performance and Progress

The Manager, together with Keppel FM&I, dedicated more than 900 hours to community outreach activities in 2023. The Manager also donated $30,500 in contributions to the Keppel Care Foundation in 2023[1] to support Keppel's multiple philanthropic initiatives.

Additionally, Keppel DC REIT's Ireland team continues to be an integral member of 'DCs for Bees' Orchards in the Community programme, which looks to reverse the decline in Ireland's bee population thereby enhancing biodiversity. In support of Host in Ireland, the key group behind the initiative, Keppel DC REIT donated an additional 125 trees in 2023. In total, close to 1,180 trees were planted across Ireland by the Ireland team between 2021 and 2023.

Community Engagement in 2023

Bento-Making Workshop
Volunteers and Muscular Dystrophy Association (Singapore) (MDAS) beneficiaries participated in a bento-making workshop to celebrate Mother's Day.

Donation Packing Event
Volunteers assisted to pack, sort, label and organise donations at the Red Shield Industries' Warehouse.

Beach Clean Up at Sembawang Park
Volunteers organised a Beach Clean Up Activity at Sembawang Park in partnership with Blossom World Society to promote climate change and plastic pollution awareness.

Van Gogh: The Immersive Experience
Volunteers and MDAS beneficiaries immersed themselves in two-storey projections of Van Gogh's most compelling works with the help of exquisite storytelling and cutting-edge technology.

[1] Based on the tax-deductible receipt dated 2 August 2023.

GRI Content Index

Statement of Use	Keppel DC REIT has reported in accordance with the GRI Standards for the period from 1 January to 31 December 2023
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	Not applicable

GRI Standard	Disclosure Number	Disclosure Title	Page Reference and Remarks
General Disclosure			
GRI 2: General Disclosures 2021	2-1	Organisational details	3, 22–23, 38–55, 65-66
	2-2	Entities included in the organisation's sustainability reporting	66
	2-3	Reporting period, frequency and contact point	65-66
	2-4	Restatements of information	76, 82 Total emissions for Scope 3 category 'Business Travel' in 2022 has been restated due to a previously unaccounted portion now included in the final calculations. Waste figures in 2022 and 2021 have been restated due to replacement of previous estimates with actual data and improvements in data collection methodology.
	2-5	External assurance	66
	2-6	Activities, value chain and other business relationships	3, 38–40, 42–55, 66
	2-7	Employees	90-91
	2-8	Workers who are not employees	90-91
	2-9	Governance structure and composition	68–69, 77
	2-10	Nomination and selection of the highest governance body	12-16
	2-11	Chair of the highest governance body	14
	2-12	Role of the highest governance body in overseeing the management of impacts	68–69
	2-13	Delegation of responsibility for managing impacts	68–69
	2-14	Role of the highest governance body in sustainability reporting	68–69
	2-15	Conflicts of interest	85–86
	2-16	Communication of critical concerns	69, 73
	2-17	Collective knowledge of the highest governance body	165
	2-18	Evaluation of the performance of the highest governance body	169-170
	2-19	Remuneration policies	170-173
	2-20	Process to determine remuneration	170-173
	2-21	Annual total compensation ratio	Confidentiality Constraints. Due to the highly competitive conditions in the industry where poaching of senior management is commonplace, the Manager is not able to disclose this information. For more details on our remuneration policy and structure, please refer to page 172.
	2-22	Statement on sustainable development strategy	64–65
	2-23	Policy commitments	68, 85-86
	2-24	Embedding policy commitments	68–69, 84–89
	2-25	Processes to remediate negative impacts	66, 73, 85–86
	2-26	Mechanisms for seeking advice and raising concerns	85–86, 93, 184–185
	2-27	Compliance with laws and regulations	84–86, 88–89
	2-28	Membership associations	72
	2-29	Approach to stakeholder engagement	73
	2-30	Collective bargaining agreements	90
Material Topics			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	69
	3-2	List of material topics	69

GRI Content Index

GRI Standard	Disclosure Number	Disclosure Title	Page Reference and Remarks
		Environmental Stewardship	
		Energy	
GRI 3: Material Topics 2021	3-3	Management of material topics	74–77
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	76
	302-2	Energy consumption outside of the organisation	76
	302-3	Energy intensity	76
		Emissions	
GRI 3: Material Topics 2021	3-3	Management of material topics	74–77
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	75–76
	305-2	Energy indirect (Scope 2) GHG emissions	75–76
	305-3	Other indirect (Scope 3) GHG emissions	76
	305-4	GHG emissions intensity	75
		Climate Change Adaptation	
GRI 3: Material Topics 2021	3-3	Management of material topics	77–82
		Waste Management	
GRI 3: Material Topics 2021	3-3	Management of material topics	82–83
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	82–83
	306-2	Management of significant waste-related impacts	82–83
	306-3	Waste generated	82–83
	306-4	Waste diverted from disposal	82–83
	306-5	Waste directed to disposal	82–83
		Water Management	
GRI 3: Material Topics 2021	3-3	Management of material topics	83
GRI 303: Water and Effluents	303-1	Interactions with water as a shared resource	83
	303-2	Management of water discharge-related impacts	83
	303-3	Water withdrawal	83
		Responsible Business	
		Economic Sustainability	
GRI 3: Material Topics 2021	3-3	Management of material topics	84
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	84
		Corporate Governance	
GRI 3: Material Topics 2021	3-3	Management of material topics	84–85
		Ethics and Integrity	
GRI 3: Material Topics 2021	3-3	Management of material topics	85–86
GRI 205: Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	85–86
	205-3	Confirmed incidents of corruption and actions taken	85–86

GRI Standard	Disclosure Number	Disclosure Title	Page Reference and Remarks
		Building and Service Quality	
GRI 3: Material Topics 2021	3-3	Management of material topics	86–88
		Cybersecurity and Data Privacy	
GRI 3: Material Topics 2021	3-3	Management of material topics	88–89
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	89
		Sustainable Supply Chain Management	
GRI 3: Material Topics 2021	3-3	Management of material topics	89
		People and Community	
		Human Capital Management	
GRI 3: Material Topics 2021	3-3	Management of material topics	90–94
GRI 401: Employment	401-1	New employee hires and employee turnover	91
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	91
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	91–92
	404-2	Programmes for upgrading employee skills and transition assistance programmes	91–93
	404-3	Percentage of employees receiving regular performance and career development reviews	91
		Diversity and Inclusion	
GRI 3: Material Topics 2021	3-3	Management of material topics	94
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	94, 167
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	94
		Employee Health and Wellbeing	
GRI 3: Material Topics 2021	3-3	Management of material topics	94–95
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	94–95
	403-2	Hazard identification, risk assessment, and incident investigation	95
	403-5	Worker training on occupational health and safety	95
	403-6	Promotion of worker health	91, 94-95
	403-9	Work-related injuries	95
		Community Development and Engagement	
GRI 3: Material Topics 2021	3-3	Management of material topics	96

Corporate Information

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EXTERNAL AUDITOR

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Phone: (65) 6236 3388

Partner-in-charge:
Maurice Loh Seow Wee
(With effect from financial year ended 31 December 2022)

INTERNAL AUDITOR

Mr Irving Low/Ms Tea Wei Li
Interim Head of Internal Audit

THE MANAGER

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COMPANY SECRETARIES

Chiam Yee Sheng

Tan Wei Ming, Darren

DIRECTORS OF THE MANAGER

Christina Tan
Chairman and Non-Executive Director

Kenny Kwan
Lead Independent Director

Yeo Siew Eng
Independent Director

Low Huan Ping
Independent Director

Chua Soon Ghee
Independent Director

Andrew Tan
Independent Director

Thomas Pang
Non-Executive Director

AUDIT AND RISK COMMITTEE

Yeo Siew Eng
Chairman

Low Huan Ping

Andrew Tan

NOMINATING AND REMUNERATION COMMITTEE

Kenny Kwan
Chairman

Christina Tan

Chua Soon Ghee

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Thomas Pang
Chairman

Low Huan Ping

Chua Soon Ghee

FINANCIAL STATEMENTS

GOVERNANCE

OTHER INFORMATION

Report of the Trustee

For the year ended 31 December 2023

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 2001 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 107 to 161 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, 22 February 2024

Statement by the Manager

For the year ended 31 December 2023

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 107 to 161, comprising the Statements of Financial Position for the Group and the Trust, the Portfolio Statement of the Group as at 31 December 2023, 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 2023, 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, 22 February 2024

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

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

Our opinion

In our opinion, the accompanying consolidated financial statements of Keppel DC REIT (the "Trust") and its subsidiaries (the "Group") and the statement of financial position and statement of movements of Unitholders' funds of the Trust are properly drawn up in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") and applicable requirements of the Code on Collective Investment Schemes relating to financial reporting (the "CIS Code") so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust and the consolidated portfolio holdings of the Group as at 31 December 2023 and the consolidated financial performance of the Group, the consolidated amount distributable 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 2023;
- the consolidated statement of profit and loss of the Group for the year ended 31 December 2023;
- the consolidated statement of comprehensive income of the Group for the year then ended;
- the statements of movements in Unitholders' funds of the Group and the Trust for the year then ended;
- 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 2023; and
- the notes to the financial statements, including material accounting policy information.

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 2023. 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 values based on independent external valuations. As at 31 December 2023, the carrying value of the Group's investment properties of $3.66 billion accounted for about 91.2% of the Group's total assets. Information relating to these investment properties are disclosed in Note 4 to the accompanying financial statements. The valuation of investment properties is 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 information about the key inputs that were used to determine the fair value of the investment properties are disclosed in Note 29 to the accompanying financial statements.	Our audit procedures included the following: Assessed the competence, capabilities and objectivity of the independent valuers engaged by the Group to perform the valuations of the investment properties; Assessed the appropriateness of methodologies and assumptions applied for valuation by the independent valuers: • Obtained an understanding of the techniques used by the independent valuers in determining the valuations of individual investment properties; • Discussed the significant assumptions made by the independent valuers for the key inputs used in the valuation techniques; • Tested the integrity of information, including underlying lease and financial information provided to the independent valuers; and • Assessed the reasonableness of the capitalisation rates and discount rates by benchmarking these against industry rates and those of comparable properties. The independent valuers are members of recognised bodies for professional valuers. The valuation techniques used were appropriate in relation to the Group's investment properties and the significant assumptions used for the key inputs were within the range used by valuers of similar investment properties. We have assessed the adequacy of the disclosures relating to the assumptions in the valuation of investment properties.

Other information

The Manager is responsible for the other information. The other information comprises the 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 and will 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.

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

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.

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 Maurice Loh Seow Wee.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 22 February 2024

Statements of Financial Position

As at 31 December 2023

	Note	GROUP		TRUST	
		2023 $'000	2022 $'000	**2023 $'000**	2022 $'000
Non-current assets					
Investment properties	4	**3,655,932**	3,639,453	**530,837**	530,228
Investment in subsidiaries	5	**–**	–	**2,268,228**	2,246,084
Loans to subsidiaries	6	**–**	–	**307,378**	311,881
Investment in a joint venture	7	**–**	26,475	**–**	–
Notes receivables	8	**79,073**	82,559	**79,073**	82,559
Trade and other receivables	9	**18,330**	31,233	**–**	–
Derivative financial assets	10	**29,174**	49,762	**2,724**	1,607
Deposits	11	**13,486**	13,896	**–**	–
Deferred tax assets	12	**1,124**	1,679	**–**	–
		3,797,119	3,845,057	**3,188,240**	3,172,359
Current assets					
Notes receivables	8	**3,487**	3,208	**3,487**	3,208
Trade and other receivables	9	**53,868**	61,404	**12,746**	14,232
Derivative financial assets	10	**2,344**	7,595	**2,030**	6,784
Cash and cash equivalents	13	**149,733**	190,399	**71,191**	98,079
		209,432	262,606	**89,454**	122,303
Total assets		**4,006,551**	4,107,663	**3,277,694**	3,294,662
Current liabilities					
Loans from subsidiaries	14	**–**	–	**59,351**	161,899
Loans and borrowings	15	**72,477**	175,425	**–**	–
Trade and other payables	16	**70,249**	62,646	**83,000**	21,713
Derivative financial liabilities	10	**148**	–	**148**	–
Provision for taxation	17	**5,740**	6,569	**763**	2,549
		148,614	244,640	**143,262**	186,161
Non-current liabilities					
Loans from subsidiaries	14	**–**	–	**1,265,869**	1,139,538
Loans and borrowings	15	**1,408,259**	1,299,708	**8,137**	7,928
Trade and other payables	16	**–**	6,338	**–**	–
Derivative financial liabilities	10	**9,029**	2,180	**45**	–
Provision	18	**–**	18,273	**–**	–
Deferred tax liabilities	12	**86,688**	79,606	**15,012**	13,191
		1,503,976	1,406,105	**1,289,063**	1,160,657
Total liabilities		**1,652,590**	1,650,745	**1,432,325**	1,346,818
Net assets		**2,353,961**	2,456,918	**1,845,369**	1,947,844
Represented by:					
Unitholders' funds		**2,310,980**	2,414,118	**1,845,369**	1,947,844
Non-controlling interests	26	**42,981**	42,800	**–**	–
		2,353,961	2,456,918	**1,845,369**	1,947,844
Units in issue ('000)	20	**1,721,430**	1,718,650	**1,721,430**	1,718,650
Net asset value per Unit ($)		**1.34**	1.40	**1.07**	1.13

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

Consolidated Statement of Profit and Loss

Year ended 31 December 2023

	Note	GROUP 2023 $'000	GROUP 2022 $'000
Gross revenue	21	**281,207**	277,322
Property operating expenses	22	**(36,256)**	(24,777)
Net property income		**244,951**	252,545
Finance income		**10,929**	9,254
Finance costs	23	**(48,518)**	(31,072)
Trustees' fees		**(536)**	(524)
Manager's base fee		**(18,457)**	(17,741)
Manager's performance fee		**(8,350)**	(8,598)
Audit fees		**(528)**	(435)
Valuation fees		**(251)**	(251)
Net (losses)/gains on derivatives		**(969)**	8,627
Other trust expenses		**(4,276)**	(5,943)
Profit before joint venture		**173,995**	205,862
Share of results of a joint venture	7	**(8,284)**	(8,983)
Profit before net change in fair value of investment properties		**165,711**	196,879
Net change in fair value of investment properties	24	**(27,933)**	68,289
Profit before tax		**137,778**	265,168
Tax expenses	25	**(15,574)**	(30,994)
Profit after tax		**122,204**	234,174
Profit attributable to:			
Unitholders		**118,530**	230,905
Non-controlling interests	26	**3,674**	3,269
		122,204	234,174
Earnings per Unit (cents)			
– Basic and diluted	27	**6.89**	13.44
– Basic and diluted (excluding net change in fair value of investment properties and their related deferred tax impact)	27	**8.33**	10.25

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

Consolidated Statement of Comprehensive Income

Year ended 31 December 2023

	Note	GROUP 2023 $'000	GROUP 2022 $'000
Profit after tax		**122,204**	234,174
Other comprehensive (loss)/income:			
Movement in hedging reserve		**(25,667)**	50,403
Share of movement in hedging reserve of a joint venture	7	**(18,191)**	35,458
Foreign currency translation movement		**(7,587)**	(56,057)
Total other comprehensive (loss)/income		**(51,445)**	29,804
Total comprehensive income		**70,759**	263,978
Attributable to:			
Unitholders		**67,097**	260,720
Non-controlling interests		**3,662**	3,258
		70,759	263,978

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

Statement of Movements in Unitholders' Funds

Year ended 31 December 2023

	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
GROUP (2023)									
At 1 January 2023		**2,026,265**	**(50,177)**	**82,245**	**(95,751)**	**451,536**	**2,414,118**	**42,800**	**2,456,918**
Operations									
Profit after tax for the year		**–**	**–**	**–**	**–**	**118,530**	**118,530**	**3,674**	**122,204**
Net increase in net assets resulting from operations		**–**	**–**	**–**	**–**	**118,530**	**118,530**	**3,674**	**122,204**
Other comprehensive loss									
Movement in hedging reserve		**–**	**–**	**(25,667)**	**–**	**–**	**(25,667)**	**–**	**(25,667)**
Share of movement in hedging reserve of a joint venture	7	**–**	**–**	**(18,191)**	**–**	**–**	**(18,191)**	**–**	**(18,191)**
Foreign currency translation movement		**–**	**(7,575)**	**–**	**–**	**–**	**(7,575)**	**(12)**	**(7,587)**
Net decrease in other comprehensive income		**–**	**(7,575)**	**(43,858)**	**–**	**–**	**(51,433)**	**(12)**	**(51,445)**
Unitholders' transactions									
Distributions to Unitholders	20	**(40,255)**	**–**	**–**	**–**	**(135,416)**	**(175,671)**	**–**	**(175,671)**
Payment of management fees in Units	20	**5,436**	**–**	**–**	**–**	**–**	**5,436**	**–**	**5,436**
Net decrease in net assets resulting from Unitholders' transactions		**(34,819)**	**–**	**–**	**–**	**(135,416)**	**(170,235)**	**–**	**(170,235)**
Capital reduction of non-controlling interests		**–**	**–**	**–**	**–**	**–**	**–**	**(555)**	**(555)**
Dividends paid to non-controlling interests		**–**	**–**	**–**	**–**	**–**	**–**	**(2,926)**	**(2,926)**
At 31 December 2023		**1,991,446**	**(57,752)**	**38,387**	**(95,751)**	**434,650**	**2,310,980**	**42,981**	**2,353,961**

	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
GROUP (2022)									
At 1 January 2022		2,054,294	5,869	(3,616)	(95,751)	332,451	2,293,247	42,429	2,335,676
Operations									
Profit after tax for the year		–	–	–	–	230,905	230,905	3,269	234,174
Net increase in net assets resulting from operations		–	–	–	–	230,905	230,905	3,269	234,174
Other comprehensive income/(loss)									
Movement in hedging reserve		–	–	50,403	–	–	50,403	–	50,403
Share of movement in hedging reserve of a joint venture	7	–	–	35,458	–	–	35,458	–	35,458
Foreign currency translation movement		–	(56,046)	–	–	–	(56,046)	(11)	(56,057)
Net increase in other comprehensive income		–	(56,046)	85,861	–	–	29,815	(11)	29,804
Unitholders' transactions									
Distributions to Unitholders	20	(35,056)	–	–	–	(111,820)	(146,876)	–	(146,876)
Payment of management fees in Units	20	7,027	–	–	–	–	7,027	–	7,027
Net decrease in net assets resulting from Unitholders' transactions		(28,029)	–	–	–	(111,820)	(139,849)	–	(139,849)
Capital reduction of non-controlling interests		–	–	–	–	–	–	(100)	(100)
Dividends paid to non-controlling interests		–	–	–	–	–	–	(2,787)	(2,787)
At 31 December 2022		2,026,265	(50,177)	82,245	(95,751)	451,536	2,414,118	42,800	2,456,918

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

	Note	Units in Issue $'000	Other Reserve $'000	Accumulated Profits/(Losses) $'000	Unitholders' Funds $'000
TRUST (2023)					
At 1 January 2023		**2,026,265**	**(95,751)**	**17,330**	**1,947,844**
Operations					
Profit after tax for the year		**–**	**–**	**67,760**	**67,760**
Net increase in net assets resulting from operations		**–**	**–**	**67,760**	**67,760**
Unitholders' transactions					
Distribution to Unitholders	20	**(40,255)**	**–**	**(135,416)**	**(175,671)**
Payment of management fees in Units	20	**5,436**	**–**	**–**	**5,436**
Net decrease in net assets resulting from Unitholders' transactions		**(34,819)**	**–**	**(135,416)**	**(170,235)**
At 31 December 2023		**1,991,446**	**(95,751)**	**(50,326)**	**1,845,369**

	Note	Units in Issue $'000	Other Reserve $'000	Accumulated Profits $'000	Unitholders' Funds $'000
TRUST (2022)					
At 1 January 2022		2,054,294	(95,751)	(1,238)	1,957,305
Operations					
Profit after tax for the year		–	–	130,388	130,388
Net increase in net assets resulting from operations		–	–	130,388	130,388
Unitholders' transactions					
Distribution to Unitholders	20	(35,056)	–	(111,820)	(146,876)
Payment of management fees in Units	20	7,027	–	–	7,027
Net decrease in net assets resulting from Unitholders' transactions		(28,029)	–	(111,820)	(139,849)
At 31 December 2022		2,026,265	(95,751)	17,330	1,947,844

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

Consolidated Statement of Cash Flows

Year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Cash flows from operating activities			
Profit after tax		**122,204**	234,174
Adjustments for:			
Tax expenses		**15,574**	30,994
Finance income		**(10,929)**	(9,254)
Finance costs	23	**48,518**	31,072
Loss allowance for doubtful receivables		**11,176**	–
Net change in fair value of financial asset through profit or loss		**379**	377
Share of results of a joint venture	7	**8,284**	8,983
Net change in fair value of derivatives		**6,542**	(4,463)
Net change in fair value of investment properties	24	**27,933**	(68,289)
Management fees paid and payable in Units		**5,153**	4,974
Unrealised currency translation differences		**(1,236)**	3,941
		233,598	232,509
Changes in working capital:			
Trade and other receivables		**(2,709)**	(19,804)
Trade and other payables		**(11,162)**	15,388
Cash generated from operations		**219,727**	228,093
Net tax paid	17	**(8,943)**	(9,802)
Net cash from operating activities		**210,784**	218,291
Cash flows from investing activities			
Acquisitions of interests in investment properties (Note A)		**–**	(246,877)
Additions to investment properties		**–**	(8,669)
Capital expenditures on investment properties		**(26,436)**	(39,422)
Acquisition of a financial asset		**–**	(1,004)
Rental top up received		**–**	1,004
Coupon received from notes receivables		**7,793**	8,067
Receipt of notes receivables	8	**3,207**	2,933
Deposits paid to a vendor		**–**	(14,738)
Net cash used in investing activities		**(15,436)**	(298,706)
Cash flows from financing activities			
Proceeds from borrowings		**265,429**	518,006
Capital reduction of a non-controlling interest		**(555)**	(100)
Payment of financing transaction costs		**(1,192)**	(509)
Repayment of borrowings		**(274,238)**	(251,551)
Payment of lease liabilities		**–**	(4,378)
Finance costs paid		**(47,011)**	(28,135)
Distributions paid to Unitholders		**(175,671)**	(146,876)
Dividends paid to non-controlling interests		**(2,926)**	(2,787)
Net cash (used in)/generated from financing activities		**(236,164)**	83,670
Net (decrease)/increase in cash and cash equivalents		**(40,816)**	3,255
Cash and cash equivalents at beginning of the year		**190,399**	195,941
Effects of exchange rate fluctuations on cash held		**150**	(8,797)
Cash and cash equivalents at end of the year	13	**149,733**	190,399

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

Note A – Acquisitions of interests in investment properties

In January 2022, Keppel DC REIT completed the acquisition of London DC located at Waterside House, Longshot Lane, Bracknell RG12 1WB, United Kingdom. The remaining balance of the purchase consideration was paid, along with the release of the deposit, to the vendor as settlement of the purchase consideration.

In August 2022, Keppel DC REIT completed the acquisitions of Guangdong DC 2 and building shell of Guangdong DC 3 located at No. 6 and 7 Bluesea Intelligence Valley, Shaping Street, Heshan, Jiangmen, Guangdong Province, People's Republic of China respectively.

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

			Non-cash changes			
	As at 1 January $'000	**Net cash flows $'000**	**Addition $'000**	**Interest expense $'000**	**Foreign exchange movement $'000**	**As at 31 December $'000**
2023						
Bank borrowings	**1,462,487**	**(10,001)**	**–**	**660**	**14,642**	**1,467,788**
Lease liabilities	**12,646**	**–**	**–**	**302**	**–**	**12,948**
Interest payable	**3,942**	**(47,011)**	**–**	**47,556**	**16**	**4,503**
	1,479,075	**(57,012)**	**–**	**48,518**	**14,658**	**1,485,239**
2022						
Bank borrowings	1,287,166	265,946	–	618	(91,243)	1,462,487
Lease liabilities	12,104	(4,378)	4,718	202	–	12,646
Interest payable	1,936	(28,135)	–	30,252	(111)	3,942
	1,301,206	233,433	4,718	31,072	(91,354)	1,479,075

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

Distribution Statement

Year ended 31 December 2023

	GROUP	
	2023 $'000	2022 $'000
Amount available for distribution to Unitholders at beginning of the year	**123,485**	85,489
Profit after tax attributable to Unitholders after tax	**118,530**	230,905
Net tax and other adjustments (Note A)	**49,188**	(46,033)
Amount available for distribution to Unitholders	**291,203**	270,361
Distributions to Unitholders:		
Distribution of 3.506 cents per Unit for the period from 23/8/2021 to 31/12/2021	**–**	(60,146)
Distribution of 5.049 cents per Unit for the period from 1/1/2022 to 30/6/2022	**–**	(86,730)
Distribution of 5.165 cents per Unit for the period from 1/7/2022 to 31/12/2022	**(88,768)**	–
Distribution of 5.051 cents per Unit for the period from 1/1/2023 to 30/6/2023	**(86,903)**	–
	(175,671)	(146,876)
Amount available for distribution to Unitholders at end of the year	**115,532**	123,485

Note A:
Net tax and other adjustments comprise:

	GROUP	
	2023 $'000	2022 $'000
Trustee's fees	**456**	442
Rental income adjustment on a straight-line basis[1]	**(2,242)**	(2,834)
Amortisation of capitalised transaction costs	**660**	940
Net change in fair value of investment properties[1]	**28,375**	(68,172)
Foreign exchange (gains)/losses	**(398)**	2,476
Deferred tax[1]	**7,671**	21,025
Net change in fair value of financial assets at fair value through profit or loss	**379**	377
Management fees paid and/or payable in units	**5,153**	4,974
Share of results of a joint venture	**8,284**	8,983
Other net adjustments[1,2]	**850**	(14,244)
	49,188	(46,033)

1 Net of non-controlling interests.
2 Included in other net adjustments were dividends and distribution income, lease charges, management fees paid/payable in units, 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 2023

Description of investment properties	Location	Land tenure	Term of lease[1] (Years)	Remaining term of lease[1] (Years)	Carrying amount at fair value 2023 $'000	Carrying amount at fair value 2022 $'000	Percentage of total net assets 2023 %	Percentage of total net assets 2022 %
Fully-fitted								
DC1	Woodlands, Singapore	Leasehold	70	20.6	**289,500**	286,300	**12.3**	11.7
Guangdong Data Centre 1 ("Guangdong DC 1")	Jiangmen Guangdong Province, People's Republic of China	Leasehold	50	43.0	**131,110**	135,100	**5.6**	5.5
Guangdong Data Centre 2 ("Guangdong DC 2")	Jiangmen Guangdong Province, People's Republic of China	Leasehold	50	43.0	**131,110**	135,100	**5.6**	5.5
GV7 Data Centre ("GV7 DC")	Greenwich, London, United Kingdom	Leasehold	199	159.7	**56,453**	59,033	**2.4**	2.4
Almere Data Centre ("Almere DC")	Almere, The Netherlands	Freehold	Freehold	Freehold	**158,804**	144,594	**6.7**	5.9
maincubes Data Centre ("maincubes DC")	Offenbach am Main, Germany	Freehold	Freehold	Freehold	**164,351**	148,701	**7.0**	6.1
Shell and core								
Intellicentre Campus ("IC DC")	Macquarie Park, New South Wales, Australia	Freehold	Freehold	Freehold	**113,401**	113,123	**4.8**	4.6
Cardiff Data Centre ("Cardiff DC")	Cardiff, United Kingdom	Freehold	Freehold	Freehold	**32,959**	41,651	**1.4**	1.7
London Data Centre ("London DC")	London, United Kingdom	Freehold	Freehold	Freehold	**84,504**	92,927	**3.6**	3.8
Milan Data Centre ("Milan DC")	Milan, Italy	Freehold	Freehold	Freehold	**58,968**	55,232	**2.5**	2.2
Kelsterbach Data Centre ("Kelsterbach DC")	Kelsterbach, Germany	Freehold	Freehold	Freehold	**82,030**	106,356	**3.5**	4.3
Amsterdam Data Centre ("Amsterdam DC")	Schiphol-Rijk, The Netherlands	Freehold	Freehold	Freehold	**43,058**	41,353	**1.8**	1.7
Eindhoven Campus ("Eindhoven DC")	Eindhoven, The Netherlands	Freehold	Freehold	Freehold	**54,224**	52,612	**2.3**	2.1
Guangdong Data Centre 3 ("Guangdong DC 3")	Jiangmen Guangdong Province, People's Republic of China	Leasehold	50	43.0	**12,062**	12,429	**0.5**	0.5

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

Portfolio Statement

As at 31 December 2023

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	
					2023	2022	2023	2022
			(Years)	(Years)	$'000	$'000	%	%
Colocation								
Keppel DC Singapore 1 ("KDC SGP 1")[2]	Serangoon, Singapore	Leasehold	60	31.8	**347,837**	347,228	**14.8**	14.1
Keppel DC Singapore 2 ("KDC SGP 2")	Tampines, Singapore	Leasehold	60	27.6	**183,000**	183,000	**7.8**	7.4
Keppel DC Singapore 3 ("KDC SGP 3")	Tampines, Singapore	Leasehold	60	28.1	**325,700**	319,000	**13.8**	13.0
Keppel DC Singapore 4 ("KDC SGP 4")	Tampines, Singapore	Leasehold	60	26.5	**458,300**	446,000	**19.5**	18.2
Keppel DC Singapore 5 ("KDC SGP 5")[2]	Jurong, Singapore	Leasehold	39	26.7	**410,484**	395,389	**17.4**	16.1
Basis Bay Data Centre ("Basis Bay DC")	Cyberjaya, Malaysia	Freehold	Freehold	Freehold	**16,720**	19,994	**0.7**	0.8
Gore Hill Data Centre ("Gore Hill DC")[3]	Artarmon, New South Wales, Australia	Freehold	Freehold	Freehold	**198,563**	211,531	**8.4**	8.6
Keppel DC Dublin 1 ("KDC DUB 1")	Dublin, Republic of Ireland	Leasehold	999	975.0	**157,637**	152,950	**6.7**	6.2
Keppel DC Dublin 2 ("KDC DUB 2")	Dublin, Republic of Ireland	Leasehold	999	974.0	**145,157**	139,850	**6.2**	5.7
Total investment properties at fair value					**3,655,932**	3,639,453	**155.2**	148.1
Notes receivables (Note 8)					**82,560**	85,767	**3.5**	3.5
Other assets and liabilities (net)					**(1,384,531)**	(1,268,302)	**(58.7)**	(51.6)
Total net assets of the Group					**2,353,961**	2,456,918	**100.0**	100.0

1 Term of lease includes option to renew the land leases and extension offers.
2 Included in the investment properties were lease liabilities pertaining to land rent options and an extension offer.
3 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.

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 2023 were authorised for issue by the Manager on 22 February 2024.

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 and assets necessary to support the digital economy. The principal activities of the subsidiaries are disclosed in Note 5.

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

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

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

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

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

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

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

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

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

1 GENERAL INFORMATION (continued)

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 2022, 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 2023, 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 adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in significant changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

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.

3 MATERIAL 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.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.1 Basis of Consolidation (continued)

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.

Joint ventures
Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

Acquisition
Investments in joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on joint ventures represents the excess of the cost of acquisition of the joint ventures over the Group's share of the fair value of the identifiable net assets of the joint ventures and is included in the carrying amount of the investments.

Equity method of accounting
Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its joint ventures' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in a joint venture equals to or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in a joint venture includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Disposals
Investments in associates or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associates or joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

3.2 Foreign Currency

Foreign currency transactions
Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars ("SGD or "$"), which is the functional currency of the Trust.

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 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.

3.3 Financial Instruments

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement

Non-derivative financial assets
On initial recognition, a financial asset is classified as measured at amortised cost.

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

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.3 Financial Instruments (continued)

ii. Classification and subsequent measurement (continued)

Financial assets: Business model assessment
The Group makes an assessment of the objective of the business model in which a financial asset is held. The information provided to management for this assessment includes:

- the stated policies and objectives for the financial assets 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 financial assets are 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

<u>Financial assets at amortised cost</u>
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

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.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

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 modified 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.

Interest rate benchmark reform
When the basis for determining the contractual cash flows of a financial asset of financial liability measured at amortised cost changes as a result of interest rate benchmark reform, the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss is recognised. A change in the basis for determining the contractual cash flow is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applies the polices on accounting for modifications to the additional changes.

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 MATERIAL ACCOUNTING POLICIES (continued)

3.4 Hedge Accounting

Derivative financial instruments and hedge accounting
The Group holds derivative financial instruments to mitigate 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.

Cash flow hedges
The Group designates certain derivatives as hedging instruments to mitigate 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.

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 and are used by the Group in the management of short term commitments.

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.

3.7 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 3.12.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

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

3.8 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.

3.9 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.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.9 Impairment (continued)

i. Non-derivative financial assets (continued)

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 increased 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.

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.

3.10 Employee Benefits

Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligations to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in the 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.

3.11 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.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.11 Leases (continued)

- *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 3.12.

3.12 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually define terms of payment.

Rental income
Rental income from investment property is recognised 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. Contingent rents are recognised as income in profit or loss when earned.

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. Net power revenue or net power costs are included in other income and property operating expenses respectively.

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. Service revenue is included in other income.

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. Rental top up income is included in other income.

3.13 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.

3.14 Finance Income

Interest income is recognised using the effective interest method.

3.15 Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the profit or loss except to the extent that it relates to items recognised directly in Unitholders' funds or in OCI.

Current income tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

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

Deferred tax is not recognised for:

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

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

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

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

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

3 MATERIAL ACCOUNTING POLICIES (continued)

3.15 Income Tax (continued)

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

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

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

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

b. where the beneficial owner is Qualifying Foreign Non-Individual Unitholder (as defined below), the Trustee and the Manager will undertake to deduct income tax at a reduced rate of 10% from the distributions made up to 31 December 2025, unless otherwise extended.

c. where the beneficial owner is a Qualifying Non-Resident Fund (as defined herein), income tax will be deducted at a reduced rate of 10% from the distributions made from 1 July 2022 to 31 December 2025, 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 1994 or established by any written law, a town council, a statutory board, a co-operative society registered under the Co-operative Societies Act 1979 or a trade union registered under the Trade Unions Act 1940;

e. an international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and privileges) Act 1948; or

f. a real estate investment trust exchange-traded fund which has been accorded the tax transparency treatment.

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.

A Qualifying Non-Resident Fund is one who is not a resident in Singapore for Singapore income tax purposes, qualifies for tax exemption under section 13D, 13U or 13V of the Income Tax Act 1947 and:

a. who does not have any permanent establishment in Singapore (other than the fund manager in Singapore); or

b. who carries on any operation in Singapore through a permanent establishment in Singapore (other than the fund manager in Singapore), where the funds used to acquire the Units are not obtained from that operation.

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 (1947) and be collected from the Trustee. Where the gains are capital gains, they will not be assessed to tax and the Trustee and Manager may distribute the capital gains to Unitholders without having to deduct tax at source.

Tax exemption

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

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

3.16 Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Manager to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the senior management of the Manager include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Trust's head office), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire and fit-out investment properties.

3.17 Provisions

A provision is recognised if, as a result of a past event, the Group has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.18 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 as other income within gross revenue.

3.19 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 specific assumptions and estimates included in Note 29 – Fair Value of Assets and Liabilities.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.20 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 2024 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) 1-37 Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts – Cost of Fulfilling a Contract)
- Amendments to SFRS(I) 1-7 Statement of Cash Flows and SFRS(I) 7 Financial Instruments (Disclosures – Supplier finance arrangements)

The new or amended accounting Standards and Interpretations listed above are not mandatory for 31 December 2023 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	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000
At 1 January	**3,639,453**	3,401,436	**530,228**	526,726
Acquisitions [b]	**–**	257,279	**–**	–
Additions [c]	**–**	15,790	**–**	–
Capital expenditure	**33,436**	39,422	**9,462**	15,632
Net change in fair value	**(25,572)**	70,969	**(8,853)**	(12,130)
Currency translation differences	**8,615**	(145,443)	**–**	–
At 31 December	**3,655,932**	3,639,453	**530,837**	530,228

Reconciliation of fair value measurement to valuation reports

	GROUP		TRUST	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000
Fair value on investment properties based on valuation reports	**3,642,911**	3,626,736	**522,700**	522,300
Add: Carrying amount of lease liabilities [d]	**13,021**	12,717	**8,137**	7,928
Carrying amount of investment properties	**3,655,932**	3,639,453	**530,837**	530,228

a. Investment properties are stated at fair value based on valuations performed by independent valuers, Savills Valuation and Professional Services (S) Pte Ltd, Colliers Appraisal and Advisory Services Co., Ltd and Knight Frank LLP (2022: Savills Valuation and Professional Services (S) Pte Ltd and Knight Frank LLP). 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 considered both 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. These rates consist of unobservable inputs classified under Level 3 (Note 29).

b. In 2022, Keppel DC REIT completed the acquisitions of London DC, and Guangdong DC 2 and building shell of Guangdong DC 3.

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

d. The lease liabilities of the Group relate to estimated payments for certain leasehold lands in Singapore for (i) extension options of which the Group is reasonably certain to exercise and (ii) an offer to extend the remaining land tenure for a further term. In 2022, the Group extended the leasehold land interest in KDC SGP 3 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.

e. At 31 December 2023, the Group's investment properties amounting to $3,655.9 million (2022: $3,639.5 million) were free from encumbrances for debt facilities.

5 INVESTMENT IN SUBSIDIARIES

	TRUST	
	2023 **$'000**	2022 $'000
Investment in subsidiaries, at cost less accumulated impairment		
At 1 January	**2,246,084**	2,128,751
Capital injection, net of capital reductions	**52,474**	182,255
Impairment loss	**(30,330)**	(64,922)
At 31 December	**2,268,228**	2,246,084

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 $30,330,000 (2022: $64,922,000) during the year, which arose mainly due to fair value losses on certain overseas investment properties.

Listing of significant subsidiaries in the Group

Name of entities	**Principal activities**	**Place of incorporation/business**	**Effective equity held by the Trust**	
			2023 **%**	2022 %
Subsidiaries				
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")	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 Singapore 2 Pte. Ltd.	Investment Holding	Singapore	**100**	100
Basis Bay Capital Management Sdn. Bhd. [a]	Investment in real estate properties	Malaysia	**99**	99

5 INVESTMENT IN SUBSIDIARIES (continued)

Listing of significant subsidiaries in the Group (continued)

Name of entities	Principal activities	Place of incorporation/business	Effective equity held by the Trust 2023 %	2022 %
Subsidiaries				
KDCR Australia Trust No.2 [b]	Investment in real estate properties	Australia	**100**	100
KDCR Australia Sub-Trust 1 [b]	Investment in real estate properties	Australia	**100**	100
KDCR Guangdong Co., Ltd [a]	Letting of self-owned or leased real estate property	China	**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**	100
KDCR Netherlands 3 B.V. [b]	Investment in real estate properties	The Netherlands	**100**	100
KDCR Netherlands 5 B.V. [b]	Investment in real estate properties	The Netherlands	**100**	100
KDCR Netherlands 6 B.V. [b]	Investment in real estate properties	The Netherlands	**100**	100
KDCR (Ireland) Limited [a]	Investment in real estate properties and provision of data services and colocation services	Republic of Ireland	**100**	100
KDCR (Ireland) 2 Limited [a]	Investment in real estate properties	Republic of Ireland	**100**	100
BI71 SRL [a]	Investment in real estate properties	Italy	**100**	100
Greenwich View Place Limited [b]	Investment in real estate properties	Guernsey	**100**	100
KDCR Cardiff Limited [b]	Investment in real estate properties	Guernsey	**100**	100
KDCR England Limited [b]	Investment in real estate properties	Guernsey	**100**	100

[a] PricewaterhouseCoopers LLP, is the auditor of the Singapore-incorporated subsidiaries. KDCR (Ireland) Limited, KDCR (Ireland) 2 Limited, KDCR Ireland Fin. Company Limited, KDCR Ireland Holdings Limited, Basis Bay Capital Management Sdn Bhd and KDCR Guangdong Co., Ltd, are audited by PricewaterhouseCoopers, PricewaterhouseCoopers PLT, and PricewaterhouseCoopers Zhong Tian LLP. Colombo Edoardo is the auditor for BI71 SRL.

[b] Not required to be audited by law in the country of incorporation.

6 LOANS TO SUBSIDIARIES

	TRUST	
	2023 $'000	2022 $'000
Loans to subsidiaries	**110,000**	112,499
Quasi-equity loans to subsidiaries	**197,378**	199,382
	307,378	311,881

Loans to subsidiaries are unsecured, interest-bearing and not expected to be repaid within the next 12 months. The interest rates range from 3.0% to 7.1% (2022: 0.4% 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.

7 INVESTMENT IN A JOINT VENTURE

	GROUP	
	2023 $'000	2022 $'000
Equity investments at cost	**1,000**	1,000
Share of reserves	**(1,000)**	25,475
	–	26,475

M1 Network Private Limited ("NetCo"), is incorporated in and maintains a place of business in Singapore. Based on the agreement, the Group has a 100% preference shares investment in NetCo and its joint venture partner has 100% ordinary shares investment in NetCo. Accordingly, the Group accounts for its interest based on 100% economic interest in NetCo.

Set out below is the summarised financial information for NetCo.

Summarised statement of financial position

	31 December 2023 $'000	31 December 2022 $'000
Current assets	**26,915**	43,012
Includes:		
– Cash and cash equivalents	**3,061**	651
Current liabilities	**(39,325)**	(37,330)
Includes:		
– Financial liabilities (excluding trade payables)	**(37,780)**	(36,906)
Non-current assets	**498,444**	540,274
Non-current liabilities	**(486,924)**	(519,481)
Includes:		
– Financial liabilities (excluding trade payables)	**(486,924)**	(519,481)
Net (liabilities)/assets	**(890)**	26,475

7 INVESTMENT IN A JOINT VENTURE (continued)

Summarised statement of comprehensive income

	For the year ended 31 Decemer 2023 $'000	For the year ended 31 Decemer 2022 $'000
Revenue	**50,900**	50,900
Expenses		
Includes:		
– Depreciation and amortisation	**(38,558)**	(38,667)
– Finance costs	**(19,059)**	(19,994)
– Other costs	**(3,267)**	(30)
Loss before taxation	**(9,984)**	(7,791)
Taxation	**1,700**	1,325
Loss after taxation	**(8,284)**	(6,466)
Other comprehensive (loss)/income	**(19,081)**	35,458
Total comprehensive (loss)/income	**(27,365)**	28,992

The information above reflects the amounts presented in the financial statements of the joint venture, adjusted for difference in accounting policies between the Group and the joint venture. Other comprehensive loss/income comprises mark-to-market losses/gains from an interest rate swap.

The Group has not recognised losses totalling $890,000 (2022: $Nil) in relation to its investment in a joint venture, because the Group has no obligation in respect of theses losses.

Reconciliation of summarised financial information

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

	2023 $'000	2022 $'000
At 1 January	**26,475**	–
Share of results for the year	**(8,284)**	(8,983)
Share of movement in hedging reserve	**(18,191)**	35,458
At 31 December	**–**	26,475

8 NOTES RECEIVABLES

	GROUP AND TRUST	
	2023 $'000	2022 $'000
At 1 January	**85,767**	88,700
Receipt of principal during the year	**(3,207)**	(2,933)
At 31 December	**82,560**	85,767
Non-current	**79,073**	82,559
Current	**3,487**	3,208
Total notes receivables	**82,560**	85,767

The notes receivables of $82,560,000 (2022: $85,767,000) from a joint venture matures in 2036, with fixed interest rate of 9.17% per annum, the receipt of principal and interest would amount to $11.0 million per annum, payable semi-annually.

The above notes are unsecured and may be redeemed at par by the joint venture prior to their maturity, subject to certain conditions.

9 TRADE AND OTHER RECEIVABLES

	GROUP		TRUST	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Trade receivables	44,939	37,014	2,631	3,406
Less: Loss allowance	(10,392)	–	–	–
	34,547	37,014	2,631	3,406
Other receivables	25,324	33,624	1,544	598
Less: Loss allowance	(625)	–	–	–
	24,699	33,624	1,544	598
Accrued income	8,022	5,686	2,184	1,455
Amount due from a related company	–	11,745	–	–
Amount due from subsidiaries	–	–	6,387	8,773
Prepayments	4,930	4,568	–	–
	72,198	92,637	12,746	14,232
Non-current	18,330	31,233	–	–
Current	53,868	61,404	12,746	14,232
Total trade and other receivables	72,198	92,637	12,746	14,232

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.

10 DERIVATIVE FINANCIAL INSTRUMENTS

	Maturity	Contract/ Notional amount $'000	Assets $'000	Liabilities $'000
GROUP				
2023				
Current				
Derivatives not designated as hedging instruments:				
– Forward exchange contracts	2024	57,240	2,030	(148)
Derivatives designated as hedging instruments:				
Cash-flow hedge				
– Interest rate swaps	2024	11,623	314	–
			2,344	(148)
Non-current				
Derivatives not designated as hedging instruments:				
– Forward exchange contracts	2025	7,986	12	(45)
Derivatives designated as hedging instruments:				
Cash-flow hedge				
– Interest rate swaps	2025-2030	960,085	29,162	(8,984)
			29,174	(9,029)

10 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

	Maturity	Contract/ Notional amount $'000	Assets $'000	Liabilities $'000
GROUP				
2022				
Current				
Derivatives not designated as hedging instruments:				
– Forward exchange contracts	2023	100,134	6,784	–
Derivatives designated as hedging instruments:				
Cash-flow hedge				
– Interest rate swaps	2023	161,899	811	–
			7,595	–
Non-current				
Derivatives not designated as hedging instruments:				
– Forward exchange contracts	2024	26,694	1,607	–
Derivatives designated as hedging instruments:				
Cash-flow hedge				
– Interest rate swaps	2024–2028	816,450	48,155	(2,180)
			49,762	(2,180)

	Maturity	Contract/ Notional amount $'000	Assets $'000	Liabilities $'000
TRUST				
2023				
Current				
Derivatives not designated as hedging instruments:				
– Forward exchange contracts	**2024**	**57,240**	**2,030**	**(148)**
Non-current				
Derivatives not designated as hedging instruments:				
– Forward exchange contracts	**2025**	**7,986**	**12**	**(45)**
– Interest rate swaps	**2026**	**90,000**	**2,712**	**–**
			2,724	**(45)**
2022				
Current				
Derivatives not designated as hedging instruments:				
– Forward exchange contracts	2023	100,134	6,784	–
Non-current				
Derivatives not designated as hedging instruments:				
– Forward exchange contracts	2024	26,694	1,607	–

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 probable transactions.

Interest rate swaps are used to hedge interest rate risk arising from the underlying floating interest rates of respective bank borrowings (Note 15). Under these interest rate swaps, the Group receives the following floating interest equal to SORA,

A$ bank bill swap bid rate ("BBSW"), Euro interbank offer rate ("EURIBOR"), SONIA and 1-year loan prime year ("1Y LPR") at specific contracted intervals.

The Group designates the interest rate swaps as cash flow hedges. In respective of these contracts, net fair value losses of $25,667,000 (2022: net fair value gains of $50,403,000) were included in hedging reserve for the Group as at the financial year.

Hedging instruments used in Group's hedging strategy in 2023 and 2022

There were no material hedge ineffectiveness for the derivative hedging instruments for current and prior financial year.

		Carrying Amount			
	Contractual notional amount $'000	**Assets/ (Liabilities) $'000**	**Category**	**Weighted average hedged rate**	**Maturity date**
GROUP					
2023					
Cash flow hedge					
Interest rate risk					
– Interest rate swaps to hedge floating rate borrowings	**971,708**	**20,493**	Derivative financial instruments	2.13%	2024-2030
Net investment hedge					
Foreign exchange risk					
– Borrowings to hedge net investments in foreign operations	**–**	**(812,608)**	Borrowings	AUD 1 : $0.88 EUR 1 : $1.46 GBP 1 : $1.69	2024-2030
2022					
Cash flow hedge					
Interest rate risk					
– Interest rate swaps to hedge floating rate borrowings	978,349	46,786	Derivative financial instruments	1.77%	2023-2028
Net investment hedge					
Foreign exchange risk					
– Borrowings to hedge net investments in foreign operations	–	(815,219)	Borrowings	AUD 1 : $0.92 EUR 1 : $1.42 GBP 1 : $1.64	2023-2028

11 DEPOSITS

In June 2022, the Group paid a deposit of $13.9 million for the fit-out of the facilities and equipment as part of a framework agreement entered into in conjunction with the acquisition of Guangdong DC 3. The long-stop date for the fit-out completion has passed. The Group has reserved its rights under the agreement.

12 DEFERRED TAXATION

Deferred tax assets and liabilities are attributable to the following:

	GROUP			
	Assets 2023 $'000	**Liabilities 2023 $'000**	Assets 2022 $'000	Liabilities 2022 $'000
Investment properties	**5,997**	**(96,825)**	–	(83,700)
Tax losses carried forward	**5,264**	**–**	5,773	–
	11,261	**(96,825)**	5,773	(83,700)
Offset	**(10,137)**	**10,137**	(4,094)	4,094
Deferred tax assets/(liabilities)	**1,124**	**(86,688)**	1,679	(79,606)

12 DEFERRED TAXATION (continued)

	TRUST	
	Liabilities 2023 $'000	Liabilities 2022 $'000
Investment properties		
Deferred tax liabilities	**(15,012)**	(13,191)

Movement in temporary differences during the year:

	At 1 January $'000	Recognised in profit or loss $'000	Recognised in other comprehensive income $'000	Exchange difference $'000	At 31 December $'000
GROUP					
2023					
Investment properties	**(83,700)**	**(6,355)**	**–**	**(773)**	**(90,828)**
Tax losses carried forward	**5,773**	**(1,325)**	**629**	**187**	**5,264**
Net deferred tax liabilities	**(77,927)**	**(7,680)**	**629**	**(586)**	**(85,564)**
2022					
Investment properties	(66,989)	(20,648)	–	3,937	(83,700)
Tax losses carried forward	6,678	(375)	–	(530)	5,773
Net deferred tax liabilities	(60,311)	(21,023)	–	3,407	(77,927)

	At 1 January $'000	Recognised in profit or loss $'000	At 31 December $'000
TRUST			
2023			
Investment properties	**(13,191)**	**(1,821)**	**(15,012)**
2022			
Investment properties	(13,191)	–	(13,191)

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 2023 and 31 December 2022, 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.

13 CASH AND CASH EQUIVALENTS

	GROUP		TRUST	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000
Bank balances	**99,276**	127,442	**33,944**	47,840
Short-term deposits	**50,457**	62,957	**37,247**	50,239
Cash and cash equivalents in the Consolidated Statement of Cash Flows	**149,733**	190,399	**71,191**	98,079

14 LOANS FROM SUBSIDIARIES

Trust
The loans from subsidiaries are unsecured, interest-bearing, and have loan maturities of one to seven years (2022: one to six years) with interest ranging from 1.32% to 4.96% (2022: 1.01% to 3.93%) per annum.

Terms and debt repayment schedule

Terms and conditions of loans from subsidiaries are as follows:

	Interest rate % per annum	Year of maturity	2023 Face value $'000	2023 Carrying amount $'000	2022 Face value $'000	2022 Carrying amount $'000
TRUST						
Non-current liabilities						
Loans from subsidiaries	1.51 - 4.95 (2022: 1.32 - 3.93)	2025 - 2030 (2022: 2024 - 2028)	**1,265,869**	**1,265,869**	1,139,538	1,139,538
Current liabilities						
Loans from subsidiaries	1.32 - 4.96 (2022: 1.01 - 3.33)	2024 (2022: 2023)	**59,351**	**59,351**	161,899	161,899

15 LOANS AND BORROWINGS

	GROUP 2023 $'000	GROUP 2022 $'000	TRUST 2023 $'000	TRUST 2022 $'000
Non-current liabilities				
Bank borrowings	**1,398,147**	1,289,367	**–**	–
Capitalised transaction costs of debt financing	**(2,836)**	(2,305)	**–**	–
	1,395,311	1,287,062	**–**	–
Lease liabilities	**12,948**	12,646	**8,137**	7,928
	1,408,259	1,299,708	**8,137**	7,928
Current liabilities				
Bank borrowings	**72,477**	175,425	**–**	–
Total loans and borrowings	**1,480,736**	1,475,133	**8,137**	7,928

The loans and borrowings are carried at amortised cost.

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

Terms and debt repayment schedule
Terms and conditions of outstanding financial liabilities are as follows:

	Interest rate % per annum	Year of maturity	2023 Face value $'000	2023 Carrying amount $'000	2022 Face value $'000	2022 Carrying amount $'000
GROUP						
Bank borrowings	1.32 - 4.96 (2022: 1.01 - 4.68)	2024 - 2030 (2022: 2023 - 2028)	**1,470,624**	**1,470,624**	1,464,792	1,464,792

16 TRADE AND OTHER PAYABLES

	GROUP		TRUST	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Trade payables	**5,137**	5,366	**1,218**	417
Amount due to subsidiaries	**–**	–	**66,280**	4,726
Interest payables	**4,503**	3,942	**–**	–
Other payables and accruals	**60,609**	59,676	**15,502**	16,570
	70,249	68,984	**83,000**	21,713
Non-current	**–**	6,338	**–**	–
Current	**70,249**	62,646	**83,000**	21,713
Total trade and other payables	**70,249**	68,984	**83,000**	21,713

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

As at 31 December 2023 and 31 December 2022, other payables and accruals mainly relate to deferred payment, accruals for management fees, unearned revenue, rental deposit, audit fees, valuation fees and other expenses.

17 PROVISION FOR TAXATION

Movement in current tax liabilities:

	GROUP		TRUST	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
At 1 January	**6,569**	6,537	**2,549**	2,239
Income tax paid	**(8,943)**	(9,802)	**(1,313)**	(2,051)
Tax expense/(credit)	**7,894**	9,971	**(473)**	2,361
Currency translation differences	**220**	(137)	**–**	–
At 31 December	**5,740**	6,569	**763**	2,549

18 PROVISION

The provision for the Group as at 31 December 2022 relates to a contractual obligation assumed on the acquisition of a subsidiary, which has been settled in 2023.

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	
	2023 $'000	2022 $'000
At 1 January	**(50,177)**	5,869
Currency translation differences of financial statements of foreign subsidiaries	**(27,576)**	21,262
Less: Non-controlling interests	**12**	11
Net currency translation difference on borrowings designated as net investment hedge of foreign operations	**19,989**	(77,319)
At 31 December	**(57,752)**	(50,177)

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 when the hedged cash flows affect profit or loss.

	2023	2022
	Interest rate risk $'000	Interest rate risk $'000
GROUP		
At 1 January	**82,245**	(3,616)
Fair value (losses)/gains	**(8,500)**	49,297
Share of hedging reserve of a joint venture (Note 7)	**(18,191)**	35,458
	55,554	81,139
Reclassified to profit or loss, as hedged item has affected profit or loss (Note 23)	**(17,167)**	1,106
At 31 December	**38,387**	82,245

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 2023 and 31 December 2022.

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	
	2023 $'000	2022 $'000
Gross bank borrowings (Note 15)	**1,470,624**	1,464,792
Less: cash and cash equivalents (Note 13)	**(149,733)**	(190,399)
(1) Net borrowings	**1,320,891**	1,274,393
(2) Total Unitholders' funds and liabilities	**3,963,570**	4,064,863
Net debt to total funding ratio at end of the year	**0.33**	0.31

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			
	2023		2022	
	No. of Units	$'000	No. of Units	$'000
Units in issue:				
At 1 January	**1,718,650,015**	**2,026,265**	1,715,511,855	2,054,294
Issue of Units:				
Management fees [a]	**2,779,796**	**5,436**	1,779,047	3,755
Acquisition, Divestment and Development Management fees [a]	**–**	**–**	1,359,113	3,272
Capital distribution [c]	**–**	**(40,255)**	–	(35,056)
At 31 December	**1,721,429,811**	**1,991,446**	1,718,650,015	2,026,265

a. During the financial year, the Trust issued 2,779,796 new Units (2022: 1,779,047) to the Manager as payment of base fees and performance fees for its interests in certain assets for the period from 1 October 2022 to 30 September 2023 (2022: 1 October 2021 to 30 September 2022).

In 2022, the Trust issued 1,359,113 new units to the Manager as payment of acquisition fees for the acquisition of Guangdong DC 1, London DC as well as the net aggregate subscription amount of investment in bonds and preference shares issued by NetCo.

b. 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.

c. Capital distribution represents a return of capital to Unitholders during the year.

21 GROSS REVENUE

	GROUP	
	2023 $'000	2022 $'000
Rental income	**276,990**	273,517
Other income	**4,217**	3,805
	281,207	277,322

Other income mainly refers to one-off government incentives received in 2023 and 2022 as well as non-recurring service fee charged to clients as stipulated in the lease agreements.

Contingent rent recognised as rental income amounted to $88.6 million (2022: $91.4 million).

22 PROPERTY OPERATING EXPENSES

	GROUP	
	2023 $'000	**2022 $'000**
Property-related taxes	**3,870**	3,713
Facility management and related costs	**12,616**	12,700
Repairs and maintenance	**1,803**	1,842
Loss allowance for doubtful receivables	**10,540**	–
Other property-related costs	**7,427**	6,522
	36,256	24,777

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

23 FINANCE COSTS

	GROUP	
	2023 $'000	**2022 $'000**
Interest expense for bank borrowings	**64,724**	29,146
Amortisation of:		
– lease charges	**301**	202
– capitalised transaction costs of debt financing	**660**	618
	65,685	29,966
Cash flow hedges, reclassified from hedging reserve (Note 19(b))	**(17,167)**	1,106
	48,518	31,072

24 NET CHANGE IN FAIR VALUE OF INVESTMENT PROPERTIES

	GROUP	
	2023 $'000	**2022 $'000**
Investment properties held directly by the Group (Note 4)	**(25,572)**	70,969
Effects of recognising rental income on a straight-line basis over the lease terms	**(2,361)**	(2,680)
	(27,933)	68,289

25 TAX EXPENSES

	GROUP	
	2023 $'000	**2022 $'000**
Current tax expense	**7,894**	9,971
Deferred tax – origination and reversal of temporary differences	**7,680**	21,023
	15,574	30,994
Reconciliation of effective tax rate		
Profit before tax	**137,778**	265,168
Tax calculated using Singapore tax rate of 17% (2022: 17%)	**23,422**	45,079
Effects of tax rates in foreign jurisdictions	**5,393**	5,088
Income not subject to tax	**(22,949)**	(15,156)
Non-deductible expenses	**20,321**	5,606
Utilisation of tax benefits	**(10,233)**	(5,374)
Effect of other temporary differences	**10,870**	7,046
Tax transparency	**(11,250)**	(11,295)
	15,574	30,994

26 NON-CONTROLLING INTERESTS

As at 31 December 2023, 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	**2023 $'000**	2022 $'000	**2023 $'000**	2022 $'000	**2023 $'000**	2022 $'000
Current						
Assets	**15,478**	21,919	**19,545**	22,948	**11,331**	25,305
Liabilities	**(2,096)**	(2,723)	**(1,783)**	(2,506)	**(1,350)**	(3,843)
Total current net assets	**13,382**	19,196	**17,762**	20,442	**9,981**	21,462
Non-current						
Assets	**325,700**	319,000	**458,300**	446,000	**410,484**	395,389
Liabilities	**–**	–	**–**	–	**(4,811)**	(4,719)
Total non-current net assets	**325,700**	319,000	**458,300**	446,000	**405,673**	390,670
Net assets	**339,082**	338,196	**476,062**	466,442	**415,654**	412,132
Summarised income statement						
Revenue	**27,451**	26,317	**38,771**	34,464	**24,857**	30,468
Profit before tax	**28,964**	22,230	**46,001**	51,449	**33,886**	52,996
Income tax	**–**	–	**–**	–	**–**	–
Profit after tax	**28,964**	22,230	**46,001**	51,449	**33,886**	52,996
Other comprehensive income	**–**	–	**–**	–	**–**	–
Total comprehensive income	**28,964**	22,230	**46,001**	51,449	**33,886**	52,996
Total comprehensive income allocated to non-controlling interests	**2,896**	2,223	**460**	514	**339**	530
Dividends paid to non-controlling interests	**(2,358)**	(2,242)	**(334)**	(273)	**(229)**	(267)
Summarised cash flows						
Cash flows from operating activities						
Cash generated from operations	**26,482**	33,474	**38,015**	31,795	**23,274**	29,385
Income tax paid	**–**	–	**–**	–	**–**	–
Net cash generated from operating activities	**26,482**	33,474	**38,015**	31,795	**23,274**	29,385
Net cash used in investing activities	**(4,220)**	(5,640)	**(3,388)**	(1,272)	**(4,813)**	(6,609)
Net cash used in financing activities	**(28,078)**	(26,797)	**(36,381)**	(37,259)	**(30,366)**	(26,689)
Net (decrease)/increase in cash and cash equivalents	**(5,816)**	1,037	**(1,754)**	(6,736)	**(11,905)**	(3,913)
Cash and cash equivalent at the beginning of financial year	**12,603**	11,566	**14,328**	21,064	**18,414**	22,327
Cash and cash equivalent at the end of financial year	**6,787**	12,603	**12,574**	14,328	**6,509**	18,414

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	
	2023 $'000	2022 $'000
Profit attributable to Unitholders	**118,530**	230,905
Profit attributable to Unitholders (excluding net change in fair value of investment properties and their related deferred tax impact)	**142,863**	175,899

	Number of Units	
	2023 $'000	2022 $'000
Weighted average number of Units:		
– outstanding during the year	**1,717,678**	1,662,473
– effects of Units issued	**2,773**	55,205
Weighted average number of Units during the year	**1,720,451**	1,717,678

	GROUP	
	2023	2022
Basic and diluted earnings per Unit (cents)	**6.89**	13.44
Basic and diluted earnings per Unit (cents) (excluding net change in fair value of investment properties and their related deferred tax impact)	**8.33**	10.25

b. Distribution per Unit

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

	GROUP	
	2023 $'000	2022 $'000
Total amount available for distribution for the year	**167,718**	184,872
Distribution per Unit (cents)	**9.383**	10.214

The amount available for distribution for the financial year included an amount of capital expenditure set aside for certain assets of $6.2 million (2022: $9.4 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 by way of evaluation of information from corporate searches conducted. The Group's client trade sector mix in its property portfolio is actively managed to avoid excessive exposure to any 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. Credit standing of note receivables issued by the joint venture in Singapore is not rated. The Manager assesses all counterparties for credit risk for the Group before contracting with them.

28 FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

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. At each balance sheet date, the Group assesses whether financial assets carried at amortised cost is 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. These events include probability of insolvency, significant financial difficulties of the debtor and default or significant delay in payments.

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.

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.

Credit loss allowance for trade receivables are recognised based on simplified approach, and credit allowance for other receivables and deposits are assessed under the general model. Where it is credit-impaired, these are recognised at an amount equal to lifetime ECL.

Other receivables and deposits are assessed as non-performing and are classified under Stage 3 lifetime ECLs.

Trade receivables

The Group uses a provision matrix to measure the ECLs. In measuring the ECLs, assets are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group considers payment history of each counterparty and adjusts to reflect specific and macroeconomic factors affecting the ability of the counterparty to settle. As part of assessing the expected loss rate of these trade receivables, the Group also considered the existence of tenancy deposits, banker's guarantees and subsequent receipts. The Group then adjust the historical loss rates based on expected changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a counterparty failing to engage in a recovery roadmap with the Group. Where such allowances are made, the Group continues to engages the counterparty to attempt to recover these receivables due. Where recoveries are made, these are recognised in profit or loss.

As at 31 December 2023, management has identified a specific counterparty in the Asia-Pacific region to be credit impaired as the Group experienced significant collection issues from this counterparty. The related balances that are credit impaired are as follows:

	2023 $'000
GROUP	
Gross carrying amount	**24,547**
Less: loss allowance	**(10,540)**
Currency translation differences	**148**
Carrying amount net of allowance	**14,155**

The following shows the ageing of the trade receivables which are not credit impaired.

		Past due		
	Current $'000	Less than 3 months $'000	Between 3 to 6 months $'000	Total $'000
GROUP				
Trade receivables	8,379	23,492	2,676	34,547

The credit risk exposure of these trade receivables are not significant.

As at 31 December 2022, the credit risk exposure in relation to trade receivables are not significant.

Credit risk concentration profile
At the reporting date, approximately $12.3 million representing 18.4% (2022: $28.1 million representing 32.0%) and $2.8 million representing 21.9% (2022: $3.4 million representing 23.9%) of trade and other receivables of the Group and the Trust respectively, 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 significant credit losses.

Notes receivables
For the purpose of impairment assessment, the notes receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowances is measured at an amount equal to 12-month ECL.

In determining the ECL, the Manager has taken into account the historical default experience and the financial position of the joint venture, adjusted for the factors that are specific to the joint venture and general economic conditions of the industry in which the joint venture operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default of each case.

Accordingly, the Manager believes that there is no loss allowance required.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.

Amont due from a related company and subsidiaries
The Group monitors the credit risk based on the past due information to assess if there is any significant increase in credit risk. The amount due from a related company and subsidiaries are measured on 12-month ECL. The credit loss is immaterial.

Deposits and Other receivables
For the purpose of impairment assessment, deposits and other receivables are considered to have an increase in credit risk during the current financial year, moving from ECL Stage 1 to Stage 3. Accordingly, for the purpose of impairment assessment, related loss allowances are measured at an amount equal to lifetime ECL.

In determining the ECL, the Group has taken into account the historical default experience and the financial position of the counterparty, adjusted for the factors that are specific to the counterparty and general economic conditions of the industry in which the counter-party operate, in estimating the probability of default occurring within the respective loss assessment time horizon, as well as the loss upon default of each case.

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 credit losses arising from these guarantees.

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.

28 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)
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				
2023				
Non-derivative financial liabilities				
Bank borrowings	**(1,655,355)**	**(134,928)**	**(1,443,765)**	**(76,662)**
Lease liabilities	**(15,314)**	**(330)**	**(8,600)**	**(6,384)**
Trade and other payables	**(70,249)**	**(70,249)**	**–**	**–**
	(1,740,918)	**(205,507)**	**(1,452,365)**	**(83,046)**
Derivative financial instruments				
Forward foreign exchange contracts				
– Outflow	**(65,226)**	**(57,240)**	**(7,986)**	**–**
– Inflow	**67,074**	**59,122**	**7,952**	**–**
Interest rate swaps	**20,701**	**14,221**	**7,516**	**(1,036)**
	22,549	**16,103**	**7,482**	**(1,036)**
2022				
Non-derivative financial liabilities				
Bank borrowings	(1,674,302)	(225,785)	(1,254,827)	(193,690)
Lease liabilities	(15,305)	(300)	(8,613)	(6,392)
Trade and other payables	(68,984)	(62,646)	(169)	(6,169)
	(1,758,591)	(288,731)	(1,263,609)	(206,251)
Derivative financial instruments				
Forward foreign exchange contracts				
– Outflow	(117,505)	(92,602)	(24,903)	–
– Inflow	126,828	100,134	26,694	–
Interest rate swaps	56,800	14,822	41,590	388
	66,123	22,354	43,381	388

	Contractual cash flows (including finance costs)			
	Total $'000	Within 1 year $'000	Within 1 to 5 years $'000	More than 5 years $'000
TRUST				
2023				
Non-derivative financial liabilities				
Loans from subsidiaries	**(1,470,616)**	**(101,418)**	**(1,291,500)**	**(77,698)**
Lease liabilities	**(8,534)**	**(235)**	**(8,299)**	**–**
Trade and other payables	**(83,000)**	**(83,000)**	**–**	**–**
	(1,562,150)	**(184,653)**	**(1,299,799)**	**(77,698)**
Derivative financial instruments				
Forward foreign exchange contracts				
– Outflow	**(65,226)**	**(57,240)**	**(7,986)**	**–**
– Inflow	**67,074**	**59,122**	**7,952**	**–**
Interest rate swaps	**2,773**	**1,454**	**1,319**	**–**
	4,621	**3,336**	**1,285**	**–**
2022				
Non-derivative financial liabilities				
Loans from subsidiaries	(1,420,056)	(189,733)	(1,037,021)	(193,302)
Lease liabilities	(8,525)	(208)	(8,317)	–
Trade and other payables	(21,713)	(21,713)	–	–
	(1,450,294)	(211,654)	(1,045,338)	(193,302)
Derivative financial instruments				
Forward foreign exchange contracts				
– Outflow	(117,505)	(92,602)	(24,903)	–
– Inflow	126,828	100,134	26,694	–
	9,323	7,532	1,791	–

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	
	2023 $'000	2022 $'000
Fixed rate instruments		
Interest rate swaps (Notional)	**(971,708)**	(978,349)
Lease liabilities	**(12,948)**	(12,646)
Variable rate instruments		
Bank borrowings	**(1,470,624)**	(1,464,792)
Interest rate swaps (Notional)	**971,708**	978,349

28 FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk (continued)

The Group enters into interest rate swap agreements to mitigate the interest rate risk exposure arising from its SGD, EUR, GBP, AUD and RMB variable rate term loans (Note 15).

As at the end of the financial year, the Group has interest rate swap agreements with notional amount totalling $971,708,000 (2022: $978,349,000) whereby it receives variable rates equal to SORA, EURIBOR, SONIA, BBSW and 1Y LPR and pays fixed rates of interest. The all-in fixed interest rates ranges between 1.32% and 4.78% (2022: 1.01% and 4.68%) 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 SORA, EURIBOR, SONIA, BBSW and 1Y LPR. This amounts to 74% (2022: 74%) 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 15.

As at 31 December 2023 and 31 December 2022, 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 2023 and 31 December 2022, 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 5 years $'000	More than 5 years $'000
GROUP					
2023					
Interest rate swaps					
Assets	**29,476**	**28,054**	**14,122**	**13,932**	**–**
Liabilities	**(8,983)**	**(7,353)**	**99**	**(6,416)**	**(1,036)**
	20,493	**20,701**	**14,221**	**7,516**	**(1,036)**
2022					
Interest rate swaps					
Assets	48,966	60,053	15,442	42,092	2,519
Liabilities	(2,180)	(3,253)	(620)	(502)	(2,131)
	46,786	56,800	14,822	41,590	388

Foreign currency risk
The Group operates across multiple jurisdictions and is exposed to various currencies, particularly AUD, EUR, GBP and RMB.

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, GBP and RMB. To hedge against the volatility of future cash flows caused by changes in foreign currency rates, the Group utilises forward foreign currency contracts to mitigate 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 $65.2 million (2022: $126.8 million). The net positive fair value of forward foreign exchange contracts is $1.8 million (2022: $8.4 million) comprising assets of $2.0 million (2022: $8.4 million) and liabilities of $0.2 million (2022: $Nil). 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:

	2023				2022			
	AUD $'000	**EUR $'000**	**GBP $'000**	**RMB $'000**	AUD $'000	EUR $'000	GBP $'000	RMB $'000
GROUP								
Cash and cash equivalents	**17,182**	**24,178**	**14,015**	**1,086**	24,177	37,447	11,513	11,231
Trade receivables and other receivables	**4,002**	**13,138**	**365**	**1,090**	3,897	21,464	1,119	5,266
Deposits	**–**	**–**	**–**	**13,486**	–	–	–	13,896
Bank borrowings	**(64,572)**	**(578,905)**	**(169,131)**	**(145,405)**	(89,439)	(561,692)	(164,088)	(163,355)
Trade payables and other payables	**(2,145)**	**(17,227)**	**(474)**	**(9,643)**	(3,231)	(14,798)	(826)	(16,115)
Add: Firm commitments and highly probable forecast transactions in foreign currencies	**9,723**	**30,536**	**8,867**	**16,100**	18,215	51,479	12,940	44,194
Less: Forward exchange contracts	**(9,723)**	**(30,536)**	**(8,867)**	**(16,100)**	(18,215)	(51,479)	(12,940)	(44,194)
Add: Borrowings designated as net investment hedge of foreign operations	**64,572**	**578,905**	**169,131**	**145,405**	89,439	561,692	164,088	163,355
Net exposure	**19,039**	**20,089**	**13,906**	**6,019**	24,843	44,113	11,806	14,278

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

	2023			2022		
	AUD $'000	**EUR $'000**	**GBP $'000**	AUD $'000	EUR $'000	GBP $'000
TRUST						
Cash and cash equivalents	**5,301**	**7,737**	**8,892**	16,601	16,918	8,633
Trade receivables and other receivables	**4,407**	**84**	**172**	4,628	259	246
Trade payables and other payables	**(549)**	**(2,281)**	**(1,333)**	(597)	(1,677)	(1,283)
Loans from subsidiaries	**(64,572)**	**(578,905)**	**(169,131)**	(89,439)	(561,692)	(164,088)
Loans to subsidiaries	**110,982**	**196,396**	**–**	115,660	196,221	–
Add: Firm commitments and highly probable forecast transactions in foreign currencies	**9,723**	**30,536**	**8,867**	18,215	51,479	12,940
Less: Forward exchange contracts	**(9,723)**	**(30,536)**	**(8,867)**	(18,215)	(51,479)	(12,940)
Net exposure	**55,569**	**(376,969)**	**(161,400)**	46,853	(349,971)	(156,492)

28 FINANCIAL RISK MANAGEMENT (continued)

Foreign currency risk (continued)

Sensitivity analysis:
A 10% (2022: 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	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000
AUD	**(1,904)**	(2,484)	**(5,557)**	(4,685)
EUR	**(2,009)**	(4,411)	**37,697**	34,997
GBP	**(1,391)**	(1,181)	**16,140**	15,649
RMB	**(602)**	(1,428)	**–**	–
	(5,906)	(9,504)	**48,280**	45,961

A 10% (2022: 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	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000
Financial assets at amortised cost	**291,060**	352,888	**473,844**	509,702
Financial liabilities at amortised cost	**1,529,312**	1,525,293	**1,408,220**	1,323,150

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

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

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

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

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

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.

Notes receivables

The Manager estimates that the carrying value of the notes receivable approximate their fair value as these notes may be redeemed at par at the option of the borrower prior to their maturity dates on any interest payment 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				
2023				
Derivative financial assets	**–**	**31,518**	**–**	**31,518**
Investment properties	**–**	**–**	**3,655,932**	**3,655,932**
	–	**31,518**	**3,655,932**	**3,687,450**
Derivative financial liabilities	**–**	**(9,177)**	**–**	**(9,177)**
2022				
Derivative financial assets	–	57,357	–	57,357
Investment properties	–	–	3,639,453	3,639,453
	–	57,357	3,639,453	3,696,810
Derivative financial liabilities	–	(2,180)	–	(2,180)
TRUST				
2023				
Derivative financial assets	**–**	**4,754**	**–**	**4,754**
Investment properties	**–**	**–**	**530,837**	**530,837**
	–	**4,754**	**530,837**	**535,591**
Derivative financial liabilities	**–**	**(193)**	**–**	**(193)**
2022				
Derivative financial assets	–	8,391	–	8,391
Investment properties	–	–	530,228	530,228
	–	8,391	530,228	538,619

There were no transfers between levels of the fair value hierarchy during the years ended 31 December 2023 and 31 December 2022.

Movement in Level 3 fair values of investment properties for the financial year is as shown in Note 4.

Level 2 fair value measurements
The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The fair values of currency forwards are based on valuations provided by the banks. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

Level 3 fair values

The following table shows the valuation techniques and the significant unobservable inputs that were considered in the determination of fair value.

Valuation method	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Asia Pacific		
Capitalisation approach	Capitalisation rate: 4.75% to 7.75% (2022: 4.75% to 7.75%)	The estimated fair value varies inversely against the capitalisation rate.
Discounted cash flow approach	Discount rate: 6.75% to 10.50% (2022: 6.25% to 10.50%) Terminal yield rate: 5.38% to 8.50% (2022: 5.25% to 8.25%)	The estimated fair value varies inversely against the discount rate and terminal yield rate.
Europe		
Capitalisation approach	Capitalisation rate: 3.85% to 15.54% (2022: 3.96% to 11.55%)	The estimated fair value varies inversely against the capitalisation rate.
Discounted cash flow approach	Discount rate: 5.75% to 8.34% (2022: 4.88% to 7.81%) Terminal yield rate: 4.50% to 8.00% (2022: 4.00% to 6.50%)	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.

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

The Manager has determined that the carrying amounts of cash and bank balances, note receivables, trade and other receivables, deposits, trade and other payables and current bank borrowings reasonably approximate their fair values.

The fair values of non-current fixed-rate bank borrowings as at 31 December 2023 and 31 December 2022 are as stated below. They are estimated using discounted cash flows analyses based on current rates for similar types of borrowing arrangements.

	2023		2022	
	Carrying value $'000	**Fair value $'000**	Carrying value $'000	Fair value $'000
GROUP				
Bank borrowings (non-current)	**109,470**	**101,006**	106,215	94,815

30 LEASES

Nature of the leasing activities

The Group as a lessee
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 $13,021,000 (2022: $12,717,000).

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.

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

Operating leases under SFRS (I) 16	GROUP		TRUST	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000
Less than one year	**160,543**	177,919	**9,895**	10,150
One to two years	**147,470**	164,194	**–**	9,895
Two to three years	**130,727**	150,826	**–**	–
Three to four years	**113,893**	133,112	**–**	–
Four to five years	**97,734**	116,981	**–**	–
More than five years	**562,395**	676,277	**–**	–
Total undiscounted lease payment	**1,212,762**	1,419,309	**9,895**	20,045

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	
	2023 $'000	2022 $'000
Fixed rental income from related corporations	**31,387**	30,473
Variable rental income from related corporations	**88,586**	91,447
Management base fees to the Manager	**(18,457)**	(17,741)
Management performance fees to the Manager	**(8,350)**	(8,598)
Acquisition and development management fees to the Manager	**–**	(2,622)
Facility management fees to related corporations	**(3,579)**	(3,695)
Project management fees to a related corporation	**(60)**	(102)
Support services fee to a related corporation	**(598)**	(615)
Interest income from a joint venture	**7,784**	8,060

32 COMMITMENTS AND CONTINGENCIES

Commitments

In June 2022, the Group paid a deposit for fit-out works in relation to Guangdong DC 3, with the remaining $127.4 million to be paid when the fit-out works are completed. As disclosed in Note 11, the long-stop date for the fit-out completion has passed, and the Group has reserved its rights under the agreement.

In September 2022, 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 where after the completion of the fit-out works, there will be rental uplift. Keppel DC REIT shall pay up to $7.8 million to fund the costs of the additional core M&E.

33 FINANCIAL RATIOS

	GROUP	
	2023 %	2022 %
Expenses to average net assets[1]		
– including asset management fees	**1.35**	1.30
– excluding asset management fees	**0.23**	0.18

	GROUP	
	2023	2022
Operating expenses[2] ($'000)	**84,109**	86,133
Operating expenses[2] to net asset value as at 31 December (%)	**3.49**	3.65

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 23 (2022: 23) 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.

34 OPERATING SEGMENTS (continued)

Information about reportable segments

By type of asset

	2023			
	Colocation $'000	Fully-fitted $'000	Shell and core $'000	Total $'000
Gross revenue	168,330	74,568	38,309	281,207
Net property income	146,266	63,357	35,328	244,951
Finance income	182	1,216	184	1,582
Finance costs	(15,887)	(18,160)	(12,016)	(46,063)
Net change in fair value of financial assets at fair value through profit or loss	–	–	(379)	(379)
Net change in fair value of investment properties	6,355	9,933	(44,221)	(27,933)
Reportable segment profit before tax	134,639	54,591	(21,954)	167,276
Unallocated amounts:				
– Finance income				9,347
– Finance costs				(2,455)
– Other corporate expenses				(36,390)
Profit before tax				137,778
Segment assets	2,179,773	985,357	680,963	3,846,093
Other unallocated amounts				160,458
Consolidated assets				4,006,551
Segment liabilities	587,494	560,511	416,647	1,564,652
Other unallocated amounts				87,938
Consolidated liabilities				1,652,590
Other segment items:				
Capital expenditure/net additions	24,814	6,977	1,645	33,436

	2022			
	Colocation $'000	Fully-fitted $'000	Shell and core $'000	Total $'000
Gross revenue	170,722	69,708	36,892	277,322
Net property income	148,667	69,066	34,812	252,545
Finance income	715	479	–	1,194
Finance costs	(11,851)	(10,715)	(6,329)	(28,895)
Net change in fair value of financial assets at fair value through profit or loss	–	–	(377)	(377)
Net change in fair value of investment properties	45,472	22,507	310	68,289
Reportable segment profit before tax	182,484	80,464	26,262	289,210
Unallocated amounts:				
– Finance income				8,060
– Finance costs				(2,177)
– Other corporate expenses				(29,925)
Profit before tax				265,168
Segment assets	2,175,408	979,366	729,290	3,884,064
Other unallocated amounts				223,599
Consolidated assets				4,107,663
Segment liabilities	588,926	567,475	425,181	1,581,582
Other unallocated amounts				69,163
Consolidated liabilities				1,650,745
Other segment items:				
Capital expenditure/net additions	42,696	2,616	9,900	55,212

By geographical area

	GROUP	
	2023 $'000	2022 $'000
Gross revenue		
– Singapore	**144,758**	147,619
– Australia	**23,085**	24,363
– China	**24,842**	19,381
– Ireland	**33,519**	31,807
– Germany	**17,559**	17,540
– The Netherlands	**16,214**	15,965
– Other countries	**21,230**	20,647
Total gross revenue	**281,207**	277,322
Investment properties		
– Singapore	**2,014,821**	1,976,917
– Australia	**311,964**	324,654
– China	**274,282**	282,629
– Ireland	**302,794**	292,800
– Germany	**246,381**	255,057
– The Netherlands	**256,086**	238,559
– Other countries	**249,604**	268,837
Total carrying value of investment properties	**3,655,932**	3,639,453

Major customers

Gross revenue of approximately $118.8 million (2022: $121.7 million) is derived from one client from Singapore (2022: Singapore).

35 SUBSEQUENT EVENT

On 26 January 2024, the Manager declared a distribution of 4.332 cents per Unit for the period from 1 July 2023 to 31 December 2023.

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 issued by the Monetary Authority of Singapore on 6 August 2018, as amended from time to time (the "CG 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 CG Code and its accompanying Practice Guidance. The Manager is pleased to share that Keppel DC REIT has complied with the principles of the CG Code and complied in all material aspects with the provisions and practices in the CG Code. Where there are deviations from the provisions of the CG Code, appropriate explanations have been provided in this Annual 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 optimise returns from investments, and ultimately, 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:

a. developing a business plan for Keppel DC REIT with a view to maximise the distributable income of Keppel DC REIT;

b. acquiring, selling, leasing, contracting, licensing, entering into 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;

c. supervising and overseeing the management of Keppel DC REIT's properties (including lease and facility management, systems control, data management, business plan implementation and implementation of sustainability initiatives);

d. undertaking regular individual asset performance analysis and market research analysis;

e. 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;

f. ensuring compliance with the applicable provisions of the Companies Act, the Securities and Futures Act and other relevant legislation, 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"), and applicable tax rulings including those issued by the Inland Revenue Authority of Singapore on taxation of Keppel DC REIT and its Unitholders;

g. managing regular communications with Unitholders;

h. managing sustainability risks (including environmental, social and governance factors) as part of its decision-making process; and

i. 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, the Sixth Supplemental Deed dated 9 April 2020 and the Seventh Supplemental Deed dated 10 December 2021 (collectively, the "Trust Deed")[1]. 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.

[1] A copy of the Trust Deed is available for inspection at the registered office of the Manager during usual business hours and Unitholders should make an appointment with the Manager should they wish to do so.

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. The Board puts in place a code of conduct and ethics, sets appropriate tone from the top and desired organisational culture, and ensures proper accountability within the Manager and Keppel DC REIT.

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 and effectiveness 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 and clearly communicated to management in writing. Appropriate delegations of authority and approval sub-limits are also provided at management level to facilitate operational efficiency.

The Board has reserved authority to approve certain matters including:

- material acquisitions, investments and divestments;
- issuance of new units in Keppel DC REIT ("Units");
- income distributions and other returns to Unitholders; and
- matters which involve a conflict of interest for a controlling Unitholder or a Director.

Independent Judgement: All Directors are fiduciaries who are expected to act objectively and exercise independent judgement in the best interests of Keppel DC REIT and hold management accountable for performance. When reviewing management's proposals or decisions, the Directors bring their objective independent judgement to bear on business activities and transactions involving conflicts of interest and other complexities. 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 ("ARC"), the Nominating and Remuneration Committee ("NRC") and the Environmental, Social and Governance Committee ("ESGC") have been constituted with clear written terms of reference, setting out their compositions, authorities and duties, including reporting back to the Board, and play important roles in ensuring good corporate governance. The responsibilities of the Board committees are disclosed in the Appendix hereto.

Meetings: The Board meets at least four (4) 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 budgets, 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 internal and external auditors of Keppel DC REIT and the Manager. Board meetings are scheduled in advance and the scheduled dates are 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 2023, 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, and as and when required, for closed door discussions without the presence of management to discuss matters such as board processes, corporate governance initiatives, succession planning, and performance management and remuneration matters.

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

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 complete, adequate, 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 to enable the Board to make informed decisions and discharge its duties and responsibilities. The information provided to the Board includes management accounts, 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 on a regular basis. The financial results are also compared against the respective budgets, together with explanations given for significant variances for the reporting period. Management also surfaces key risk issues for discussion and confers with the ARC and the Board regularly.

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 also have separate and independent access to management and the Company Secretaries, and are provided with the names and contact details of senior management and the Company Secretaries to facilitate direct

Director	Board Meetings Attended	ARC Meetings Attended	NRC Meetings Attended	ESGC Meetings Attended
Ms Christina Tan	5	–	3	–
Mr Kenny Kwan	5	–	3	–
Ms Yeo Siew Eng	5	4	–	–
Mr Low Huan Ping	5	4	–	2
Mr Chua Soon Ghee[1]	2/2	–	–	–
Mr Andrew Tan[2]	2/2	1/1	–	–
Mr Thomas Pang	5	–	–	2
Mr Lee Chiang Huat[3]	3/3	3/3	–	–
Mr Dileep Nair[3]	3/3	3/3	3	–
Dr Tan Tin Wee[4]	4/4	–	3	2
No. of Meetings held in FY 2023	**5**	**4**	**3**	**2**

1 Mr Chua Soon Ghee was appointed to the Board on 1 September 2023 and he was also appointed as member of the NRC and ESGC.
2 Mr Andrew Tan was appointed to the Board on 1 September 2023 and he was also appointed as member of the ARC.
3 Mr Lee Chiang Huat and Mr Dileep Nair stepped down as Directors effective 1 September 2023.
4 Dr Tan Tin Wee stepped down as Director effective 1 November 2023.

access to senior management and the Company Secretaries. The Directors are entitled to request from management, and would be provided with, such additional information as may be needed from time to time in order to make informed decisions. In addition, Directors also have separate and independent access to external advisers (where necessary).

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 or the Manager, as appropriate.

The Board reviews the budgets 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 periodically 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. Site visits are organised by management periodically for Directors and other employees.

Training: Changes to laws, regulations, policies, accounting and financial reporting 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 the circulation of Board papers and updates. The Directors are also provided with opportunities to develop and maintain their skills and knowledge through 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.

Directors who are appointed to the Board from time to time either have prior experience as a director of an issuer listed on the SGX-ST or will undergo the training required under Rule 210(5)(a) of the Listing Manual. Rule 720(7) of the Listing Manual requires all directors of an issuer to undergo training on sustainability matters as prescribed by the SGX. Six Directors have undergone the required sustainability training prescribed by the SGX while the remaining Director is in the process of completing the Listed Entity Director Programme organised by the Singapore Institute of Directors.

Chairman and CEO: The positions of Chairman and Chief Executive Officer ("CEO") are held by two separate persons to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. The Chairman and CEO are not immediate family members.

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

The Chairman 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. The Chairman also encourages constructive relations between the Board and management. At Board meetings, the Chairman encourages a full and frank exchange of views, drawing out contributions from all Directors so that the debate benefits from the full diversity of views, in a robust yet collegiate setting.

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

The CEO, assisted by the management team, 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 and division of responsibilities between 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 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 three Directors (including the lead independent director "Lead Independent Director", Mr Kenny Kwan), the majority of whom, including the Chairman of the NRC, are independent.

The composition of the NRC is as follows:

Mr Kenny Kwan (Lead Independent Director)	Chairman
Ms Christina Tan (Non-executive Director)	Member
Mr Chua Soon Ghee (Independent Director)	Member

The NRC has its written terms of reference setting out its scope and authority in performing the functions of the NRC. The responsibilities of the NRC are disclosed in the Appendix hereto. In addition, Provision 3.3 of the CG 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 Kenny 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 acts as an additional conduit to the Board for communicating Unitholder concerns when the normal channels are not able to resolve the matter or when 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, talents, experience, gender, age 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) may 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:

a. Integrity;

b. Independent mindedness;

c. Diversity – possess core competencies that meet the current needs of Keppel DC REIT and the Manager and complement the skills, talents and competencies of the existing Directors on the Board;

d. Able to commit time and effort to carry out duties and responsibilities effectively;

e. Track record of making good decisions;

f. Experience in high-performing corporations or property funds;

g. Financially literate; and

h. Fit and proper person in accordance with the guidelines issued by the MAS.

Endorsement by Unitholders of Appointment of Directors

Keppel Capital Holdings Pte. Ltd. (“Keppel Capital”) had 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, Keppel Capital undertakes to the Trustee:

a. 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;

b. (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

c. 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 or Keppel Capital 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 continues to hold shares in the Manager; and

b. Keppel DC REIT Management Pte. Ltd. remains as the manager of Keppel DC REIT.

As Mr Chua Soon Ghee and Mr Andrew Tan were first appointed to the Board on 1 September 2023, the Manager is seeking endorsement of their respective appointments at the AGM to be held in 2024. In addition, the Manager is also seeking the re-endorsement of the appointment of Mr Thomas Pang at the AGM to be held in 2024, as his appointment was last endorsed by Unitholders on 21 April 2021.

The NRC recommends the endorsement and re-endorsement of Directors to the Board, having regard to the Director's skills, talents, experience, profile, contribution and performance (such as attendance, preparedness, knowledge, 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, talents, 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, foster constructive debate 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, talents, 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 (i) ensuring that approximately 30% of the Board will comprise female directors; and (ii) ensuring that the NRC will endeavour to include female candidates for consideration when identifying suitable candidates for new appointments to the Board. As at 31 December 2023, there were two female Directors out of a total of seven Directors on the Board and accordingly, this commitment has been met.

Annual Review of Board Size and Composition
The Board consists of seven members, majority of whom (five members) are non-executive independent Directors which is compliant with Provisions 2.2 and 2.3 of the CG Code.

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 2024 and is satisfied that the Board and the Board committees comprise Directors who as a group provide an appropriate balance and mix of skills, talents, 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:

a. the Chairman of the Board should be a non-executive Director of the Manager;

b. the Board comprises Directors with a broad range of commercial experience including expertise in fund management, audit and accounting and the property industry; and

c. at least one-third of the Board comprises independent Directors.

Further, in accordance with Provision 2.2 of the CG Code, independent Directors make up a majority of the Board as 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 CG 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 CG Code, a Director who is independent in conduct, character and judgement, and has no relationship with the Manager, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement 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:

a. is independent from the management of the Manager and Keppel DC REIT;

b. is independent from any business relationship with the Manager and Keppel DC REIT;

c. is independent from every substantial shareholder of the Manager, and every substantial unitholder of Keppel DC REIT;

d. is not a substantial shareholder of the Manager, or a substantial unitholder of Keppel DC REIT; and

e. 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:

a. Mr Kenny Kwan (i) has been independent from the management of the Manager and Keppel DC REIT; and (ii) has not been a substantial shareholder of the Manager or a substantial unitholder of Keppel DC REIT. The Board has also determined that Mr Kenny Kwan shall nevertheless be considered independent notwithstanding that he is a partner of Allen & Overy LLP which is one of the Singapore law firms providing legal services to Keppel. Taking into consideration (A) Mr Kenny Kwan having declared that (I) he does not hold a substantial partnership interest (less than 5%) in Allen & Overy LLP; and (II) he has not provided any legal services to Keppel DC REIT nor the Manager; (B) he is not in any employment relationship with Keppel and is not under any obligation to act in accordance with the directions, instructions or wishes of Keppel; and (C) the instances of constructive challenge and probing of management by Mr Kenny Kwan at the Board and the Board committee meetings of the Manager, the Board is satisfied that Mr Kenny Kwan is able to act in the best interests of all the Unitholders as a whole;

b. Mr Chua Soon Ghee (i) has been independent from the management of the Manager and Keppel DC REIT; and (ii) has not been a substantial shareholder of the Manager or a substantial unitholder of Keppel DC REIT. The Board has also determined that Mr Chua Soon Ghee shall nevertheless be considered independent notwithstanding that he is a partner of Kearney, a global management consulting firm, incorporated in the United Kingdom under A.T. Kearney Holdings Limited ("Kearney"). Kearney operates in Singapore under A.T. Kearney Pte Ltd ("A.T. Kearney"), which has provided consultancy services to Keppel. Taking into consideration (A) Mr Chua Soon Ghee having declared that (I) he does not hold a substantial interest (less than 5%) in Kearney and he does not hold any shares of A.T. Kearney; and (II) he has not provided any services to Keppel DC REIT nor the Manager; (B) he is not in any employment relationship with Keppel and is not under any obligation to act in accordance with the directions, instructions or wishes of Keppel; and (C) the instances of constructive challenge and probing of management by Mr Chua Soon Ghee at the Boardand the Board committee meetings of the Manager, the Board is satisfied that Mr Chua Soon Ghee is able to act in the best interests of all the Unitholders as a whole;

c. each of Ms Yeo Siew Eng, Mr Low Huan Ping and Mr Andrew Tan (i) has been independent from management and business relationships with the Manager and Keppel DC REIT; (ii) has not been a substantial shareholder of the Manager or a substantial unitholder of Keppel DC REIT; and (iii) has been independent from every substantial shareholder of the Manager and substantial unitholder of Keppel DC REIT; and

d. Ms Christina Tan and Mr Thomas Pang are not considered independent. Ms Christina Tan is the Chief Executive Officer, Fund Management and Chief Investment Officer of Keppel Ltd. and Mr Thomas Pang is the Chief Executive Officer, Data Centres and Networks Division, Keppel Ltd.

As at the last day of FY 2023, none of the Independent Directors have served on the Board for continuous period of nine years or longer.

For purposes of transparency, Mr Kenny Kwan and Mr Low Huan Ping are appointed as directors of M1 Network Private Limited ("NetCo"), which is a joint venture of Keppel DC REIT, and will receive director's fees from NetCo. As NetCo is a joint venture of Keppel DC REIT and not a related corporation of the Manager, such appointment does not affect the assessment of their independence. In addition, it should be noted that each of Mr Kenny Kwan and Mr Low Huan Ping serves as a Keppel DC REIT nominated director on the board of NetCo and in that capacity, each of them acts in the interests of the Unitholders. The appointments to the board of NetCo is also in accordance with the circular dated 10 November 2021 which discloses that Keppel DC REIT is entitled to have 50% board representation on the board of NetCo and the rationale of such appointment is meant to provide Keppel DC REIT with oversight on the performance of NetCo and early line of sight of any issues that may pose credit risks.

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. As there are no executive Directors, all non-executive and independent Directors contribute to the Board process by monitoring and reviewing management's performance against goals and objectives. The views and opinions of the non-executive and independent Directors provide alternative perspective to Keppel DC REIT's business and enable the Board to make informed and balanced decisions. This also enables the Board to interact and work with management to help shape the strategic process. In addition to the foregoing, the Board appointed Mr Kenny Kwan as

Lead Independent Director to diligently maintain the high standards of corporate governance. If the Chairman is conflicted, the Lead Independent Director will lead the Board. In addition, the 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 Chairman of the ARC ("ARC Chairman").

The current Board comprises individuals who are business leaders and/or have professional backgrounds. The Board is equipped with the following skill sets: Finance/Accounting; Audit; Business Development; Consulting; Fund Management; Risk Management; Digital/Technology; Economics; Engineering; Capital Markets; Mergers & Acquisitions; Management; Legal; and Strategic planning experience. Together, the Board as a group provides an appropriate balance and diversity of skills with core competencies such as industry knowledge, business and management experience, age, gender (two female Directors), strategic planning and customer-based experience. Their varied backgrounds enable Management to benefit from their diverse expertise and experience to further the interests of Keppel DC REIT and its Unitholders.

Taking into account the strong independent character 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/her 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 is 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/her duties as Director effectively.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE
The Board constituted the ESGC for the primary purpose of, among others, enhancing and articulating Keppel DC REIT's ESG strategy, as well as providing oversight on Keppel DC REIT's sustainability efforts across its business operations. As of the date of this Annual Report, the ESGC comprises three (3) Directors:

Mr Thomas Pang (Non-executive Director)	Chairman
Mr Low Huan Ping (Independent Director	Member
Mr Chua Soon Ghee (Independent Director)	Member

The detailed responsibilities of the ESGC are disclosed at page 183.

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

- Pages 10 to 11: Corporate governance at a glance, setting out key metrics of the Board such as the level of independence, age profile, tenure and gender diversity;
- Pages 14 to 16: Academic and professional qualifications, Board committee served on (as a member or Chairman), date of first appointment as a Director, listed company directorships and other principal commitments 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;
- Pages 186 to 189: 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 and re-endorsement by Unitholders at the annual general meeting; and
- Pages 194 to 195: Unitholdings in Keppel DC REIT as at 27 February 2024.

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 of each of its Board committees separately, the contribution by the Chairman and each individual Director to 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 feedback from the Board members. Mr Terry Wee, partner at Ernst & Young LLP, was appointed for this role. Mr Terry 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.

Evaluation Results: For FY 2023, the outcomes of the evaluations of the Board and Board Committees, individual Directors and the Chairman were satisfactory and the Directors as a whole provided affirmative ratings across all the performance criteria.

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 at the section "Board Matters: Board Composition and Guidance" on page 166. 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 remuneration consultant(s) where required. In FY 2023, the NRC sought views from external remuneration consultant Willis Towers Watson on market practice and trends, as well as benchmarks against comparable organisations. The NRC undertook a review of the independence and objectivity of the external remuneration consultant through discussions with the external remuneration consultant. The NRC has confirmed that the external remuneration consultant 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

The remuneration of Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities. 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 Directors' fee structure is regularly benchmarked with comparable listed companies to ensure that their remuneration is fair and appropriate. The non-executive Directors participated in additional ad-hoc meetings with management during the year and are not paid for attending such meetings.

In FY 2023, the NRC, in consultation with Willis Towers Watson, conducted a review of the FY 2023 non-executive Directors' fee structure. The review took into account a variety of factors, including prevailing market practices, referencing Directors' fees against comparable benchmarks, 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 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 70% of his or her total Director's fees in cash and the balance 30% in the form of Units. The Director's fees for Ms Christina Tan and Mr Thomas Pang will be paid in cash to Keppel.

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 achieving a balance between current versus long-term remuneration and between cash versus equity incentive remuneration, to attract, retain and motivate key management personnel for the longer term.

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 structure 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 mainly 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. The RUP and PUP are long term incentive plans of the Manager.

Executives who have greater ability to influence strategic outcomes have a greater proportion of their overall remuneration at risk. The Manager performs regular benchmarking reviews on employees' total remuneration to ensure market competitiveness. 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.

Taking advice from an external independent remuneration consultant, the NRC exercises broad discretion and independent judgement in ensuring that the amount and mix of remuneration are aligned with the interests of Unitholders and promote the long-term success of Keppel DC REIT. The mix of fixed and variable reward is considered appropriate for the Manager and for each individual role.

The remuneration structure is directly linked to corporate and individual performance, both in terms of financial and non-financial performances. This link is achieved in the following ways:

a. By placing a significant portion of executive's remuneration at risk ("at-risk component") and in some cases, subject to a vesting schedule;

b. By incorporating appropriate key performance indicators ("KPIs") for awarding of annual cash incentives:

    i. There are four scorecard areas that the Manager has identified as key to measuring its performance:

        1. Financial;
        2. Process;
        3. Customers & Stakeholders; and
        4. 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, sustainability efforts, employee engagement, talent development and succession planning;

    ii. The four scorecard areas have been chosen because they support how the Manager achieves its strategic objectives. The framework provides a link for staff in understanding how they contribute to each area of the scorecard, and therefore to the Manager's overall strategic goals. The NRC reviews and approves the scorecard annually;

c. By selecting performance conditions for the KDCRM PUP such as Assets Under Management, Distribution Per Unit and Absolute Total Unitholder Returns that are aligned with Unitholders' interests;

d. By requiring those KPIs or conditions to be met in order for the at-risk components of remuneration to be awarded or to vest; and

e. Forfeiture of the at-risk components of remuneration when those KPIs or conditions are not met at a satisfactory level.

The NRC also recognises the need for a reasonable alignment between risk and remuneration to discourage excessive risk taking. Therefore, in reviewing the remuneration structure, the NRC had taken into account the risk policies and risk tolerance of Keppel DC REIT and the Manager as well as the time horizon of risks, and incorporated risks-adjustments into the remuneration structure through several initiatives, including but not limited to:

a. Prudent funding of annual performance bonus;

b. Granting a portion of the annual performance bonus in the form of deferred Units, to be awarded under the RUP;

c. Vesting of contingent Unit awards under the PUP being subjected to KPIs and/or performance conditions being met;

The framework for determining the Directors' fees is shown in the table below:

	Chairman	Lead Independent Director	Director	Member
Main Board	S$90,000 per annum	S$66,000 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
Environmental, Social and Governance Committee	S$12,000 per annum			S$6,000 per annum

d. Potential forfeiture of variable incentives in any year due to misconduct;

e. Requiring the CEO and eligible key management personnel to hold a minimum number of Units under the unit ownership guideline; and

f. Exercising discretion to ensure that remuneration decisions are aligned to the Manager's long-term strategy and performance and discourage excessive risk taking.

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 took into account the extent to which the performance conditions, as set out above had been met. The NRC is of the view that remuneration is aligned to performance during FY 2023.

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

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

LEVEL AND MIX OF REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL FOR THE YEAR ENDED 31 DECEMBER 2023

Name of Director	Base/ Fixed Salary (S$)	Variable or Performance-related income/bonuses (S$)	Directors' Fees [1] (S$)	Benefits-in-kind (S$)
Ms Christina Tan[2]	–	–	102,000	–
Mr Kenny Kwan[3]	–	–	79,337	–
Ms Yeo Siew Eng[4]	–	–	76,753	–
Mr Low Huan Ping	–	–	81,000	–
Mr Chua Soon Ghee[5]	–	–	24,400	–
Mr Andrew Tan[6]	–	–	25,069	–
Mr Thomas Pang[7]	–	–	67,000	–
Mr Lee Chiang Huat[8]	–	–	56,589	–
Mr Dileep Nair[8]	–	–	57,920	–
Dr Tan Tin Wee[9]	–	–	67,463	–

1 Unless otherwise stated, each of the Directors will receive 70% of his/her total Director's fees in cash and the balance 30% in the form of Units.
2 Ms Christina Tan's fees will be paid 100% to Keppel.
3 Mr Kenny Kwan's fees include his pro-rated fees for his appointment as Chairman of the NRC with effect from 1 November 2023.
4 Ms Yeo Siew Eng's fees include her pro-rated fees for her appointment as member of the ARC on 30 January 2023 and subsequent to that, as Chairman of the ARC with effect from 1 September 2023.
5 Mr Chua Soon Ghee was appointed to the Board on 1 September 2023 and he was appointed as member of the NRC and ESGC.
6 Mr Andrew Tan was appointed to the Board on 1 September 2023 and he was appointed as member of the ARC.
7 Mr Thomas Pang's fees will be paid 100% to Keppel.
8 Mr Lee Chiang Huat and Mr Dileep Nair stepped down as Directors effective 1 September 2023. Their respective fees are pro-rated accordingly and will be paid in cash.
9 Dr Tan Tin Wee stepped down as Director effective 1 November 2023. His fees are pro-rated accordingly and will be paid in cash.

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]	Contingent award of units/shares: RUP [3]
Above S$1,000,000 to S$1,250,000					
Mr Loh Hwee Long[4]	35%	17%	1%	30%	17%
Above S$250,000 to S$500,000					
Mr Adam Lee	55%	29%	3%	4%	9%
Ms Charmaine Cai	66%	23%	4%	–	7%

1 The Manager has less than five key management personnel other than the CEO as at 31 December 2023.
2 The NRC is satisfied that the quantum of performance-related bonuses earned by the CEO and key management personnel of the Manager was fair and appropriate taking into account the extent to which their KPIs for FY 2023 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 28 April 2023 (being the grant date), the estimated value of each unit granted in respect of the contingent awards under the KDCRM PUP was S$1.78. As at 1 August 2023 (being the grant date), the estimated value of each unit granted in respect of the contingent awards under the KDCRM PUP was S$1.82. As at 15 February 2024 (being the grant date for the contingent deferred units under the KDCRM RUP), the volume-weighted average unit price granted in respect of the contingent awards under the KDCRM RUP was S$2.00. For the KDCRM PUP, the figures were based on the value of the PUP units at 100% of the award and the figures may not be indicative of the actual value at vesting which can range from 0% to 150% of the award.
4 Mr Loh Hwee Long was appointed as the Chief Executive Officer with effect from 28 July 2023. The remuneration disclosed is on an annualised basis. Mr Loh succeeded Ms Anthea Lee who stepped down as the Chief Executive Officer with effect from 27 July 2023. For the period from 1 January 2023 to 27 July 2023, Ms Anthea Lee earned total remuneration in the band of S$250,000 to S$500,000.

are encouraged to hold such Units while they remain in the employment of the Manager. Under the unit ownership guideline, the CEO and key management personnel are required to hold at a minimum, the Units delivered to them under the PUP and RUP, so as to maintain a beneficial ownership stake, thus aligning interests with Unitholders.

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. While such non-disclosure is a deviation from Provision 8.1 of the CG Code, the Manager is of the view that such disclosure or non-disclosure (as the case may be) is consistent with the intent of Principle 8 of the CG Code and will not be prejudicial to the interests of the Unitholders as: (i) the NRC, which comprises a majority of independent directors, conducted reviews of the Manager's remuneration policies and packages; and (ii) 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 170 to 173.

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 2023. "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.

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 Ms Yeo Siew Eng (appointed as member to the ARC on 30 January 2023, and subsequent to that, as ARC Chairman on 1 September 2023) and the members are Mr Low Huan Ping and Mr Andrew Tan (appointed as member to the ARC on 1 September 2023).

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.

All of the members of the ARC have accounting or related financial management expertise or experience. Thus, the Board is of the view that the members of the ARC are suitably qualified to asset the Board in areas of internal controls, financial and accounting matters, compliance and risk management, including oversight over management in the design, implementation and monitoring of risk management and internal control systems.

The ARC's role includes assisting the Board to ensure the integrity of financial reporting and that sound internal control and risk management 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. Keppel DC REIT and the Manager's internal audit function has been outsourced to Keppel Ltd's Internal Audit department ("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 FY 2023. In addition, the ARC met with the internal auditor and the external auditor on separate occasions, at least once during the year, in each case without the presence of management.

During FY 2023, 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 year and full year results. In the process, the ARC reviewed the key areas of management judgement applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have a significant impact on the financial statements.

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 significant 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 services provided by them and the corresponding fees paid to them, and has confirmed that the non-audit services performed by the external auditor would not affect their independence.

For FY 2023, an aggregate amount of S$465,000, comprising audit service fees of S$460,000 and non-audit service fees of S$5,000, was paid/payable to Keppel DC REIT's external auditor.

Cognisant that the external auditor should be free from any business or other relationships with Keppel DC REIT that could materially interfere with its ability to act with integrity and objectivity, the ARC undertook a review of the independence of the external auditor and gave careful consideration to Keppel DC REIT's relationships with them during FY 2023. In determining the independence of the external auditor, the ARC reviewed all aspects of Keppel DC REIT's relationships with it including the processes, policies and safeguards adopted by Keppel DC REIT and the external auditor relating to auditor independence. The ARC also considered the nature of the provision of the non-audit services in FY 2023 and the corresponding fees and ensured that the fees for such non-audit services did not impair or threaten auditor independence. Based on the review, the ARC is of the opinion that the external auditor is, and is perceived to be, independent for the purpose of Keppel DC REIT's statutory financial audit.

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 184 to 185 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 FY 2023. 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 holistic and 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 190 to 191 of this Annual Report. The Manager is guided by a set of Risk Tolerance Guiding Principles, as disclosed on page 190.

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, processes and systems. The risk tolerance guiding principles and risk management assessment framework are reviewed and updated annually.

In addition, the Manager has adopted, among others, the Whistle-Blower Policy, Insider Trading Policy, Dealing in Securities Policy and Safeguarding Information Policy which reflect 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 and external 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 management on the recommendations made by the internal auditor and external auditor in this respect.

Keppel DC REIT and the Manager also have in place 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 the 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 of Business Governance, management is responsible for the identification and mitigation of risks (including financial, operational, compliance and technology risks) facing Keppel DC REIT and the Manager in the course of running their business. Appropriate policies, procedures and controls are implemented and operationalised in line with Keppel DC REIT's and the Manager's risk appetite to address such risks. Employees are guided by the Manager's Core Values and expected to comply strictly with Keppel's Code of Conduct.

Under the Second Line, Management Assurance Frameworks are established to enable oversight and governance over operations and activities undertaken by management under the First Line.

- Business units and entities scoped in for control self-assessment ("CSA") are required to conduct a self-assessment exercise to assess the status of their respective internal controls on an annual basis. The annual CSA exercise is overseen by Control Assurance. Remedial actions are implemented to address all control gaps identified during the CSA exercise.

- Under Keppel DC REIT's ERM Framework, significant risk areas are identified and assessed, with systems, policies and processes put in place to manage and mitigate the identified risks, to ensure that risks fall within the established risk appetite and tolerance.

- Regulatory Compliance works alongside management to ensure relevant policies, processes, and controls are effectively designed, implemented, and managed to mitigate compliance risks that Keppel DC REIT's and the Manager's face in the course of their business.

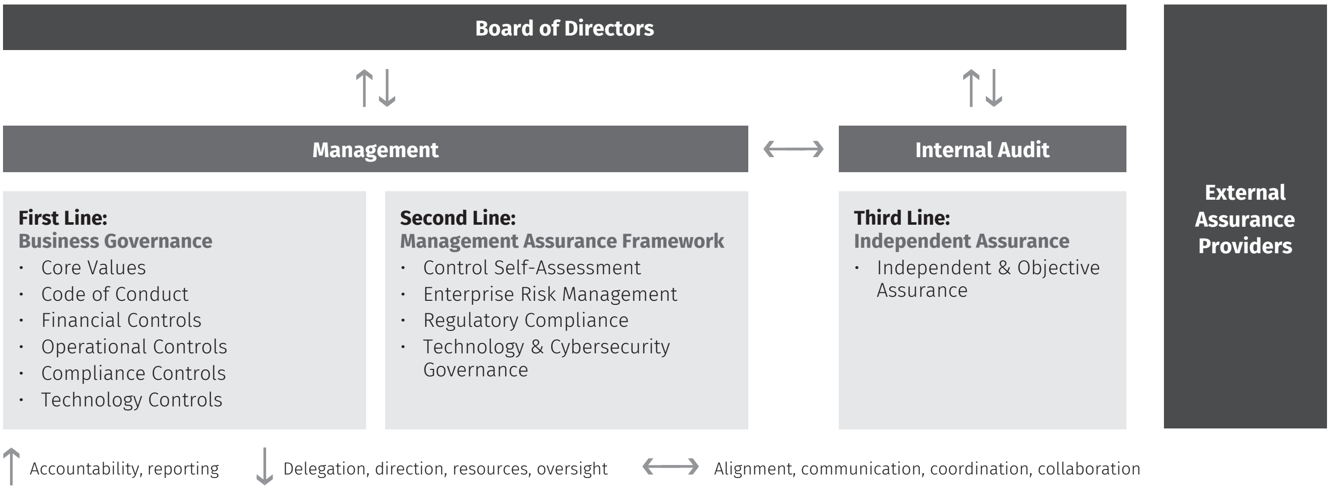
The Technology Governance Framework overseen by Group Information Technology aims to align technology strategy to enterprise vision, whilst strengthening technology controls and security and manage technology risks for Keppel DC REIT and the Manager. This framework was further strengthened with the formalisation of an enhanced Keppel Cybersecurity Governance structure which includes the repurposing of Keppel's existing IT Security Operations Centre into a Cybersecurity Centre with enhanced capabilities to ensure that the baseline security posture of Keppel DC REIT and the Manager is maintained, and is overseen by a dedicated Keppel Cyber Security function which drives the enterprise vision, strategy and programme to ensure that Keppel's technology assets are adequately protected. The Technology and Cyber Security Governance Frameworks balance strategic technology adoption, business resiliency and security outcomes towards effective business continuity and technology risk mitigations.

The Third Line comprises independent assurance, including internal and external audit. Internal audit provides the Board and Keppel DC REIT's and the Manager's senior management with independent assurance over the adequacy and effectiveness of the system of internal controls, risk management and governance, while external audit considers the internal controls relevant to Keppel DC REIT's and the Manager's preparation of financial statements and performs tests on such internal controls where they are assessed to be necessary, in support of the audit opinion issued on the financial statements of Keppel DC REIT.

The CEO and Chief Financial Officer ("CFO") are required to provide Keppel DC REIT and the Manager with written attestation as to the adequacy and effectiveness of their system of internal controls and risk management.

The Board, supported by the ARC, oversees Keppel DC REIT's and the Manager's system of internal controls and risk management. The Board has received assurance from the CEO, Mr Loh Hwee Long and the CFO, Mr Adam Lee (being the other key management personnel responsible regarding the adequacy and effectiveness of Keppel DC REIT's and the Manager's risk management and internal control systems), that, among others, as at 31 December 2023:

KEPPEL'S SYSTEM OF MANAGEMENT CONTROLS



a. the financial records of Keppel DC REIT has been properly maintained and the financial statements for the financial year then ended give a true and fair view of the operations and finances of Keppel DC REIT;

b. the internal controls (including financial, operational, compliance and information technology controls) in place are adequate and effective to address the risks which Keppel DC REIT and the Manager consider relevant and material to its current business scope, operations and environment and that they are not aware of any material weaknesses in the system of internal controls; and

c. they are satisfied with the adequacy and effectiveness of Keppel DC REIT's and the Manager's risk management and internal controls systems.

Based on the internal controls and ERM Framework established and maintained by Keppel DC REIT and the Manager, work performed by the internal and external auditors, and reviews performed by management, the ARC, as well as the assurances set out above, the Board is of the view that, as at 31 December 2023, 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 judgement in decision-making, human errors, losses, fraud or other irregularities.

The ARC concurs with the Board's view that, as at 31 December 2023, 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 taking into account the nature, scale and complexity of Keppel DC REIT's and the Manager's operations.

INTERNAL AUDIT

The role of the internal auditor is to assist the ARC to ensure that Keppel DC REIT and the Manager maintain a sound system of internal controls by regularly monitoring key controls and procedures and ensuring their effectiveness, undertaking investigations as directed by the ARC, and conducting regular in-depth audits of high-risk areas. The ARC approves the evaluation of the internal auditor, or the accounting or auditing firm or corporation to which the internal audit function is outsourced. Keppel DC REIT and the Manager's internal audit function is performed by Keppel Ltd's Internal Audit department ("Internal Audit").

Internal Audit is guided by the International Professional Practices Framework established by the Institute of Internal Auditors (IIA). External quality assessment reviews are carried out at least once every five years by qualified professionals with the last assessment conducted in 2021. The results reaffirmed that the internal audit activity generally conforms to the International Standards for the Professional Practices of Internal Auditing. The professional competence of Internal Audit is maintained through its continuing professional development programme for its staff which includes sending auditors to attend professional courses conducted by external accredited organisations to ensure that their technical knowledge and skill sets remain current and relevant.

The internal auditors are independent of Management and report directly to the Chairman of the ARC. The internal auditor has unfettered access to all of Keppel DC REIT and the Manager's documents, records, properties and personnel, including access to the ARC.

Internal Audit adopts a risk-based approach that focuses on key risks, including financial, operational, compliance and information technology risks. An annual audit plan is developed using a structured risk and control assessment framework. This plan is reviewed and approved by the ARC, who are also apprised on material changes to the plan regularly prior to the commencement of the internal audit work.

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. The ARC also reviews the effectiveness of the actions taken by management on the recommendations made by Internal Audit.

The ARC reviewed the adequacy and effectiveness of Internal Audit and is satisfied that the team is independent, effective and adequately resourced with persons with relevant qualifications and experience and has appropriate standing within Keppel DC REIT and the Manager.

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.

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 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 Keppel DC REIT are served.

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.

In addition, 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. The Manager has arrangements in place to identify and engage with its key stakeholder groups, including employees, clients, regulatory authorities, business partners, investors and local communities, to gather feedback on the sustainability matters which have significant impact to the business and operations of Keppel DC REIT and to manage its relationships with such groups in order to review and assess the material factors relevant to Keppel DC REIT's business activities. Please refer to Sustainability Report on pages 69 and 73 of this Annual Report, which sets out information on Keppel DC REIT's arrangements to identify and engage with its material stakeholder groups and to manage its relationships with such groups, and Keppel DC REIT's strategy and key areas of focus to the management of stakeholder relationships during FY 2023. In FY 2023, the Manager had close to 750 engagements with institutional investors and analysts in Singapore, Australia, Europe, Hong Kong, Japan, Malaysia, Middle East, North America, South Korea and Thailand through a mix of in-person and virtual investor conferences, roadshows, meetings, teleconferences and site visits.

More details on the Manager's investor relations activities are found on pages 18 to 20 of this Annual Report.

The Manager actively engages with Unitholders with a view to solicit and understand their views. The Manager has in place an Investor Relations Policy which sets out the principles and practices applied 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 https://www.keppeldcreit.com/, which also serves as a platform to communicate and engage with stakeholders.

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 regarding Keppel DC REIT via the corporate website and email alert system. Unitholders and members of the public can pose their queries and feedback to a dedicated investor relations contact via email or the phone, through which they are able to ask questions and receive responses in a timely manner.

The Manager ensures that Unitholders have the opportunity to participate effectively and vote at Unitholders' meetings. Unitholders are informed of Unitholders' meetings and rules governing such meetings through notices published via SGXNet, Keppel DC REIT's website and in newspapers, as well as 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. Where a Unitholder is a relevant intermediary (including but not limited to, a nominee company, a custodian bank or a CPF agent bank), such Unitholder may appoint more than one proxy to vote on its behalf at the meeting through proxy forms sent in advance, provided that each proxy must be appointed to exercise the rights attached to a different Unit or Units held by it (which number of Units and class shall be specified). The Manager tables separate resolutions at Unitholders' meetings on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Manager explains the reasons and material implications in the notice of meeting.

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, Keppel DC REIT's AGM was convened in a wholly physical format on 19 April 2023, to provide Unitholders with the ability to participate, vote and pose questions to senior management in a clear and effective manner. At the meeting, Keppel DC REIT's performance for FY 2022 was presented, and both Board and senior management addressed questions and comments from Unitholders. Prior to the meeting, the Manager also responded to substantial and relevant questions that had been submitted by Unitholders as well as the Securities Investors Association (Singapore) (SIAS) in advance.

All AGM resolutions were polled with an independent scrutineer appointed to count and validate the AGM's votes. Results of the AGM were announced during the meeting as well as published on SGXNet and Keppel DC REIT's website. Minutes of the meeting, presentation slides as well as responses to relevant and substantial questions from Unitholders were 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 2023, as well as the attendance of each Board member, are disclosed in the table below.

The Trust Deed allows for absentia voting at general meetings by way of proxy. While the Manager has implemented absentia voting by way of proxy through the proxy forms disseminated to Unitholders, the Manager has not implemented other absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved.

The Company Secretaries prepare minutes of Unitholders' meetings, which incorporates comments or queries from Unitholders and responses from the Board and management. These minutes are published on SGXNet and 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.

Protection of Creditors' Rights

To protect creditors' rights, the Manager monitors compliance with various loan covenants as well as applicable laws and regulations, including aggregate leverage limits set out in the Property Funds Appendix. The Manager strives to diversify sources of funding, achieve a well-spread debt maturity profile to reduce concentration risks, as well as implements appropriate hedging strategies with a view to achieve good risk-adjusted returns. In addition, the Manager endeavours to secure favourable credit facilities and terms to fund operational needs as well as monitor risk exposure to ensure effectiveness of its prudent capital management strategy against evolving market conditions.

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, officers, and employees. It has also adopted the best practices on securities dealings issued by the SGX. In FY 2023, the Manager issued notices informing that the Manager and its officers must not deal in listed securities of Keppel DC REIT if they are in possession of unpublished price-sensitive information, and during the period commencing one month before the release of the half year and full year results and ending on the date of the announcement of the relevant results, this being consistent with Rule 1207(19) of the Listing Manual. The Manager's directors, officers, and employees are also informed that they should not deal in Keppel DC REIT's securities on short-term considerations.

Dealing in Securities Policy

In addition to the Insider Trading Policy, the Manager has a formal Dealing in Securities Policy, which applies to all

Director	Unitholders Meetings Attended
Ms Christina Tan	1
Mr Kenny Kwan	1
Ms Yeo Siew Eng	1
Mr Low Huan Ping	1
Mr Thomas Pang	1
Mr Lee Chiang Huat[1]	1
Dr Tan Tin Wee[1]	1
Mr Dileep Nair[1]	1
Mr Chua Soon Ghee (appointed to the Board on 1 September 2023)	–
Mr Andrew Tan (appointed to the Board on 1 September 2023)	–

1 Mr Lee Chiang Huat, Dr Tan Tin Wee and Mr Dileep Nair have stepped down as Directors.

employees and the securities accounts that employees have a beneficial interest. Pursuant to this policy, the trading of rights and the subscription of excess rights of Units are subject to trade clearance/restrictions. In general, a list of securities which employees are not allowed to trade without pre-clearance from the Keppel compliance team is maintained. All employees must check if the intended securities are listed on this restricted list before trading. The restricted list is broadcasted to all employees at the beginning of each week and as and when it is updated. The policy also informs all licensed representatives of the Manager that they are required to maintain a register of interests in securities in the prescribed form and to notify the Keppel compliance team of any changes no later than seven days after the relevant change. Upon request, licensed representatives are required to submit position statements, including the accounts which they have a beneficial interest, to facilitate reconciliation of trades executed during each period. In addition, the policy also states that all employees should not trade on short-term considerations or be engaged in same day turnaround trades or swing trading.

CONFLICTS OF INTERESTS

The Manager has instituted the following procedures to deal with potential conflicts of interests issues:

a. The Manager will not manage any other real estate investment trust which invests in the same type of properties as Keppel DC REIT.

b. All resolutions in writing of the Directors in relation to matters concerning Keppel DC REIT must be approved by at least a majority of the Directors, including at least one Independent Director.

c. At least one-third of the Board shall comprise independent Directors.

d. In respect of matters in which Keppel and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by Keppel and/or its subsidiaries to the Board to represent their interests will abstain from deliberation and voting on such matters. For such matters, the quorum must comprise a majority of the independent Directors and must exclude nominee Directors of Keppel 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 (including the 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.

The code sets out important principles to guide employees in executing their duties and responsibilities to the highest standards of business integrity, as well as issues of workplace harassment. The code encompasses topics ranging from conduct in the workplace to business conduct, including clear provisions on prohibitions against bribery and corruption, the offering and receiving of gifts, hospitality and promotional expenditures as well as conflicts of interests amongst others. 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 policy requires 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, 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.

The employee code of conduct is published on the intranet which is accessible by all employees of the Manager. New employees are briefed on the policy when they join the Manager. Subsequently, all employees are required to acknowledge and comply with 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), with one of the valuers commissioned independently by the Trustee. Each of those assets must be acquired from the Related Party at a price not more than the higher of the two assessed values, or sold to the Related Party at a price not less than the lower of the two assessed values. The ARC may further choose to appoint an independent financial adviser to evaluate and provide an opinion that the transaction is on normal commercial terms and is not prejudicial to the interests of Keppel DC REIT and the Unitholders.

The Manager maintains a register to record all Related Party transactions which are entered into by Keppel DC REIT and the bases used for evaluation, 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, 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, if any, are reported during the ARC meetings.

The ARC reviews 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

1. Audit and Risk Committee

a. Review financial statements and formal announcements relating to financial performance, and review significant financial reporting issues and judgements contained in them, for better assurance of the integrity of such statements and announcements.

b. 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).

c. 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.

d. Review the nature and extent of non-audit services performed by external auditor, to ensure their independence and objectivity and to approve their appointments.

e. 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.

f. 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.

g. 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.

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

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

j. Review the whistle-blower policy and the Manager's and Keppel DC REIT's procedures for detecting and preventing fraud, and other arrangements by which employees of the Manager and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow up action to be taken.

k. Report significant matters raised through the whistle-blowing channel to the Board.

l. 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).

m. 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).

n. Investigate any matters within the ARC's purview, whenever it deems necessary.

o. 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.

p. 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.

q. 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.

r. 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.

s. 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.

t. 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.

u. Through interactions with the Risk and Compliance Director supporting the Manager, review and oversee performance of the Manager's implementation of compliance programmes.

v. Review and monitor the Manager's approach to ensuring compliance with regulatory commitments, including progress of remedial actions where applicable.

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

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

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

z. 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.

aa. 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.

bb. i. Review the Board's comment on the adequacy and effectiveness of the Manager's and Keppel DC REIT's risk management and internal control systems and state whether it concurs with the Board's comments.

ii. 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.

cc. Ensure that the Risk and Compliance Director supporting the Manager has direct and unrestricted access to the ARC Chairman.

dd. Review the ARC's terms of reference annually and recommend any proposed changes to the Board.

ee. Perform such other functions as the Board may determine.

ff. Sub-delegate any of its powers within its terms of reference as listed above from time to time as this ARC may deem fit.

2. Nominating and Remuneration Committee

a. Recommend to the Board the appointment and re-appointment of Directors (including alternate directors, if any).

b. Annual review of the structure and size of the Board and Board committees, and the balance and mix of skills, talents, knowledge, experience, and other aspects of diversity such as gender and age.

c. 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.

d. Annual review of the independence of each Director, and to ensure that the Board comprises (i) majority non-executive Directors, and (ii) at least one-third, or (if Chairman is not independent) a majority of, independent Directors.

e. 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 Manager.

f. 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.

g. Annual assessment of the effectiveness of the Board as a whole, the Board committees and the contribution of the Chairman and individual Directors.

h. Review the succession plans for the Board (in particular, the Chairman) and key management personnel (including the CEO).

i. Review talent development plans.

j. Review the training and professional development programs for Board members. The NRC has noted that all Directors must undergo training on sustainability matters as prescribed by the SGX, and that if the NRC is of the view that training is not required because the Director has expertise in sustainability matters, the basis of its assessment must be disclosed in Keppel DC REIT's annual report.

k. 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.

l. 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.

m. 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).

n. 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.

o. 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.

p. Set performance measures and determine targets for any performance-related pay schemes.

q. Administer the Company's long-term incentive schemes in accordance with the rules of such schemes.

r. Report to the Board on material matters and recommendations.

s. Review the NRC's terms of reference annually and recommend any proposed changes to the Board for approval.

t. Perform such other functions as the Board may determine.

u. Sub-delegate any of its powers within its terms of reference as listed above, from time to time, as the NRC may deem fit.

3. Environmental, Social and Governance Committee

a. Develop and articulate Keppel DC REIT's Environmental, Social and Governance strategy.

b. Provide an oversight of sustainability initiatives across Keppel DC REIT's business operations. This includes, but is not limited to, the setting, disclosure and achievement of ESG targets, reviewing the effectiveness of the sustainability risk management framework, people development and community involvement, as well as where needed, provide oversight of and advice to the Manager's sustainability committee (which for the avoidance of doubt is a working level committee involving all relevant functions including asset management, finance, investment, investor relations, legal, portfolio management and risk and compliance).

c. Recommend management's proposals to the Board, including policies, strategies, workplans and targets pertaining to sustainability and ESG matters (collectively, "ESG Framework") and review the effectiveness of the ESG Framework benchmarked against global and local ESG trends and best practices. Keppel DC REIT's sustainability and ESG standards, which would form an integral part of Keppel DC REIT's strategies and core competencies, will drive long-term value creation.

d. Review the implementation and integration of the ESG Framework.

e. Review the adequacy of resources allocated to achieving compliance as well as strategies, workplans and targets pertaining to the ESG Framework.

f. Report to the Board on sustainability and ESG performance, incidents, rectifications, risk management and other material matters.

g. Perform such other functions as the Board may determine.

BOARD ASSESSMENT

Evaluation processes

Board and Board Committees

Each Board member is required to complete a Board Evaluation Questionnaire and send the completed Questionnaire directly to the Independent Co-ordinator. 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. 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. Based on the returns from each of the non-executive Directors, the Independent Co-ordinator prepares a consolidated report and briefs the NRC Chairman and 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 Manager.

The individual Director's performance criteria are categorised into five segments; namely, (i) interactive skills (under which factors as to whether the Director works well with other Directors, and participates actively are taken into account); (ii) 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); (iii) 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 judgement, and meeting preparation are taken into consideration); (iv) 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 (v) 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, talents 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 Policy was established and has been put in place 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. The ARC is responsible for oversight and monitoring of whistleblowing.

Reportable Conduct refers to any act or omission by a director, officer, employee of the Manager or a third party that provides services or engages in business activities on behalf of 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, including termination of employment or other contract, as the case may be.

Similarly, a person may be subject to administrative and/or disciplinary measures, including but not limited to termination of employment or contract 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 oversight of ongoing compliance with the Policy. The Head of Internal Audit reports directly to the ARC Chairman (who is an independent Director).

Reporting Mechanism

The Whistle-Blower's role is as a reporting party. Whistle-Blowers are not investigators or finders of fact, nor do they determine the appropriate corrective or remedial actions that may be warranted.

Employees are encouraged to make a report in relation to a 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 shall not, upon receiving or becoming aware of any report, take any independent action or start any investigation in connection with such report unless otherwise directed by the ARC Chairman or the Receiving Officer. If any of the persons in the reporting line prefers not to disclose the matter to the supervisor

NATURE OF CURRENT DIRECTORS' APPOINTMENTS AND MEMBERSHIP ON BOARD COMMITTEES

Director	Board Membership	ARC Membership	NRC Membership	ESGC Membership
Ms Christina Tan	Chairman and Non-Executive Director	–	Member	–
Mr Kenny Kwan	Lead Independent Director	–	Chairman (appointed as NRC Chairman on 1 November 2023)	–
Ms Yeo Siew Eng	Independent Director	Chairman (appointed as ARC Chairman on 1 September 2023)	–	-
Mr Low Huan Ping	Independent Director	Member	–	Member
Mr Chua Soon Ghee (appointed to the Board on 1 September 2023)	Independent Director	–	Member	Member
Mr Andrew Tan (appointed to the Board on 1 September 2023)	Independent Director	Member	–	–
Mr Thomas Pang	Non-Executive Director	–	–	Chairman

and/or Receiving Officer (as the case may be), 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 to allow for proper assessment of the nature, extent and urgency of preliminary investigative procedures to be undertaken.

Investigation
Every Protected Report (referring to a report made in good faith that discloses suspected Reportable Conduct) received, whether oral or written, and anonymous or otherwise, will be assessed by the Receiving Officer, who will exercise his own discretion or in consultation with the Investigation Advisory Committee, make recommendations to the ARC Chairman. Where the circumstances warrant an investigation, the ARC Chairman or the ARC (as the case may be) and the Investigation Advisory Committee (if consulted) will use their respective best endeavours to ensure there is no conflict of interests on the part of any person involved in the investigations. The Investigation Advisory Committee (comprising representatives from each of the Keppel Human Resources, Keppel Legal and Keppel Risk & Compliance departments, or such other representatives as the ARC may determine) assists the ARC Chairman with overseeing the investigation process and any matters arising therefrom or in connection therewith. The ARC Chairman will also require the matter to be reported to the authorities if a crime is involved, and/or to the relevant insurance company in accordance with the terms of the applicable insurance policies.

The Receiving Officer, in consultation with the Investigation Advisory Committee, will prepare a report on his findings including recommendations on any corrective or remedial actions to be taken, and such report shall be submitted to the ARC Chairman upon the conclusion of the investigation into any Reportable Conduct. The ARC Chairman (whether in the exercise of his own discretion or in consultation with the ARC) shall determine the adequacy of corrective or remedial actions proposed (if any).

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 shall be subject to any reprisal for having made a Protected 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.

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 and re-endorsement (as the case may be) by Unitholders at the annual general meeting to be held in 2023 is set out below.

Name of Director	Mr Thomas Pang	Mr Chua Soon Ghee	Mr Andrew Tan
Date of Appointment	18 November 2014	1 September 2023	1 September 2023
Date of last re-appointment (if applicable)	21 April 2021	N.A.	N.A.
Age	59	52	56
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The process for succession planning for the Board, appointment of directors, and the seeking of endorsement or re-endorsement of Directors to the Board, is set out in pages 165 to 169 of this Annual Report.		
Whether the appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-executive Director and Chairman of the Environmental, Social and Governance Committee	Independent Director; member of the Nominating and Remuneration Committee and member of the Environmental, Social and Governance Committee	Independent Director and Member of the Audit and Risk Committee
Professional qualifications	Bachelor of Arts (Engineering) and Master of Arts (Honorary Award), University of Cambridge	Master of Science in Electrical Engineering, Stanford University, USA; Bachelor of Science with Honors in Electrical Engineering and Economics (Double Major), California Institute of Technology (Caltech), USA	Advanced Management Programme, INSEAD Business School, Fontainebleau, France; Masters in Public Administration, Kennedy School of Government, Harvard University; Postgraduate Diploma in Business Administration, National University of Singapore; First Class Honours Degree in History from King's College, University of London, UK; Member of Singapore Institute of Directors
Working experience and occupation(s) during the past 10 years	Keppel Ltd. Chief Executive Officer, Data Centres and Networks Division From July 2023 to Current Keppel Telecommunications & Transportation Ltd Chief Executive Officer From July 2014 to Current Keppel Infrastructure Fund Management Pte. Ltd. (the trustee-manager of Keppel Infrastructure Trust) Chief Executive Officer From June 2010 to June 2014	Infocomm Media Development Authority (IMDA) Board Member, Member of Audit and Risk Committee From October 2022 to Current A.T. Kearney Pte Ltd Senior Partner, Global Talent Team From October 2019 to Current A.T. Kearney Pte Ltd Managing Partner, Head of Southeast Asia From January 2013 to September 2019	Kim Heng Ltd. Independent Director From March 2023 to Current Temasek International, Singapore Operating Partner/ Enterprise Development Group & Managing Director, Strategy Office, Institutional Relations From April 2019 to August 2022 Maritime & Port Authority of Singapore (MPA) Chief Executive From January 2014 to December 2018
Shareholding interest in the listed issuer and its subsidiaries	164,188 units in Keppel DC REIT	10,000 units in Keppel DC REIT	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes

Name of Director	Mr Thomas Pang	Mr Chua Soon Ghee	Mr Andrew Tan
Other Principal Commitments including Directorships – Past (for the last 5 years)	Various subsidiaries and associated companies of Keppel Telecommunications & Transportation Ltd and Keppel DC REIT; Keppel Capital Holdings Pte. Ltd.; SVOA Public Company Ltd	Nil	Nil
Other Principal Commitments including Directorships – Present	ADCF C Private Limited; Keppel Data Centres Pte Ltd; M1 Limited; Keppel Anhui Food Logistics Park Pte Ltd; Keppel Jilin Food Logistics Park Pte. Limited; Keppel Technology and Innovation Pte Ltd; Keppel Networks Infrastructure Pte Ltd, Computer Generated Solutions, Inc	Infocomm Media Development Authority (IMDA); A.T. Kearney Pte Ltd	Agoda Company Pte Ltd; GoTyme Bank; Singapore Management University (SMU)'s Enterprise Board
Any prior experience as a director of an issuer listed on the Exchange?	Yes	No	Yes
If yes, please provide details of prior experience	Keppel DC REIT Management Pte Ltd (the manager of Keppel DC REIT); SVOA Public Company Ltd; Keppel Telecommunications & Transportation Ltd	N.A.	Kim Heng 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.	Director is in the process of attending the Listed Entity Director Programme organised by the Singapore Institute of Directors.	N.A.
a. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
b. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
c. Whether there is any unsatisfied judgement against him?	No	No	No
d. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No

Name of Director	Mr Thomas Pang	Mr Chua Soon Ghee	Mr Andrew Tan
e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
f. Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
g. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
h. Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
i Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No

Name of Director	Mr Thomas Pang	Mr Chua Soon Ghee	Mr Andrew Tan
k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

Summary of Disclosures of CG Code

Rule 710 of the SGX Listing Manual requires Singapore listed companies to describe their corporate governance practices with specific reference to the CG Code in their annual reports for financial years commencing on or after 1 January 2019. This summary of disclosures describes our corporate governance practices with specific reference to the disclosure requirement under the CG Code.

Principles	Page Reference in this Report
BOARD MATTERS	
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Risk Management

The Manager adopts a robust approach in the identification and management of risks associated with the execution of business strategies.

Keppel DC REIT's Enterprise Risk Management ("ERM") Framework, which is a component of Keppel DC REIT's System of Management Controls, provides a holistic and systematic approach to risk management. It outlines the reporting structure, monitoring mechanisms, specific risk management processes and tools, as well as Keppel DC REIT's policies and limits in addressing and managing the identified key risks. The ERM Framework also allows Keppel DC REIT to respond promptly and effectively in the constantly evolving business landscape.

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. A robust ERM framework enables the Manager and Keppel DC REIT to manage risks systematically and remain nimble in capitalising on opportunities.

Risk assessment takes into account both the impact and likelihood of occurrence, as well as covers the strategic, investment, financial, operational, reputational and other major aspects of Keppel DC REIT's business. Tools deployed include risk matrices, key risk indicators and risk registers to assist the Manager in its risk management process.

The Board of Directors (the "Board"), supported by the Audit and Risk Committee ("ARC"), is responsible for the governance of risks and ensures that the Manager maintains a sound risk management system and internal controls to safeguard Unitholders' interests and Keppel DC REIT's assets. The Board and the ARC provide valuable advice to management in the formulation of various risk policies and procedures. Terms of reference of the ARC are disclosed on pages 181 to 182 of this Report.

The Board and management of the Manager meet quarterly, or more frequently, when necessary, to review Keppel DC REIT's performance, assess its current and emerging risks; as well as respond to feedback from the risk and compliance manager and auditors.

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

1. Risk taken should be carefully evaluated, commensurate with rewards and in line with the Manager's and 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 significant as to endanger the Manager and 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 guides the Manager and the Board in assessing the adequacy and effectiveness of the risk management system within Keppel DC REIT. In 2023, the Board, with the concurrence of the ARC, 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.

   - Insurance coverage is reviewed annually to ensure that Keppel DC REIT's assets are adequately and appropriately insured.

2. **Financing Risk**
   - Liquidity and financing risks are managed in accordance with established guidelines and policies. The Manager proactively monitors its cash flow, debt maturity profile, aggregate leverage and liquidity positions, including diversifying its funding sources and managing tenure of borrowings, to ensure a well-staggered debt maturity profile.

   - The Manager monitors its cash flows and ensures optimal cash management and sufficient working capital lines are in place to meet its financial obligations.

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 forecast foreign-sourced distributions.

4. Credit Risk
- The Manager maintains a proactive approach to monitor the credit risk exposure and ensures 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 is 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, and environmental, social and governance ("ESG") considerations.

- 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.

- Recognising that non-compliance with laws and regulations has potential significant reputational and financial impact, particular emphasis is placed on regulatory compliance in all of Keppel DC REIT's business operations.

- The Manager adopts a strong anti-corruption and anti-bribery stance and regularly communicates key policy requirements to all employees, ensuring relevant policies, processes and controls are effectively designed, managed and implemented, so that compliance risks and controls are effectively managed.

7. Climate Change
- Keppel DC REIT's climate change risk forms part of the material ESG issues addressed by the Board and the Manager. The Manager and Keppel DC REIT support the Task Force on Climate-related Financial Disclosures and incorporated its recommendations in its reporting framework.

- Sustainability is at the core of Keppel DC REIT's strategy with climate change risk reviewed and assessed within its ERM framework. The ERM framework guides the Manager and Keppel DC REIT on the processes and methods applied in identifying, assessing and managing sustainability-related risks.

- As part of climate change risk management, the Manager has embarked on assessing both physical and transition risks for Keppel DC REIT and strengthening its organisational capabilities in response. In 2022, Keppel DC REIT commenced a climate change physical risk financial impact assessment as well as a qualitative assessment of climate-related transition risks. More details are provided in the Sustainability Report 2023.

8. Cyber Security risks
- Technology, cyber security and data-related risks, including outsourced services, are a part of Keppel DC REIT's and the Manager's operational risks. The Manager recognises the criticality of global cyber threats and have established technology and cyber governance structures and frameworks to address both general technology and cyber security controls, covering key areas such as business disruption, theft/loss of confidential data and data integrity. Keppel DC REIT and the Manager continually monitors its technology and cyber security related risks.

9. Emerging Risks
- The Manager will continue to monitor evolving or emerging risks. Risks identified are considered and actions are taken to mitigate the risks as necessary.

Additional Information

INTERESTED PERSON TRANSACTIONS

The transactions entered into with interested persons during the financial year which falls under the Listing Manual of the SGX-ST and the CIS Code are as follows:

Name of Interested Persons	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$100,000)
		FY 2023 S$'000	FY 2023 S$'000
Temasek Holdings Group	"Controlling Unitholder" of the REIT and "Controlling Shareholder" of the REIT Manager		
– Rental income		18,434	NIL
– Recovery of expenses		787	NIL
Keppel Ltd. and its subsidiaries	"Controlling Unitholder" of the REIT and "Controlling Shareholder" of the REIT Manager		
– Variable rental income		85,930	NIL
– Facility management fees and property management fees and reimbursables		4,454	NIL
– Manager's management fees		26,807	NIL
– Project management fees		60	NIL
– Support services fees		1,863	NIL
– Recovery of expenses		1,002	NIL
Perpetual (Asia) Limited			
– Trustee fees	"Trustee" of the REIT	456	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.

In accordance with Rule 906(1) of the Listing Manual, the below interested person transactions have not been computed as a percentage of the net assets of Keppel DC REIT for purposes of Rule 906(1) because the following transactions have been approved or have been deemed approved by Unitholders:

a. Aggregate variable rental income amount of S$85,930,000, comprising:

   i. the lease agreements (each for a period of 10 years) for Keppel DC Singapore 1 and Keppel DC Singapore 2 deemed approved by the Unitholders upon subscription of Units and are therefore not subject to Rule 906 by way of disclosure in the prospectus of Keppel DC REIT dated 5 December 2014;

   ii. 90% (representing Keppel DC REIT's ownership interest in the property) of the lease agreement for Keppel DC Singapore 3 (for a period of 10 years) approved by Unitholders by way of an extraordinary general meeting held on 7 November 2016 pursuant to the circular dated 18 October 2016 in connection with the acquisition of an interest in Keppel DC Singapore 3;

   iii. 99% (representing Keppel DC REIT's ownership interest in the property) of the lease agreement for Keppel DC Singapore 4 (for a period of 10 years) approved by Unitholders by way of an extraordinary general meeting held on 23 October 2019 pursuant to the circular dated 8 October 2019 in connection with, among others, the acquisition of an interest in Keppel DC Singapore 4; and

   iv. 99% (representing Keppel DC REIT's ownership interest in the property) of the lease agreement for Keppel DC Singapore 5 (this concerns a 9-year renewal of the lease) approved by Unitholders by way of an extraordinary general meeting held on 16 April 2019 pursuant to the circular dated 25 March 2019 in connection with, among others, the renewal of the Keppel DC Singapore 5 lease.

b. Rental income amounting to S$18,434,000 arising from the master lease entered into by the company holding DC1 ("DC1PL"). As disclosed in the circular to the Unitholders dated 8 October 2019, Keppel DC REIT acquired 100% of the interest in DC1PL and in accordance with the Listing Manual and the aforementioned circular, the existing master lease is deemed approved by Unitholders and need not be included in any subsequent aggregation for purposes of Rule 906(1) of the Listing Manual.

c. Investment in notes and preference shares in a joint venture and total interest income receivable from a joint venture amounting to an aggregate of S$166,000,000, approved by Unitholders by way of an extraordinary general meeting held on 2 December 2021 pursuant to the circular dated 10 November 2021.

As Unitholders' approval has been obtained or have been duly deemed obtained in connection with the foregoing transactions, these are excluded for the purposes of Listing Rule 906(1)(b) and it is therefore noted that Keppel DC REIT has not exceeded the threshold stipulated in Listing Rule 906(1).

Subscription of Keppel DC REIT Units

During the financial year ended 31 December 2023, Keppel DC REIT issued 2,779,796 new Units to the Manager as payment of 100% of the base and performance fees in respect of Intellicentre Campus in Australia, Amsterdam Data Centre and Eindhoven Campus in the Netherlands, Guangdong Data Centre 1, Guangdong Data Centre 2 and the shell and core building of Guangdong Data Centre 3 in China, and London Data Centre in the United Kingdom and 50% of the base and performance fees in respect of 99% interest in Keppel DC Singapore 5 for the period from 1 October 2022 to 30 September 2023 at issue prices ranging from S$1.8273 – S$2.1181 per Unit.

Statistics of Unitholdings

As at 27 February 2024

ISSUED AND FULLY PAID UNITS

1,722,623,042 Units (Voting rights: 1 vote per Unit)

There is only one class of Units in Keppel DC REIT.

Market capitalisation of S$2,962,911,632 based on market closing price of S$1.720 per Unit on 27 February 2024.

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 – 99	175	0.68	6,739	0.00
100 – 1,000	4,043	15.75	2,944,382	0.17
1,001 – 10,000	15,942	62.11	74,612,732	4.33
10,001 – 1,000,000	5,478	21.34	187,399,628	10.88
1,000,001 and above	29	0.12	1,457,659,561	84.62
Total	**25,667**	**100.00**	**1,722,623,042**	**100.00**

TWENTY LARGEST UNITHOLDERS

No.	Name	No. of Units	%
1.	Keppel DC Investment Holdings Pte. Ltd.	336,131,978	19.51
2.	Citibank Nominees Singapore Pte Ltd	320,615,123	18.61
3.	DBS Nominees (Private) Pte Ltd	205,305,482	11.92
4.	HSBC (Singapore) Nominees Pte Ltd	169,196,506	9.82
5.	Raffles Nominees (Pte.) Limited	141,467,958	8.21
6.	DBSN Services Pte. Ltd.	115,064,179	6.68
7.	BPSS Nominees Singapore (Pte.) Ltd.	29,302,301	1.70
8.	United Overseas Bank Nominees (Private) Limited	18,415,590	1.07
9.	Phillip Securities Pte Ltd	17,145,261	1.00
10.	Keppel DC Reit Management Pte. Ltd.	13,422,202	0.78
11.	OCBC Nominees Singapore Private Limited	11,567,382	0.67
12.	iFAST Financial Pte. Ltd.	11,136,492	0.65
13.	ABN AMRO Clearing Bank N.V.	10,848,484	0.63
14.	OCBC Securities Private Limited	9,879,550	0.57
15.	DB Nominees (Singapore) Pte Ltd	7,972,200	0.46
16.	Moomoo Financial Singapore Pte. Ltd.	7,714,700	0.45
17.	UOB Kay Hian Private Limited	7,100,006	0.41
18.	Tiger Brokers (Singapore) Pte. Ltd.	6,077,782	0.35
19.	Maybank Securities Pte. Ltd.	3,399,714	0.20
20.	BNP Paribas Nominees Singapore Pte. Ltd.	3,185,940	0.18
	Total	**1,444,948,830**	**83.87**

THE MANAGER'S DIRECTORS' UNITHOLDINGS

Based on the Register of Directors' Unitholdings maintained by the Manager, as at 21 January 2024, the direct and deemed interests of each Director of Keppel DC REIT Management Pte. Ltd. in the Units in Keppel DC REIT are set out below. As at 21 January 2024, there are no convertible securities in Keppel DC REIT.

Name of Director	No. of Units
Ms Christina Tan	55,250 (Direct)
Mr Kenny Kwan	27,600 (Direct)
Ms Yeo Siew Eng	1,200 (Direct)
Mr Low Huan Ping	28,800 (Direct)
Mr Chua Soon Ghee	10,000 (Direct)
Mr Andrew Tan	Nil
Mr Thomas Pang	164,188 (Direct)

SUBSTANTIAL UNITHOLDERS

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Manager, as at 27 February 2024, 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	376,334,043 (Deemed)[1]	21.84
Keppel Ltd.	349,554,180 (Deemed)[2]	20.29
Keppel Telecommunications & Transportation Ltd	336,131,978 (Deemed)[3]	19.51
Keppel DC Investment Holdings Pte. Ltd.	336,131,978 (Direct)	19.51

Notes:

1 Temasek Holdings (Private) Limited's deemed interest arises from the deemed interest held by Keppel Ltd. and other subsidiaries and associated companies of Temasek Holdings (Private) Limited.

2 Keppel 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, which is in turn a subsidiary of Keppel Ltd. and (ii) Keppel DC REIT Management Pte. Ltd., a wholly-owned subsidiary of Keppel Capital Holdings Pte. Ltd., which is in turn a subsidiary of Keppel Ltd.

3 Keppel Telecommunications & Transportation Ltd's deemed interest arises from its shareholding in Keppel DC Investment Holdings Pte. Ltd., a wholly-owned subsidiary of Keppel Telecommunications & Transportation Ltd.

PUBLIC UNITHOLDERS

Based on the information available to the Manager as at 27 February 2024, approximately 78.13% of the issued Units in Keppel DC REIT are 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 are at all times held by the public.

TREASURY UNITS

As at 27 February 2024, there are no treasury units held by Keppel DC REIT or the Manager.

Financial Calendar

Financial Year Ended 31 December 2023	
First Quarter 2023 Key Business and Operational Updates	18 April 2023
Annual General Meeting	19 April 2023
First Half 2023 Results Announcement	24 July 2023
Distribution for 1 January 2023 to 30 June 2023	14 September 2023
Third Quarter 2023 Key Business and Operational Updates	16 October 2023
Full Year 2023 Results Announcement	26 January 2024
Distribution for 1 July 2023 to 31 December 2023	11 March 2024

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 at Suntec Singapore Convention and Exhibition Centre, Nicoll 2-3, Level 3, 1 Raffles Boulevard Suntec City, Singapore 039593 (see Explanatory Notes 1 to 11) on **Wednesday, 17 April 2024 at 10.30 a.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 2023 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 endorse and 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**") to the Trustee:

   a. Mr Thomas Pang; **Ordinary Resolution 3**

   b. Mr Chua Soon Ghee; and **Ordinary Resolution 4**

   c. Mr Andrew Tan. **Ordinary Resolution 5**

   (Please see Explanatory Note 10)

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: **Ordinary Resolution 6**

   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 (collectively, "**Instruments**") that would or might require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, securities, warrants, debentures or other instruments convertible into Units,

   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. (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force,

   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 (excluding treasury Units and subsidiary holdings, if any) in each class (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 (excluding treasury Units and subsidiary holdings, if any) in each class (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 (excluding treasury Units and subsidiary holdings, if any) shall be calculated based on the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) at the time this Resolution is passed, after adjusting for:

   a. any new Units arising from the conversion or exercise of any Instruments 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 for the time being in force (the "**Listing Manual**") (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**") (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 law or 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, as the case may be, 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.

(Please see Explanatory Note 11)

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 10.30 a.m. on 3 April 2024. 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.
(UEN: 199508930C)
As Manager of Keppel DC REIT

Chiam Yee Sheng/Darren Tan
Company Secretaries
Singapore
26 March 2024

Explanatory notes:

1. This AGM is being convened and will be held in a wholly physical format, at Suntec Singapore Convention and Exhibition Centre, Nicoll 2-3, Level 3, 1 Raffles Boulevard Suntec City, Singapore 039593 on Wednesday, 17 April 2024 at 10.30 a.m. **There will be no option for Unitholders to participate virtually.** In addition to printed copies of the Notice of AGM and the accompanying proxy form that will be sent to Unitholders, this Notice of AGM and the accompanying proxy form will also be sent to Unitholders by electronic means via publication on Keppel DC REIT's website at **https://www.keppeldcreit.com/en/investor-relations/agmegm-information/** and SGXNet.

2. Investors holding Units through relevant intermediaries ("**Investors**") (other than investors holding Units through the Central Provident Fund ("**CPF**") or Supplementary Retirement Scheme ("**SRS**") ("**CPF/SRS investors**")) and who wish to participate in the AGM by (i) attending the AGM in person; (ii) submitting questions to the Manager in advance of, or at, the AGM; and/or (iii) voting at the AGM (A) themselves; or (B) by appointing the Chairman as proxy in respect of the Units held by such relevant intermediary on their behalf, should contact the relevant intermediary through which they hold such Units as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

   In this Notice of AGM, a "**relevant intermediary**" means:

   a. a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   b. a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds Units in that capacity; or

   c. the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953, 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 CPF, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. Arrangements relating to:

   a. attendance at the AGM by Unitholders, including CPF and SRS investors;

   b. submission of questions to the Manager in advance of, or at, the AGM, and addressing of substantial and relevant questions in advance of, or at, the AGM; and

   c. voting at the AGM by Unitholders, including CPF and SRS investors, or (where applicable) their duly appointed proxy,

   are set out in the accompanying announcement dated 26 March 2024. This announcement may be accessed at Keppel DC REIT's website at **https://www.keppeldcreit.com/en/investor-relations/agmegm-information/** and SGXNet.

4. A proxy need not be a Unitholder. A Unitholder can appoint the Chairman as his/her/its proxy, but this is not mandatory.

   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/en/investor-relations/agmegm-information/** and 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.

   A Unitholder who is not a relevant intermediary is entitled to appoint not more than two proxies. A Unitholder who is a relevant intermediary may appoint more than two proxies to exercise all or any of its rights to attend, speak and vote at the AGM. In any case where a proxy form appoints more than one proxy, the proportion of the holding of Units concerned to be represented by each proxy shall be specified in the proxy form. If no proportion is specified, the Manager shall be entitled to treat the first named proxy as representing the entire Unitholding and any second named proxy as an alternate to the first named or at the Manager's option to treat this proxy form as invalid.

5. **A 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 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   b. if submitted electronically, be submitted via email to keppel@boardroomlimited.com,

   in either case, by **10.30 a.m.** on **14 April 2024**, **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.

6. 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.

   CPF/SRS investors may appoint Chairman as proxy to vote on his/her behalf at the AGM, in which case he/she should approach his/her respective CPF bank or SRS operator to specify his/her voting instructions by 5.00 p.m. on 4 April 2024, being 7 working days before the date of the AGM.

   An Investor (other than CPF/SRS investors) who wishes to vote should instead approach his/her/its relevant intermediary as soon as possible, and by no later than 5.00 p.m. on 4 April 2024 to specify his/her/its voting instructions, including but not limited to, whether he/she/it wishes to vote at the AGM.

7. **All Unitholders and Investors may also submit questions relating to the business of this AGM no later than 10.30 a.m. on 3 April 2024:**

   a. by email to **investor.relations@keppeldcreit.com**; or

   b. by post to the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

   The Manager will answer all substantial and relevant questions received prior to **10.30 a.m.** on **3 April 2024** through the publication of its responses on Keppel DC REIT's website and on SGXNet prior to the AGM.

8. All documents (including Keppel DC REIT's Annual Report 2023, the updated unitholding statistics as at 27 February 2024, 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/en/investor-relations/agmegm-information/**. **Printed copies of Keppel DC REIT's Annual Report 2023 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.

10. **Ordinary Resolutions 3, 4 and 5**

Keppel Capital 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 or Keppel Capital 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 continues to hold shares in the Manager; and

- Keppel DC REIT Management Pte. Ltd. remains as the manager of Keppel DC REIT.

As the appointment of Mr Thomas Pang was last endorsed by Unitholders on 21 April 2021, the Manager is seeking the re-endorsement of the appointment of Mr Thomas Pang at the AGM to be held in 2024. In addition, as Mr Chua Soon Ghee and Mr Andrew Tan were appointed to the Board of Directors on 1 September 2023, the Manager is also seeking endorsements of the appointments of Mr Chua Soon Ghee and Mr Andrew Tan at this AGM.

Detailed information on Mr Thomas Pang, Mr Chua Soon Ghee and Mr Andrew Tan can be found in the "Board of Directors" section in Keppel DC REIT's Annual Report 2023.

Mr Thomas Pang will, upon re-endorsement, continue to serve as non-executive Director and Chairman of the Environmental, Social and Governance Committee. Mr Chua Soon Ghee will, upon endorsement, continue to serve as an Independent Director, member of the Nominating and Remuneration Committee and member of the Environmental, Social and Governance Committee. Mr Andrew Tan will, upon endorsement, continue to serve as an Independent Director and member of the Audit and Risk Committee.

11. **Ordinary Resolution 6**

Ordinary Resolution 6 above, if passed, will empower the Manager from the date of this AGM until (i) the conclusion of the next AGM of Keppel DC REIT; (ii) the date on which the next AGM of Keppel DC REIT is required by law or 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 (excluding treasury Units and subsidiary holdings, if any) in each class, of which up to 20% may be issued other than on a pro rata basis to Unitholders.

Ordinary Resolution 6 above, if passed, will empower the Manager to issue Units, during the Mandated Period, as either full or partial payment of fees which the Manager is entitled to receive for its own account pursuant to the Trust Deed.

For determining the aggregate number of Units that may be issued, the percentage of issued Units (excluding treasury Units and subsidiary holdings, if any) will be calculated based on the total number of issued Units at the time Ordinary Resolution 6 above is passed, after adjusting for new Units arising from the conversion or exercise of any Instrument which were issued and are outstanding or subsisting at the time Ordinary Resolution 6 is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Fund raising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual, the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

Personal Data Privacy:
By (i) submitting any question prior to or at the AGM; and/or (ii) submitting a proxy form appointing a proxy(ies) and/or a representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder (A) 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 proxies and representatives appointed 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, takeover rules, regulations and/or guidelines (collectively, the "**Purposes**"), (B) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or its agents or service providers), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (C) agrees to provide the Manager and the Trustee with written evidence of such prior consent upon reasonable request.

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, in a wholly physical format, at Suntec Singapore Convention and Exhibition Centre, Nicoll 2-3, Level 3, 1 Raffles Boulevard Suntec City, Singapore 039593 on Wednesday, 17 April 2024 at 10.30 a.m. **There will be no option for unitholders of Keppel DC REIT ("Unitholders") to participate virtually**. In addition to printed copies of the Notice of AGM and this Proxy Form that will be sent to Unitholders, Unitholders can also access the Notice of AGM and this Proxy Form on Keppel DC REIT's website at https://www.keppeldcreit.com/en/investor-relations/agmegm-information/ and SGXNet.
2. Arrangements relating to attendance at the AGM by Unitholders (including investors holding Units through Central Provident Fund ("**CPF**") or Supplementary Retirement Scheme ("**SRS**") ("**CPF/SRS investors**")), submission of questions to the Manager prior to the AGM or at the AGM, addressing of substantial and relevant questions prior to the AGM or at the AGM and voting at the AGM by Unitholders (including CPF or SRS investors) or, where applicable, by appointing a proxy to vote on his/her/its behalf at the AGM, are set out in the Notice of AGM and the accompanying announcement dated 26 March 2024. This announcement may be accessed at Keppel DC REIT's website at https://www.keppeldcreit.com/en/investor-relations/agmegm-information/ and SGXNet.
3. This Proxy Form is not valid for use by investors holding units in Keppel DC REIT ("**Units**") through relevant intermediaries ("**Investors**") (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. Such Investors (including CPF/SRS investors) should refer instead to the instructions set out in the Notice of AGM and the accompanying announcement dated 26 March 2024. An Investor (other than a CPF/SRS investor) who wishes to vote should instead approach his/her relevant intermediary as soon as possible, and no later than 5.00 p.m. on 4 April 2024 to make the necessary arrangements.
4. **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 26 March 2024.
5. **Please read the notes overleaf which contain instructions on, inter alia, the appointment of proxies to vote on his/her/its behalf at the AGM.**

ANNUAL GENERAL MEETING

I/We ____ (Name(s))

____ (NRIC/Passport/Company Registration Number(s))

____ (Address)

being a Unitholder/Unitholders of Keppel DC REIT, hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Unitholdings	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of Unitholdings	
			No. of Units	%

or failing him/her, or if no persons are named above, the Chairman of the Annual General Meeting (the "**Chairman**"), as my/our proxy/proxies to attend, speak and vote on my/our behalf at the Annual General Meeting of Keppel DC REIT ("**AGM**") to be convened and held on Wednesday, 17 April 2024 at 10.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies (other than the Chairman) will vote or abstain from voting at his/her/their discretion, as he/she/they may determine on any other matter arising at the AGM. In the absence of specific directions in respect of a resolution, any appointment of the Chairman as proxy for that resolution will be treated as invalid.

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 2023 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 Mr Thomas Pang as Director.			
4.	To endorse the appointment of Mr Chua Soon Ghee as Director.			
5.	To endorse the appointment of Mr Andrew Tan as Director.			
	Special Business			
6.	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.

Dated this ______________ day of ______________ 2024

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 2001 and maintained by The Central Depository (Pte) Limited ("**CDP**")), he/she should insert that number of Units. If the Unitholder has Units registered in his/her name in the Register of Unitholders of Keppel DC REIT, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders, he/she should insert the aggregate number of Units. If no number is inserted, this Proxy Form will be deemed to relate to all the Units held by the Unitholder.

2. A proxy need not be a Unitholder. A Unitholder can appoint the Chairman as his/her/its proxy. 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. CPF/SRS investors may appoint the Chairman may as proxy to vote on his/her behalf at the AGM, in which case he/she should approach his/her respective CPF bank or SRS operator to specify his/her voting instructions by 5.00 p.m. on 4 April 2024, being 7 working days before the date of the AGM. An Investor (other than CPF/SRS investors) who wishes to vote should instead approach his/her/its relevant intermediary as soon as possible, and by no later than 5.00 p.m. on 4 April 2024 to specify his/her/its voting instructions, including but not limited to, whether he/she/it wishes to vote at the AGM.

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 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   b. if submitted electronically, be submitted via email to keppel@boardroomlimited.com,

   in either case, by **10.30 a.m.** on **14 April 2024**, being **72 hours before the time appointed for holding this AGM**.

Fold along this line (1)

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.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

Fold along this line (2)

5. 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.

6. Completion and return of the Proxy Form shall not preclude a Unitholder from attending and voting at the AGM. Any appointment of a proxy shall be deemed to be revoked if a Unitholder attends the AGM.

7. The Proxy Form shall be in writing, under the hand of the appointor or of his/her attorney duly authorised in writing or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised. The Manager and the Trustee shall have the right to reject a Proxy Form which has not been properly completed. In determining the rights to vote and other matters in respect of a completed Proxy Form submitted to it, the Manager and the Trustee shall have regard to any instructions and/or notes set out in the Proxy Form.

8. 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 notarially 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.

9. The Proxy Form and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at such place as the Manager may in the notice convening the meeting direct, or if no such place is appointed, then at the registered office of the Manager not less than 72 hours before the time appointed for holding the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the person named in the Proxy Form proposes to vote and in default the Proxy Form shall not be treated as valid. No Proxy Form shall be valid after the expiration of 12 months from the date named in it as the date of its execution.

10. Any reference to a time of day is made by reference to Singapore time.

General:
The Manager and the Trustee shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in 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/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by the CDP to the Manager.

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